

2025 ANNUAL REPORT



CONTENTS

The Company

- 1 2025 at a glance
- 4 Foreword
- 12 Report of the Supervisory Board
- 20 Our Management Board
- 22 What drives us
- 23 Shaping our future

24 Shares and bonds

Combined management report

- 35 Corporate governance
- 70 Fundamental principles of the Group
- 79 Economic report
- 120 Henkel AG & Co. KGaA
(condensed version according to
the German Commercial Code [HGB])
- 128 Risks and opportunities report
- 146 Forecast
- 149 Sustainability statement

Consolidated financial statements

- 340 Consolidated statement of financial position
- 342 Consolidated statement of income
- 343 Consolidated statement of comprehensive income
- 344 Consolidated statement of changes in equity
- 346 Consolidated statement of cash flows
- 348 Notes to the consolidated financial statements
- 457 Subsequent events
- 458 Recommendation for the approval of
the annual financial statements and
the appropriation of the profit of
Henkel AG & Co. KGaA
- 459 Corporate bodies of Henkel AG & Co. KGaA

Further information

- 466 Independent Auditor's Report
- 475 Assurance report on the sustainability statement
- 479 Responsibility statement
- 480 Quarterly breakdown of sales
- 481 Multi-year summary
- 483 Glossary
- 487 Credits / Legal
- 488 Contacts
- 488 Financial calendar

Note: All individual figures in this report have been commercially rounded. Addition may result in deviations from the totals indicated.

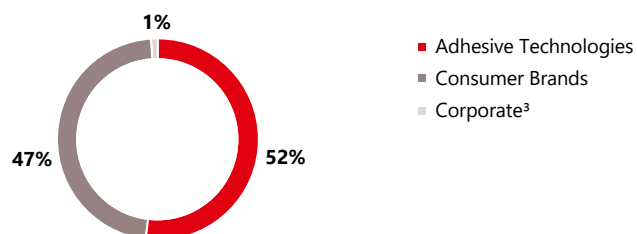
2025 AT A GLANCE

Key financials

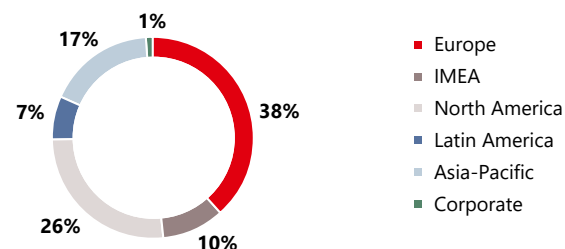
in million euros	2021	2022	2023	2024	2025	+/-
Sales	20,066	22,397	21,514	21,586	20,495	-5.1%
Operating profit (EBIT)	2,213	1,810	2,011	2,831	2,816	-0.5%
Adjusted ¹ operating profit (adjusted EBIT)	2,686	2,319	2,556	3,089	3,026	-2.0%
Return on sales (EBIT margin)	11.0%	8.1%	9.3%	13.1%	13.7%	0.6pp
Adjusted ¹ return on sales (adjusted EBIT margin)	13.4%	10.4%	11.9%	14.3%	14.8%	0.5pp
Net income	1,629	1,253	1,340	2,032	2,058	1.3%
Attributable to non-controlling interests	-5	-5	22	25	23	-
Attributable to shareholders of Henkel AG & Co. KGaA	1,634	1,259	1,318	2,007	2,035	1.4%
Earnings per preferred share (EPS) in euros	3.78	2.95	3.15	4.80	4.92	2.5%
Adjusted ¹ earnings per preferred share (adjusted EPS) in euros	4.56	3.90	4.35	5.36	5.33	-0.6%
Return on capital employed (ROCE)	11.0%	8.2%	9.4%	12.9%	12.9%	0.0pp
Adjusted ¹ return on capital employed (adjusted ROCE)	13.3%	10.5%	12.0%	14.0%	13.8%	-0.2pp
Dividend per ordinary share in euros	1.83	1.83	1.83	2.02	2.05²	1.5%
Dividend per preferred share in euros	1.85	1.85	1.85	2.04	2.07²	1.5%

pp = percentage points

Sales by business unit 2025



Sales by region 2025



¹ Adjusted for one-time expenses and income, and for restructuring expenses.

² Proposal to shareholders for the Annual General Meeting on April 27, 2026.

³ Sales and services not assignable to the individual business units.

0.9%

Organic sales growth

14.8%

Adjusted¹ EBIT margin

€5.33

Adjusted¹ EPS

+4.7%

Development of adjusted¹ EPS at constant exchange rates

€2.07

Dividend per preferred share²

ADHESIVE TECHNOLOGIES

Our top brands

LOCTITE

TECHNOMELT

BONDERITE

Key financials

in million euros	2024	2025	+/-
Sales	10,970	10,667	-2.8%
Proportion of Henkel sales	51%	52%	–
Operating profit (EBIT)	1,715	1,680	-2.1%
Adjusted ¹ operating profit (adjusted EBIT)	1,817	1,779	-2.1%
Return on sales (EBIT margin)	15.6%	15.8%	0.1pp
Adjusted ¹ return on sales (adjusted EBIT margin)	16.6%	16.7%	0.1pp
Return on capital employed (ROCE)	16.4%	15.9%	-0.6pp
Adjusted ¹ return on capital employed (adjusted ROCE)	17.4%	16.8%	-0.6pp
Economic Value Added (EVA®)	515	463	-10.1%

¹ Adjusted for one-time expenses and income, and for restructuring expenses.

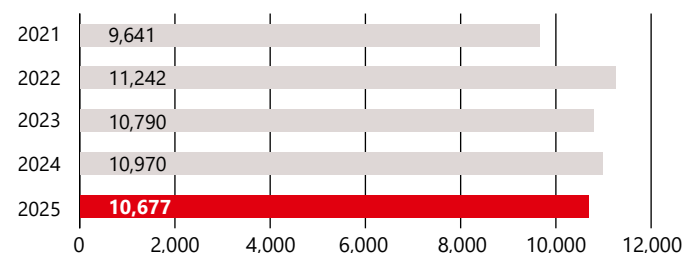
pp = percentage points

Organic sales growth

1.5%

Sales performance Adhesive Technologies

in million euros



CONSUMER BRANDS

Our top brands


Schwarzkopf





Key financials

in million euros	2024	2025	+/-
Sales	10,467	9,677	-7.5%
Proportion of Henkel sales	48%	47%	-
Operating profit (EBIT)	1,276	1,311	2.7%
Adjusted ¹ operating profit (adjusted EBIT)	1,419	1,400	-1.3%
Return on sales (EBIT margin)	12.2%	13.6%	1.4pp
Adjusted ¹ return on sales (adjusted EBIT margin)	13.6%	14.5%	0.9pp
Return on capital employed (ROCE)	11.1%	11.7%	0.6pp
Adjusted ¹ return on capital employed (adjusted ROCE)	12.3%	12.5%	0.1pp
Economic Value Added (EVA®)	415	413	-0.5%

¹ Adjusted for one-time expenses and income, and for restructuring expenses.

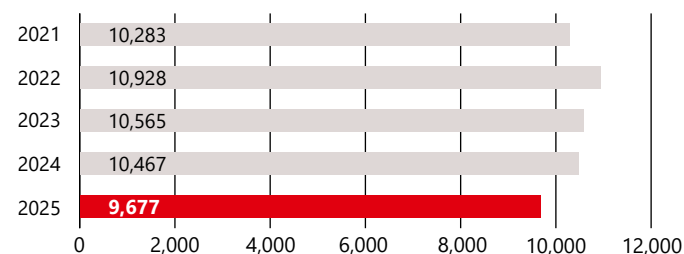
pp = percentage points

Organic sales growth

0.3%

Sales performance Consumer Brands

in million euros





“Building on the strong foundation of 150 years of heritage, we are shaping our successful future – driven by the pioneering spirit that has always defined Henkel.”

CARSTEN KNOBEL
CHAIR OF THE MANAGEMENT BOARD

Dear Shareholders and Friends of the Company,

Fiscal year 2025 was once again marked by major challenges, including geopolitical tensions, wars and military conflicts in various regions. In addition, protectionist developments led to higher tariffs and trade barriers. The resulting economic uncertainty weakened consumer sentiment and industrial demand alike. These developments will continue to weigh on economic momentum in 2026.

Despite these difficult conditions, we succeeded in moving Henkel forward in fiscal year 2025. We achieved or even exceeded key targets, continued to drive the transformation of our Company forward with determination, and underpinned our progress with solid financial numbers.

The results for 2025 clearly demonstrate that we are on the right path with our strategy for sustainable, purposeful growth effectively positioning the Company for the future.

Solid business performance and significant improvement in earnings

Group sales in fiscal 2025 amounted to around 20.5 billion euros. This corresponds to a positive organic **sales growth** of 0.9 percent, i.e. excluding acquisitions and divestments and currency effects. Both of our business units, Adhesive Technologies and Consumer Brands, achieved organic sales growth in a challenging market environment.

In nominal terms, sales development was below the prior-year level. This was primarily due to strong **negative currency effects**, in particular the depreciation of the US dollar. Portfolio measures also had a negative impact, which was primarily attributable to the sale of the retail brands business in North America in the Consumer Brands business unit.

Adjusted operating **profit** (adjusted EBIT) was slightly below the previous year's level at around 3 billion euros due to significantly negative exchange rate effects. We made very good progress in terms of profitability. Adjusted **return on sales** (adjusted EBIT margin) rose to 14.8 percent, representing a gain of 0.5 percentage points versus prior year. Adjusted **earnings per preferred share** (EPS) amounted to 5.33 euros, which corresponds to an increase of around 4.7 percent at constant exchange rates.

This **significant improvement in earnings** was achieved in both business units through further innovations, continued cost-saving measures and efficiency improvements in purchasing, production and the supply chain, as well as a positive business mix. In addition, the increase in the Consumer Brands business unit was driven by the completion of the integration process, continued savings and the further enhancement of the product portfolio.

It is important to note that these excellent results were not achieved at the expense of investments in our brands and businesses. On the contrary, in the past fiscal year, we once again **invested heavily in the future** of both business units – in strengthening our brands, in innovation, and in sustainability and digitalization. We have thus further enhanced the high quality of our earnings statement.

Free cash flow amounted to 1.85 billion euros. Our **net financial position** – despite payments for dividends and arising from the share buyback program – was positive and above the previous year's level at 109 million euros.

Based on our successful business and earnings development, as well as our strong financial foundation, we will – at the Annual General Meeting scheduled for April 27, 2026 – propose to you, our shareholders, a **dividend** increase of 1.5 percent compared to the previous year, amounting to 2.07 euros per preferred share and 2.05 euros per ordinary share.

This corresponds to a payout ratio of 37.9 percent, which is within our targeted range of 30 to 40 percent of net income after non-controlling interests and adjustment for exceptional items.

I would like to **thank all Henkel employees for their outstanding performance**. Through their teamwork and extraordinary commitment, we have once again successfully guided our Company through a challenging year.

The dedication and motivation of our employees, driven by a shared purpose, our core values, and an inspiring culture, make us very confident – even in these challenging times – that Henkel is heading for a successful future.

Major progress in the process of transformation

Over recent years, we have fundamentally renewed our Company across many areas and have consistently pursued our strategic agenda for purposeful growth. A key factor in our long-term success is our willingness to continuously evolve and to actively shape **change**. We pursue holistic, profitable growth and aim to strengthen our results sustainably. To achieve this, it is necessary for us to realign ourselves time and again – and that is exactly what we are doing. This applies across all areas of our Company. In the following, I would like to explain what **progress** we have made and why these developments are so decisive for our future strength.

One of the most significant changes in Henkel's recent history was the consolidation of our Consumer businesses into the **Consumer Brands** business unit, which we announced at the beginning of 2022. Since then, a great deal has happened. The new business unit has been fully operational since the beginning of 2023, and clear positive effects were already visible in its first year. In fiscal year 2025, we successfully completed the **integration** process. We completed the first phase in 2024, which primarily involved merging the sales and marketing teams. The second phase focused on further cost savings through optimizing the production and logistics network. Overall, we were able to slightly exceed the originally targeted annual savings of 525 million euros by the end of fiscal year 2025 across both phases. This successfully completed the integration of the Consumer Brands business unit – one year ahead of the original target.

In fiscal year 2025, the Consumer Brands business unit generated sales of around 9.7 billion euros. This corresponds to an organic sales growth of 0.3 percent. The increase was driven both by a strong pricing environment and by improved volume development in the second half of the year. Adjusted return on sales reached 14.5 percent, a significant increase of 0.9 percentage points compared to the previous year. This strong improvement in earnings was driven in particular by the continued enhancement and optimization of the product portfolio, i.e. the targeted increase in the added value of our products for consumers, as well as by savings from the creation of the integrated Consumer Brands business unit – primarily through the measures implemented in the second phase to optimize the production and logistics network. Increased volume sales of higher-margin products also had a positive impact.

The importance of consolidating our Consumer businesses becomes particularly clear when looking at our performance over the past three years – that is, since the new business unit was established. In fiscal year 2022, the combined adjusted return on sales of the related businesses stood at 8.3 percent. By the end of fiscal 2025, this figure had increased to 14.5 percent. This

represents an improvement of 6.2 percentage points over the three years – a period which also saw significantly increasing investments in our brands and innovation capabilities within this business unit.

This demonstrates that consolidating the previously separate Consumer businesses onto a single platform was the right decision.

Today, we are vigorously aligning Consumer Brands toward strong brands and businesses that have high gross margins and leading positions in its markets and categories – hence the sale of our retail brands business in North America, which we successfully completed in spring 2025. The positive effects of focusing on high-growth and high-margin brands and businesses are readily apparent: The top ten brands within Consumer Brands, which accounted for nearly 60 percent of the revenue in 2025, posted very strong organic growth, along with a positive increase in volume.

In a highly competitive consumer goods market, **innovation** is a key success factor for differentiation. Our approximately 1,000 research and development experts within Consumer Brands are working intensively on innovations that provide real added value to consumers. Fiscal 2025 saw us once again successfully launch numerous new products. One example is the new Creme Supreme hair colorant from Schwarzkopf. Concerns about potential hair damage are the most common reason why many consumers are reluctant to color their hair at home. Inspired by professional salon applications, we have therefore developed Creme Supreme, a new technology that strengthens and nourishes the hair structure through micro-bonding. These micro-bonds hold the hair fibers together more effectively and form a special protective layer around the hair, resulting in significantly less hair breakage.

The “House of Hair” concept also plays an important role in the development of innovations in the Hair category. As of March 2025, we have consolidated all areas of our hair cosmetics business in Hamburg at one site. This has created a creative campus dedicated to hair, where we combine everything that is decisive for the future of hair care under one roof: Research and development, testing salons, marketing, and the Academy of Hair. Here, more than 300 experts work hand-in-hand to develop products that are not only innovative but also closely aligned with consumer needs. In addition to Hamburg, there are four other locations – Los Angeles, Tokyo, Shanghai, and Guadalajara. Each site plays an important role in the customer-oriented development of innovative products.

To enable **sustainable consumption** and further contribute to the circular economy, we have continuously increased the proportion of recycled materials in the packaging of liquid detergents and products in the Hair category in Europe – for example, in well-known brands such as Persil, Weißer Riese, Spee and Gliss. In Europe, we use 45 percent recycled material for our consumer goods packaging. In North America, the recycled plastic content in the bottle body of the liquid hand soap brand Dial has been increased to 100 percent.

We also use ingredients that are based on sustainable raw materials.

The overall very positive development of the Consumer Brands business unit proves that consolidating our consumer goods businesses into one entity, consistently optimizing the portfolio, and thus creating a strong platform for future profitable growth was the right decision for Henkel.

The **Adhesive Technologies** business unit also posted a very positive business performance overall last year. We offer around 20,000 products and solutions for some 100,000 customers worldwide in a variety of industrial segments. This gives us a unique position in the market – in terms of diversity and depth, of our global presence and in terms of the expertise and competence of our teams, with their capability to develop tailored solutions for our customers and thus further strengthen our leading market position.

The three business areas Mobility & Electronics, Packaging & Consumer Goods, and Craftmen, Construction & Professional consistently align the Adhesive Technologies business unit with key future trends. These include, among others, electromobility and connectivity – that is, the increasing interconnection of systems – accompanied by a strong focus on sustainability and urbanization.

In the past fiscal year, the Adhesive Technologies business unit generated sales of around 10.7 billion euros. This corresponds to good organic growth amounting to 1.5 percent. The increase in sales was driven particularly by volume growth, which accelerated once again in the second half of the year. Prices remained stable overall compared to the previous year. The main growth drivers throughout the year were the Electronics and Industry businesses.

Adjusted return on sales increased slightly by approximately 0.1 percentage points compared to the prior year, reaching 16.7 percent. This improvement was driven on the one hand by positive volume growth and on the other by continued cost-saving and efficiency measures.

Although Adhesive Technologies serves a diverse range of customers and applications, the automotive industry – especially the electromobility segment – was again a key focus of attention in the past year.

Around 20 percent of sales in the Adhesive Technologies business unit is attributable to the automotive sector. Of this, approximately 20 percent relates to solutions for electric vehicles. Around 80 percent of sales in this segment are thus still generated by applications for vehicles with conventional powertrains. The automotive industry as a whole faced challenges in 2025, particularly in Germany. Nevertheless, our innovative solutions enabled us to win a greater number of tenders from manufacturers. In addition, we have an international presence and count numerous manufacturers in other parts of the world among our customers.

Innovation is a central success factor for our business. We therefore continue to invest consistently to position ourselves successfully in the competitive environment. A key focus is the targeted expansion of our network of state-of-the-art research and innovation centers.

Such "Inspiration Centers" have been operating for some time in Düsseldorf, Mumbai in India, and New Jersey in the USA. In addition, in 2025 we opened our Inspiration Center in Shanghai for the Asia-Pacific region, with an investment of 60 million euros. More than 500 researchers and developers work there alongside customers from a wide range of industries. The construction of our first integrated innovation and technology center in Latin America, based in Jundiaí, Brazil, is also in progress and the facility is expected to open in early 2026.

In Madison Heights, Michigan, USA, we also opened a new Battery Application Center for North America. This further expands our capabilities in the development and application of advanced materials for batteries used in modern electric vehicles. This Battery Application Center complements the Battery Application and Test Center at our Inspiration Center in Düsseldorf and forms the starting point for a global network.

The innovations and solutions developed within Adhesive Technologies contribute significantly to improving **sustainability** in our industrial customers' production processes.

For example, we work closely with various strategic partners along the value chain to bring alternative and more sustainable formulations onto the market. In this way, we reduce emissions in adhesives manufacturing, for instance through CO₂-reduced raw materials and the use of renewable energy in production. The improved sustainability profile of our adhesives, in turn, helps our industrial customers reduce the carbon footprint of their products.

The expansion of the portfolio through **acquisitions** is an integral part of our growth agenda. In 2025, we strengthened the Adhesive Technologies business unit through the agreement to acquire ATP Adhesive Systems AG, headquartered in Switzerland. The group of companies is a leading provider of high-performance, water-based specialty tapes for a wide range of end markets, including automotive, electronics, medical, construction and the graphics industry. With around 700 employees, ATP has a strong presence in North America and Europe and expects sales of around 270 million euros in the 2025 fiscal year. The ATP Adhesive Systems portfolio offers an excellent strategic fit for our existing business and also aligns well with our sustainability goals, as more than 90 percent of its products use water-based technologies that have a lower carbon footprint. We aim to complete the transaction in the first half of 2026.

Responsibility for the environment, society, and future generations

Sustainable business practices are firmly anchored in our values and shape both our purpose and our growth agenda. Our sustainability strategy for the Henkel Group provides the framework for this commitment. For several years now, we have focused on three key areas of action that guide our commitment – “Regenerative Planet,” “Thriving Communities,” and “Trusted Partners.”

Within the focus area “Regenerative Planet,” we are consistently pursuing the goal of a climate-neutral and circular economy. We are progressing along a clearly defined net-zero roadmap, under which we aim to reduce our absolute greenhouse gas emissions across Scopes 1, 2, and 3 by 90 percent by 2045, in line with the evidence-related criteria of the Science Based Targets initiative (SBTi).

Our net-zero target is a key milestone and provides important momentum across the entire Company. A particular focus is on close collaboration with our suppliers, as a large share of emissions arises along the upstream and downstream value chain. Through initiatives such as “Climate Connect,” we support our partners in reducing emissions, improving data quality, and jointly making progress toward net zero. In April 2026, we will also present our expanded sustainability ambition with new targets and commitments to further strengthen our contribution to a sustainable future.

Within the focus area “Thriving Communities,” we have once again lived up to our aspiration to engage in society beyond our business activities. The voluntary and pro-bono engagement of our employees is at the heart of our social commitment and an integral part of our corporate culture. We firmly believe that personal engagement can change lives. As early as 1998, we launched the volunteer initiative “MIT: Make an Impact on Tomorrow,” making Henkel one of the first German companies to establish voluntary social engagement as a key element of its sustainability activities. Since then, increasing numbers of our employees, retirees, and teams have become

involved in volunteer work. Henkel supports this engagement in a variety of ways – through financial or product donations and through paid leave for volunteering activities. In the past year as well, many of our employees around the world were actively involved in social projects. They supported the construction and renovation of homes for people in need, promoted sustainable palm oil cultivation, and helped disadvantaged young people gain a foothold in professional life.

Full details on our activities and progress in the area of sustainability can be found in our sustainability statement, which is included for the first time this year as an integrated part of the combined management report in this annual report.

Artificial intelligence as an opportunity

In 2025, the rapid advances in the field of artificial intelligence (AI) were the dominant topic in digitalization. For us, the use of AI goes far beyond a purely technical issue. It is a strategic decision. In addition to increasing efficiency, AI offers the opportunity to fundamentally rethink business models. Artificial intelligence will have a significant influence on how we operate in the future.

At Henkel, AI has been an integral part of our digital strategy for several years now. We actively implement AI technologies in practical applications across both our industrial and our consumer goods businesses.

In 2025, we launched our first generative, AI-supported TV commercial in Germany, thereby bringing Persil’s iconic White Lady into a new era. This positions us as a pioneer in the use of state-of-the-art technologies for brand storytelling.

AI is also used, for example, in the automation of processes in our adhesives development laboratories, and the virtual networking of our global production sites. In battery manufacturing, we use AI-supported simulation and innovative debonding solutions to help our customers reduce development times and costs, as well as optimize performance.

As AI capabilities expand rapidly, responsible use of the technology – and ensuring that our employees have the necessary skills to leverage it effectively – have become increasingly important. It is essential to continuously develop these competencies to ensure that we remain at the forefront of technological and practical advancements in AI. At Henkel, this is supported through e-learning programs, training courses, and workshops.

To further strengthen our capabilities in digitalization and innovation, we also rely on open collaboration and open innovation – working together with external partners such as startups and other players within our ecosystem to jointly develop ideas, inspire one another, and drive progress. In this context, our incubator teams, Tech & Digital innovation hubs, and our expertise in venture capital all play an important role.

Strong corporate culture as a growth driver

At Henkel, we view our strong corporate culture as the foundation of our agenda for purposeful growth. It is characterized by trust-based collaboration across business units, national borders, and teams, as well as by empowering our employees to take responsibility and actively shape outcomes.

Such a culture must be continuously and actively fostered. To gain insights into how our employees perceive this, we have been conducting so-called pulse checks for several years now – once a month with 5,000 randomly selected employees. These anonymous surveys provide us with valuable insights into topics such as collaboration, accountability, innovation, diversity, and alignment with our long-term strategy.

The results from 2025 show that we have made significant progress in these areas. This confirms that our diverse initiatives and measures implemented over recent years are having an impact and that our corporate culture is being continuously strengthened.

Our apprentices are an important element supporting our team. In 2025, our vocational training celebrated its 100th anniversary. What began in 1925 with five technical apprenticeships has developed over the course of a century into a wide range of vocational training opportunities. Today, Henkel has around 450 apprentices and dual-study students in Germany who are being trained in 30 professions across seven areas.

The development of our two business units in fiscal year 2025 clearly demonstrates that, with a clear strategic agenda and the strong commitment of our teams, we were able once again to resolutely drive forward the transformation of our Company. Today, Henkel stands on two strong and successful pillars: Adhesive Technologies and Consumer Brands, providing us with a clear structure to further develop the Company and position it for the future.

150 years – a promise for the future

Fiscal year 2025 has come to an end. In retrospect, I would characterize it as a successful year in which we once again mastered major challenges while making significant progress. We met our financial targets to a large extent. We consistently implemented our agenda for purposeful growth across all strategic dimensions and successfully completed the integration of our consumer goods businesses. We are on the right path, and the transformation of our Company is yielding tangible results. With a clear strategy, a strong team, and a unique company culture, we are well-prepared for the future.

We now look ahead to an exciting year in 2026, in which we will celebrate our 150th anniversary. We are, of course, proud of our heritage – but for us, this is no reason to stand still. Rather, it is a source of motivation for the road ahead. We are ready for the future. Then as now, we will be drawing on our pioneering spirit to develop forward-looking products and solutions for the generations to come. The people at Henkel are not only proud to be part of a long history – we are actively building our shared and successful future on this foundation.

This year, our focus will be on implementing strong growth drivers for the future – in the form of successful innovations in both business units, investments in our brands and technologies, acquisitions to strengthen our portfolio, a strong focus on the use of artificial intelligence across all areas from production to marketing, and the targeted advancement of our employees to prepare them for future developments.

On behalf of the Henkel Management Board, I would like to thank our customers, consumers, and business partners for their trust in our brands and technologies.

They are at the center of our work, and successfully addressing their needs, wishes and challenges is what drives us. Day by day. I would also like to extend special thanks to all our employees and leaders around the world – for their great commitment, dedication and hard work.

We also need to thank the Shareholders' Committee and the Supervisory Board for their valuable and constructive support in these very challenging times.

And finally, we would like to express our sincere gratitude to our shareholders. We greatly appreciate your continued confidence in our Company.

Knowing our proud heritage, we look ahead with confidence to the path that lies before us.

Düsseldorf, February 9, 2026

A handwritten signature in black ink, appearing to read 'Carsten Knobel', with a stylized flourish at the end.

Carsten Knobel
Chair of the Management Board



“With our motivated, dedicated Henkel teams around the world, our strong culture and our long-term growth strategy, we will overcome the challenges that lie before us.”

DR. SIMONE BAGEL-TRAHA
CHAIR OF THE SHAREHOLDERS'
COMMITTEE AND THE SUPERVISORY BOARD

Dear Shareholders and Friends of the Company,

The past year was marked by an extremely challenging environment – with a series of political and economic uncertainties, geopolitical tensions and crises, and substantial volatility. This has weakened both consumer sentiment and industrial demand. Despite these difficult conditions, we continued to make significant progress at Henkel last year and are in a fundamentally solid position. In this changing and challenging environment, we have succeeded in delivering a good business performance overall.

On behalf of the Supervisory Board, I would like to thank all employees at Henkel for their dedicated commitment and their contribution to the successful further development of our Company over the past year. My thanks are equally due to the members of the Management Board who have steered the transformation of the Company through a difficult market environment. I am also grateful to our employee representatives and works councils for their consistently constructive support in growing Henkel.

Finally, I would like to extend my thanks to you, our shareholders, for your continued confidence in our Company, our management and our employees, and our brands and technologies over this past fiscal year.

Ongoing dialog with the Management Board

We continued to diligently discharge in full our Supervisory Board duties in fiscal 2025 in accordance with the legal statutes, Articles of Association and rules of procedure governing our actions. This included consistently monitoring the work of the Management Board, advising and supporting it in its stewardship and in the strategic development of the Company, and discussing with it business matters of major importance. In doing so, we were able to ascertain that the Management Board's performance of its duties was consistently legally and regulatory compliant, fit for purpose, and proper at all times.

The Management Board and Supervisory Board continued to cooperate in 2025 through extensive dialog founded on mutual trust and confidence. The Management Board kept us regularly and extensively informed of all major issues affecting the Company's business and our Group companies with prompt written and oral reports. Specifically, the Management Board reported on the business situation, operational development, business policy, profitability issues, our short-term and long-term corporate, financial and personnel plans, as well as on issues relating to sustainability, capital expenditures – including acquisitions – and organizational measures.

We also discussed the risk situation and dealt with compliance and governance issues. Financial reports focused on the sales and earnings figures of the Henkel Group as a whole, with further analysis by business unit and region. We also regularly discussed the status of transformation of the Consumer Brands business unit. All members of the Supervisory Board and the Audit Committee consistently had sufficient opportunity to critically review and address the issues raised by each of these reports and associated explanations, and to provide their individual guidance.

Outside of Supervisory Board meetings, the Chair of the Audit Committee and I, as Chair of the Supervisory Board, remained in regular contact with individual members of the Management Board or with the Management Board as a whole, discussing with them issues relating particularly to strategy, business performance, risk management and compliance. This procedure ensured that we were constantly aware of current business developments and significant events. Outside of meetings, we also regularly held confidential talks with the auditor to discuss audit-related topics and other important issues of relevance for the Supervisory Board's work. Major outcomes of these talks were shared with the other members no later than by the next Supervisory Board or committee meeting.

As Chair of the Supervisory Board, I also held talks with investors on issues relating specifically to the Supervisory Board and on questions of corporate governance. I reported on these discussions in summary form to the Supervisory Board.

There were no indications of conflicts of interest involving Management Board or Supervisory Board members that might have required immediate disclosure to the Supervisory Board and reporting to the Annual General Meeting.

Members of the Supervisory Board take it upon themselves to seek the training needed to perform their duties; these efforts are appropriately supported by the Company. The Company again offered information and training events focusing on specific topics in the year under review. Developments in the field of artificial intelligence (AI) have intensified. In addition, the members of the Supervisory Board were informed about the objectives and working methods of the Battery Center of the Adhesive Technologies business unit at the Düsseldorf site during a visit.

Supervisory Board meetings

The Supervisory Board and the Audit Committee each held four regular meetings in the reporting year. The Sustainability Committee met four times. The meetings were held in person with the option of attending via video conference. No meetings were held as a telephone conference or as a remote-only meeting via video conference.

The members of the Management Board participated in the meetings of the Supervisory Board unless it was deemed expedient for the Supervisory Board to discuss individual agenda items without the Management Board being present. Extensive discussions without Management Board presence were also possible.

In each of our meetings, we discussed the reports submitted by the Management Board, conferring with it on the development of the Company and on strategic issues. We also discussed the overall economic situation and Henkel's business performance.

As already discussed in our last annual report, our meeting on March 6, 2025 focused on the annual and consolidated financial statements for 2024, including the combined management report for Henkel AG & Co. KGaA and the Group, together with the risk report, corporate governance report and combined non-financial statement (sustainability report) for Henkel AG & Co. KGaA and the Group. We also approved the declaration of compliance for 2025.

The focus of our meeting on April 28, 2025 was on business development in our business units in the first three months of the financial year. In particular, we discussed the development of volumes, margins and market shares and preliminary expectations for further business development in a persistently volatile market environment. Other topics included the status and further expectations regarding various ongoing acquisition and divestment projects.

In our meeting on September 12, 2025, we focused both on the performance of our business units over the first eight months and on our corporate strategy, including strategic and financial planning. We also examined in detail the competitive environment of our Consumer Brands and Adhesive Technologies business units.

Our meeting on December 12, 2025 focused on the expected results for 2025 and on our assets and financial planning for fiscal 2026. We also examined in detail the associated budgets of our business units based on comprehensive documentation. We further addressed the proposal of the Management Board to transfer the two business units Adhesive Technologies and Consumer Brands in Germany and in selected major countries into separate legal entities. Personnel development at senior executive level and our most recent M&A activities were also discussed.

Committees of the Supervisory Board

In order to enable us to efficiently comply with the duties incumbent upon us according to legal statute and our Articles of Association, we have established an Audit Committee, a Nominations Committee and a Sustainability Committee. Simone Menne as Chair of the Audit Committee and Laurent Martinez as a member each meet the statutory requirements for independence and expertise in the areas of accounting and auditing applicable to the Audit Committee. For more details on the responsibilities and composition of the committees, please refer to the corporate governance statement (on pages 40 to 69 of this annual report) and the membership lists (on page 461 of this annual report).

Committee activities

Following the appointment, by the 2025 Annual General Meeting, of the external auditor, it was mandated by the Audit Committee to audit the separate annual financial statements and the consolidated financial statements, including the combined management report for Henkel AG & Co. KGaA and the Group, and to review the half-year financial report for fiscal 2025. The audit fee was also established and the key audit matters were discussed. It was agreed that the auditor would notify the Supervisory Board immediately of any findings or occurrences revealed during the audit that are material to the performance of the Supervisory Board's duties. Appropriate procedures for the provision of non-audit-related services as permitted in the relevant EU regulations were specified. The Audit Committee satisfied itself of the necessary independence of the auditor. The Audit Committee likewise commissioned the external auditor to review the content both of the combined non-financial statement for Henkel AG & Co. KGaA and the Group (sustainability report), and of the remuneration report compiled in accordance with Section 162 German Stock Corporation Act [AktG]. Both reports will be made available in the public domain through publication on our website.

The Chair of the Audit Committee reported promptly and in full to the plenary Supervisory Board on the content and results of the committee meetings described below.

The Audit Committee met four times in the year under review, each in the form of an in-person meeting with the option of joining in via video. In the run-up to each meeting, the Chair of the Audit Committee held talks with the auditor regarding the audit findings and any other aspects of audit relevance.

The meetings and resolutions were prepared through the provision of reports and other information by the Management Board. The Heads of the relevant Group functions – particularly Corporate Accounting, Legal & Compliance, Treasury, Corporate Sustainability and Corporate Audit – also reported on individual agenda items and were available to answer questions. The Chair of the Audit Committee reported promptly and in full to the plenary Supervisory Board on the content and results of each of the committee meetings.

The Company and Group accounts, including the interim financial reports (quarterly statements and half-year financial report) were discussed at all Audit Committee meetings, with all matters arising being duly examined with the Management Board. The auditor was present to discuss the relevant agenda items at the three meetings at which we discussed and approved the interim financial reports; the auditor also reported on the findings of the audit procedures commissioned by the Supervisory Board and the Management Board and on the main issues and occurrences relevant to the work of the Audit Committee. There were no objections raised in response to these reports. Some consultations with the auditors took place without the Management Board being present.

The Audit Committee likewise focused in great detail on the accounting process and the sustainability reporting process, and the efficacy and further development of the Group-wide internal control and risk management systems. The efficiency of the risk management system was reviewed on the basis of the risk reports of recent years. The report given by the General Counsel & Chief Compliance Officer on material legal disputes and compliance within the Group was also discussed, as was the status report submitted by Corporate Audit. The audit plan submitted by Corporate Audit, focusing on audits of the appropriateness and effectiveness of the internal control system and the compliance organization, was approved. The Audit Committee further discussed treasury risks, their management, and the EMIR mandatory audit pursuant to Section 32 German Securities Trading Act [WpHG]. The auditor's provision of non-audit-related services and adherence to the general conditions specified for same were monitored. There were no transactions requiring approval pursuant to Section 111b AktG.

At its meeting on March 6, 2026, attended by the auditor, the Audit Committee discussed the annual and consolidated financial statements, together with the combined management report for Henkel AG & Co. KGaA and the Group, the sustainability report for fiscal 2025, the respective audit reports and auditor's opinions, the associated proposal for appropriation of profit, and the risk report, and prepared the corresponding resolutions for the Supervisory Board. The Audit Committee also discussed the quality of the audit at this meeting. As in previous years, other members of the Supervisory Board took part as guests in this specifically accounting-related meeting of the Audit Committee.

The Nominations Committee met several times and selected an external consultant in a structured selection process to assist it in the search for future potential candidates who meet the objectives and desired competencies identified by the Supervisory Board for its composition. The Sustainability Committee met four times in the year under review. Matters relating to the sustainability strategy, among other topics, were discussed with the Management Board during the meetings. The Sustainability Committee also supported the preparation of the sustainability report aligned to European Sustainability Reporting Standards (ESRS).

Efficiency audit

The Supervisory Board and Audit Committee regularly review the efficiency with which they perform their duties. The assessment is performed on the basis of an extensive Company-specific checklist focusing on the relevant key aspects, such as meeting frequency, duration, preparation and organization, scope and content of the underlying documentation, information and reports submitted by the Management Board, minutes, committee work and information disclosure, financial control and risk management systems, requests for information, collaboration with the auditor, corporate governance matters and improvement opportunities. Such a self-assessment took place in the reporting year. This year, for the first time, the newly established Sustainability Committee was included in this self-assessment. The results and individual assessments were examined in detail in the meetings of the Audit Committee and the Supervisory Board on March 6, 2026, where issues relating to corporate governance and opportunities for improvement were also discussed and are now being implemented. The efficiency with which the Supervisory Board, Sustainability Committee and Audit Committee carry out their duties and the required independence of their membership were duly validated.

Corporate governance and declaration of compliance

The Supervisory Board again dealt with questions of corporate governance in the reporting year. Further details of Henkel's corporate governance can be found in the corporate governance statement (pages 40 to 69 of this annual report), with which we fully acquiesce.

At our meeting on March 6, 2026, we discussed and approved the joint declaration of compliance for 2026 to be submitted by the Management Board, Shareholders' Committee and Supervisory Board, as specified in the GCGC. The full wording of the current and previous declarations of compliance can be accessed through the Company website. The current declaration of compliance is also reflected in the corporate governance statement.

Individual meeting attendance

Members' participation in the meetings of the Supervisory Board and the Audit Committee was 96 percent overall. The following table lists the attendance of each Supervisory Board member:

Individual meeting attendance 2025

Supervisory Board member	Supervisory Board and committee meetings ¹	Attendance	Presence
Dr. Simone Bagel-Trah (Chair)	12	12	100%
Birgit Helten-Kindlein (Vice Chair)	12	12	100%
Michael Baumscheiper	4	4	100%
Dr. Konstantin Benda	8	8	100%
Lutz Bunnenberg	4	4	100%
Sabine Friedrich	4	4	100%
Vinzenz Peter Gruber	8	8	100%
Benedikt-Richard Freiherr von Herman	4	4	100%
Barbara Kux	8	8	100%
Dr. Anja Langenbucher	4	4	100%
Laurent Martinez	8	8	100%
Simone Menne	8	8	100%
Natalie Mühlenfeld (since 1/31/2025)	4	4	100%
Dirk Thiede	4	4	100%
Edgar Topsch	8	8	100%
Michael Vassiliadis	12	8	67%

¹ Number of meetings of relevance for the respective member, i.e. excluding attendance at the Audit Committee's meeting to discuss the annual financial statements by members of the Supervisory Board who are not members of the Audit Committee.

Annual and consolidated financial statements/Audit

In its capacity as auditor appointed for 2025 by the Annual General Meeting on April 28, 2025, PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft (PwC), Frankfurt am Main, Germany, audited the annual financial statements and the consolidated financial statements, together with the consolidated management report, which has been combined with the management report for Henkel AG & Co. KGaA for fiscal 2025. The annual financial statements and the combined management report were prepared by the Management Board in accordance with German statutory provisions. The consolidated financial statements were prepared by the Management Board in accordance with International Financial Reporting Standards (IFRSs)

as endorsed by the EU, and in accordance with the supplementary German statutory provisions pursuant to Section 315e (1) German Commercial Code [HGB]. The consolidated financial statements in their present form exempt us from the requirement to prepare consolidated financial statements in accordance with German law.

PwC conducted its audits in accordance with Section 317 HGB and German generally accepted standards for the audit of financial statements promulgated by the Institute of Public Auditors in Germany [Institut der Wirtschaftsprüfer, IDW]. Unqualified audit opinions were issued for the annual and the consolidated financial statements, as well as for the combined management report.

Combined non-financial statement

The combined non-financial statement for Henkel AG & Co. KGaA and the Group (sustainability report) for fiscal 2025 has been prepared in accordance with Sections 289b et seq. HGB and 315b to 315c HGB and aligned to European Sustainability Reporting Standards (ESRS). Based on the procedures performed and the evidence obtained, the auditor found no cause to believe that the information in the sustainability report for fiscal 2025 has not been prepared, in all material respects, in accordance with the provisions of German commercial law.

Review of the documentation and proposals for resolution at the Annual General Meeting

The annual financial statements, consolidated financial statements, combined management report, and combined non-financial statement (sustainability report) relating to Henkel AG & Co. KGaA and the Group for fiscal 2025 were presented in good time to all members of the Supervisory Board, together with the corresponding audit reports and relevant auditor's opinions and the recommendations by the Management Board for the appropriation of the profit made by Henkel AG & Co. KGaA. We reviewed these documents and discussed them at our meeting on March 6, 2026, in the presence of the auditor, which reported on its main audit findings. We received and

approved the respective audit reports. The Chair of the Audit Committee provided the plenary session of the Supervisory Board with a detailed account of the treatment of the annual financial statements, the consolidated financial statements, the combined management report and the sustainability report at the Audit Committee's meeting on March 6, 2026.

Having received the final results of the review conducted by the Audit Committee and concluded our own examination, we see no reason for objection to the aforementioned documents. We confirm the results of PwC's audits. The assessment by the Management Board of the position of the parent company and the Group coincides with our own appraisal. At our meeting on March 6, 2026, we concurred with the recommendations of the Audit Committee and therefore approved the annual financial statements, the consolidated financial statements, the combined management report and the sustainability report as prepared by the Management Board.

Additionally, we discussed and approved the proposal by the Management Board to pay out of the unappropriated profit of Henkel AG & Co. KGaA a dividend of 2.05 euros per ordinary share and of 2.07 euros per preferred share, and to carry the remainder and the amount attributable to the treasury shares held by the Company at the time of the Annual General Meeting forward to the following year. This proposal takes into account the financial and earnings position of the Company, its medium-term financial and investment planning, and the interests of our shareholders.

We also approved our proposals for resolution at the 2026 Annual General Meeting at our meeting on March 6, 2026. Following the recommendation of the Audit Committee, the Supervisory Board proposes the engagement of PwC to audit the annual and consolidated financial statements, and to review the half-year financial report, and to audit the sustainability reporting for fiscal 2026.

Remuneration report

The remuneration report for fiscal 2025 was prepared jointly by the Management Board and the Supervisory Board. The remuneration report was prepared as specified in Section 162 AktG and approved in the meeting on March 6, 2026.

In addition to its formal audit, PwC also examined the content of the remuneration report with regard to the disclosures required by law. There were no major reservations.

Risk management

Risk management issues were examined by both the Audit Committee and the plenary Supervisory Board with emphasis on the risk management system in place at Henkel and any major individual risks of which we needed to be notified; there were no identifiable risks that might jeopardize the continued existence of the Company as a going concern. During its audit of the annual financial statements 2025, in compliance with Section 317 (4) HGB, the auditor examined whether the Management Board had put in place adequate measures as required under Section 91 (2) AktG, particularly with regard to establishing a monitoring system, and whether said monitoring system was suitable in all material respects for identifying at an early stage and with reasonable assurance any developments that might jeopardize the continued existence of the Company as a going concern. We believe that the risk management system corresponds to the statutory requirements.

Changes in the Supervisory Board and Management Board

Ms. Andrea Pichottka, who resigned from the Supervisory Board with effect from December 31, 2024, and who was a member of the Supervisory Board as a trade union representative, was replaced by Ms. Natalie Mühlenfeld as her successor for the remainder of the term of office of the employee representatives by court order dated January 31, 2025, at the suggestion of the relevant trade union.

No changes occurred in the Management Board.

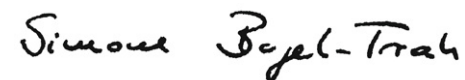
We foresee further headwinds in the fiscal year before us, but I am confident that, with our motivated, dedicated Henkel teams around the world, our strong culture and our ongoing commitment and proven consistency in the

implementation of our long-term growth strategy, we will overcome these challenges.

We thank you for your ongoing trust and support.

Düsseldorf, March 6, 2026

On behalf of the Supervisory Board

A handwritten signature in black ink, reading "Simone Bagel-Trah". The signature is written in a cursive, flowing style.

Dr. Simone Bagel-Trah
Chair

OUR MANAGEMENT BOARD



Carsten Knobel

Chair of the Management Board

Born in Marburg / Lahn, Germany,
on January 11, 1969;
member of the Management Board since 2012,
Chair of the Management Board since 2020.



Mark Dorn

Executive Vice President
Adhesive Technologies

Born in London, United Kingdom,
on January 31, 1973;
member of the Management Board since 2023.



Wolfgang König

Executive Vice President
Consumer Brands

Born in Kassel, Germany,
on May 2, 1972;
member of the Management Board since 2021.



Sylvie Nicol

Executive Vice President
Human Resources, Infrastructure, Sustainability

Born in Paris, France,
on February 28, 1973;
member of the Management Board since 2019.



Marco Swoboda

Executive Vice President Finance, Purchasing,
Global Business Solutions, Digital/IT

Born in Velbert, Germany,
on September 23, 1971;
member of the Management Board since 2020.

WHAT DRIVES US

Our purpose describes what unites everyone at Henkel: Pioneers at heart for the good of generations. Every day, around 47,200 employees worldwide give of their best to enrich and improve peoples' lives with innovative and sustainable products, services and solutions – with our shared values guiding them in their decisions and actions.

OUR PURPOSE

Pioneers at heart for the good of generations.

OUR VISION

Win the 20s by outperforming the markets through innovative and sustainable solutions.

OUR VALUES

We put our **customers** and **consumers** at the center of what we do.

We value, challenge and reward our **people**.

We drive excellent sustainable **financial performance**.

We are committed to leadership in **sustainability**.

We shape our future with a strong entrepreneurial spirit based on our **family business** tradition.

SHAPING OUR FUTURE

We shape our future on the basis of a long-term strategic framework that builds on our purpose and our values.

Our strategic framework has a clear focus on purposeful growth. This means: We aim to create superior value for customers and consumers to outgrow our markets, to strengthen our leadership in sustainability, and to enable our employees to grow both professionally and personally at Henkel.

The key elements of our strategic framework are a winning portfolio, a clear competitive edge in the areas of innovation, sustainability and digitalization, and future-ready operating models – underpinned by a strong foundation of a collaborative culture and empowered people.



SHARES AND BONDS

In an environment that remained challenging from a capital market perspective, characterized in particular by a complex geopolitical environment with uncertainties in global trade policy, Henkel shares underperformed the DAX in fiscal 2025 – although the index's performance was partly driven by individual stocks. The overall macroeconomic environment weighed on both industrial demand and consumer sentiment. Following a slightly positive development in the first months of 2025 and an annual high of 87.26 euros, Henkel shares showed a clearly negative development in March. The reasons for this included not only the weak business performance in the first quarter of 2025, which was already forecasted in the 2024 annual report, but also the generally difficult market environment and high volatility, primarily due to geopolitical tensions. In April, the announcement of US tariffs led to a temporary, pronounced market-driven downward trend, which further weighed on Henkel shares. While the DAX subsequently saw a notable recovery – also due to significant gains of individual stocks – and thus ended 2025 with a substantial increase, Henkel shares only showed a modest rebound from their lows in June through year-end.

Henkel preferred shares closed the year at 69.58 euros, down -17.9 percent year on year. The ordinary shares closed the year down -12.6 percent at 65.00 euros. Assuming reinvestment of the dividend (before tax deduction) in the shares at the time of payment, the preferred shares generated a total return of -15.4 percent, and the ordinary shares of -9.8 percent. Henkel preferred shares therefore underperformed the DAX and the STOXX® Europe 600, which gained 23.0 percent and 16.7 percent respectively over the course of the year. The competitors¹ relevant to Henkel also recorded a negative performance in 2025, averaging -2.4 percent, albeit with significant differences between individual companies.

Henkel preferred shares traded at an average premium of 10.0 percent over the ordinary shares in 2025. The trading volume (Xetra) of preferred shares rose slightly compared to the previous year, which is partly due to the share buyback program that has been running since May 12, 2025. Each trading day saw an average of around 442,000 preferred shares changing hands (2024: 387,000). The average trading volume of the ordinary shares also increased year on year to around 109,000 shares (2024: 82,000). The market capitalization of the ordinary and preferred shares totaled around 27.1 billion euros as of year-end 2025.²

¹ Relevant peers include 3M, H.B. Fuller, RPM and Sika in the Adhesive Technologies business unit, and Beiersdorf, Colgate-Palmolive, Kao, L'Oréal, Procter & Gamble, Reckitt Benckiser and Unilever in the Consumer Brands business unit.

² Based on all outstanding shares, i.e. number of shares issued less treasury stock.

Key data on Henkel shares 2021 to 2025

in euros	2021	2022	2023	2024	2025
Earnings per share					
Ordinary share	3.76	2.93	3.13	4.78	4.90
Preferred share	3.78	2.95	3.15	4.80	4.92
Share price at year-end¹					
Ordinary share	68.70	60.25	64.98	74.40	65.00
Preferred share	71.14	65.02	72.86	84.70	69.58
High for the year¹					
Ordinary share	85.80	76.85	69.90	76.90	77.80
Preferred share	98.92	82.34	78.40	85.84	87.26
Low for the year¹					
Ordinary share	65.55	57.05	58.62	62.40	60.10
Preferred share	69.52	57.54	64.52	68.92	65.80
Dividend					
Ordinary share	1.83	1.83	1.83	2.02	2.05²
Preferred share	1.85	1.85	1.85	2.04	2.07²
Market capitalization^{1, 3}	in bn euros	30.3	26.2	28.5	32.9
Ordinary shares	in bn euros	17.8	15.5	16.7	19.1
Preferred shares	in bn euros	12.4	10.7	11.9	13.8

¹ Closing share prices, Xetra trading system.

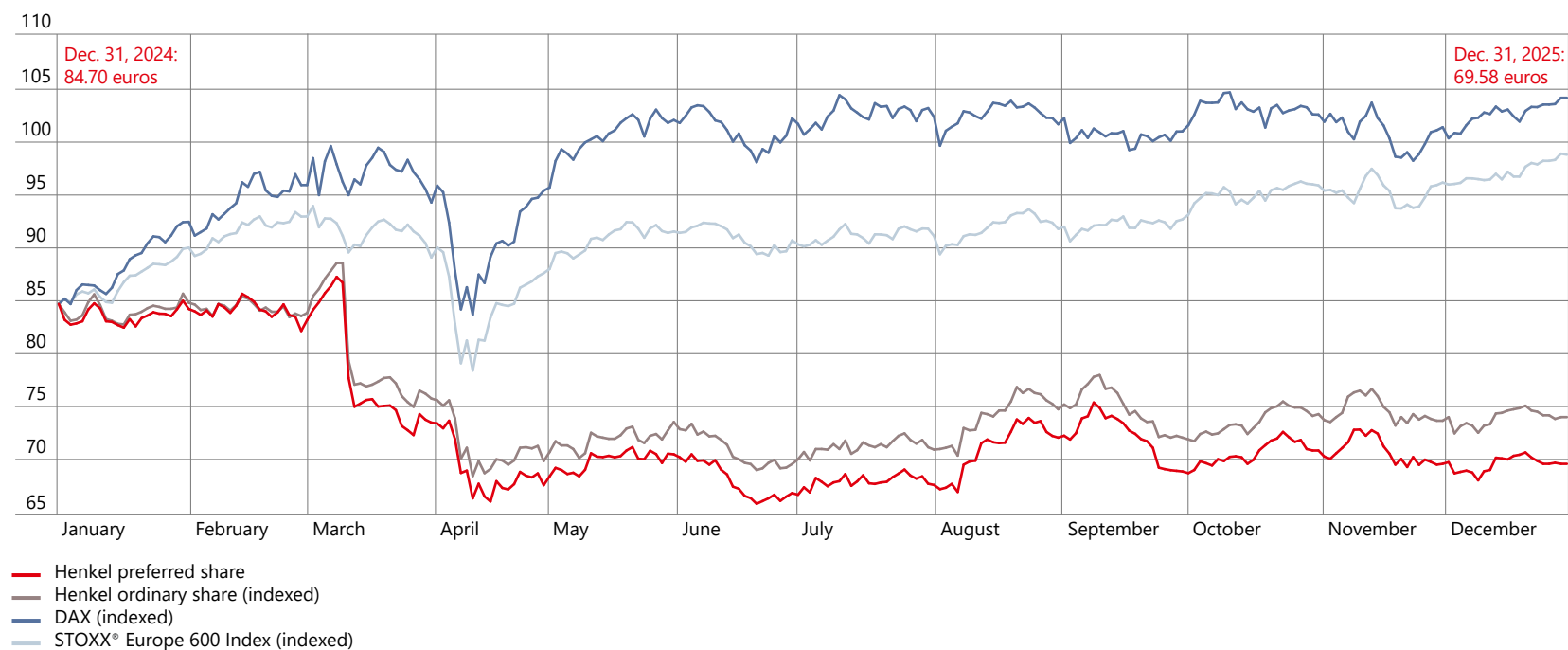
² Proposal to shareholders for the Annual General Meeting on April 27, 2026.

³ Based on all outstanding shares, i.e. number of shares issued less treasury stock.

Henkel shares still represent a good investment for investors with a very long-term horizon. Shareholders who invested the equivalent of 1,000 euros when Henkel preferred shares were issued in 1985, and reinvested the dividends received (before tax deduction) in the stock, had a portfolio value of 28,315 euros at the end of 2025. This equates to an average annual return of 8.7 percent per year. Over the same period, the DAX provided an average annual return of 7.9 percent.

Performance of Henkel shares versus market January through December 2025

in euros



Performance of Henkel shares versus market 2016 through 2025

in euros



Henkel represented in all major indices

Henkel shares are traded on the Frankfurt Stock Exchange, predominantly on the Xetra electronic trading platform. Henkel is also listed on all regional stock exchanges in Germany. In the USA, investors are able to invest in Henkel preferred and ordinary shares by way of stock ownership certificates obtained through the Sponsored Level I ADR (American Depositary Receipt) program. One share is equivalent to four ADRs. The number of ADRs outstanding for ordinary and preferred shares decreased to 19.0 million at year-end (2024: 24.7 million).

Share data

	Preferred shares	Ordinary shares
Security code no.	604843	604840
ISIN code	DE0006048432	DE0006048408
Stock exchange symbol	HEN3.ETR	HEN.ETR
Number of shares	178,162,875	259,795,875
Treasury shares ¹	25,242,746	5,928,968

¹ Further details of treasury shareholdings can be found in the section "Treasury shares" in the notes to the consolidated financial statements.

ADR data

	Preferred shares	Ordinary shares
CUSIP	42550U208	42550U109
ISIN code	US42550U2087	US42550U1097
ADR symbol	HEN0Y	HENKY
Ratio	1 share : 4 ADRs	1 share : 4 ADRs

The international importance of Henkel preferred shares derives not least from their inclusion in many leading indices that serve as important indicators for capital markets, and as benchmarks for fund managers. Particularly noteworthy in this respect are the STOXX® Europe 600, MSCI World and FTSE World Europe indices. Henkel's inclusion in the Dow Jones Titans 30 Personal & Household Goods Index also makes it one of the most important corporations in the personal and household goods sector worldwide. As a DAX stock, Henkel is one of the 40 most significant exchange-listed corporations in Germany.

At year-end 2025, Henkel ranked 30th in terms of free float-weighted market capitalization of the preferred shares included in the DAX index, unchanged from the previous year. Partly due to strong price gains for individual stocks, the weighting of Henkel preferred shares in the DAX fell to 0.62 percent (2024: 0.98 percent).

Once again, our advances in sustainable management earned recognition from external experts in 2025. Our performance with respect to non-financial indicators (environmental, social and governance themes) was reflected in regular positive assessments by various national and international rating agencies, from which – among other things – sustainability indices are derived.

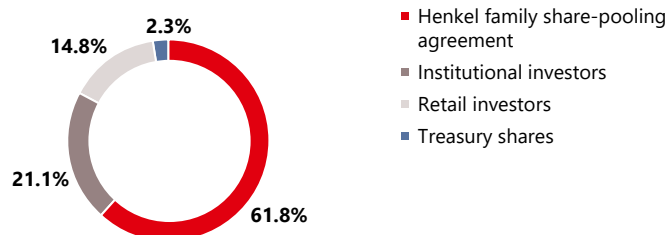
Henkel has been represented in the ethics index FTSE4Good since 2001. We also belong to the sustainability indices Solactive ISS Prime Rated ESG Index Series, ECPI All-World ESG Index, ECPI Euro ESG Equity, and ECPI Global Developed ESG Best in Class, and our membership of the MSCI ACWI Selection Index was confirmed. Henkel is, moreover, one of only 50 corporations worldwide to be included in the renowned Global Challenges Index of particularly sustainable companies that make substantial contributions to overcoming major global challenges, such as climate change.

International shareholder structure

According to notifications received by the Company, members of the Henkel family share-pooling agreement owned a majority of the ordinary shares amounting to 61.8 percent as of March 19, 2025. In addition, BlackRock, Inc. informed us on September 17, 2025 that its total share of voting rights was 3.0 percent as of September 12, 2025. Silchester International Investors LLP notified us on November 20, 2025 that its total share of voting rights was 3.0 percent as of November 18, 2025. As of December 31, 2025, moreover, Henkel held a total of 5.9 million ordinary shares as treasury stock, equivalent to 2.3 percent of all ordinary shares (2024: 1.3 percent).

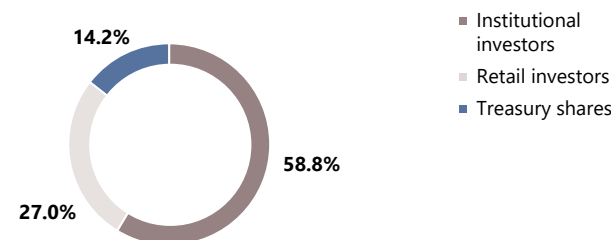
Compared to the ordinary shares, our preferred shares are the significantly more liquid class of Henkel stock. Apart from the treasury shares held, which amount to 14.2 percent of the preferred shares (2024: 8.6 percent), they are entirely in free float. A large majority are owned by institutional investors whose portfolios are, in most cases, broadly distributed internationally. As of December 31, 2025, our treasury stock amounted to 25.2 million preferred shares (2024: 15.3 million).

Ordinary shares



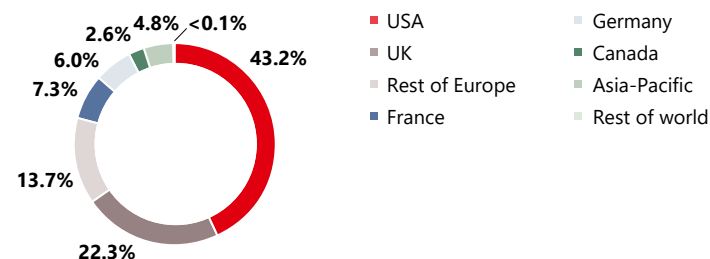
At December 31, 2025
Sources: Henkel, CMI2i

Preferred shares



At December 31, 2025
Source: Henkel, CMI2i

Institutional investors holding Henkel shares by region



At December 31, 2025
Source: CMI2i

Employee share plan

Since 2001, Henkel has offered an employee share plan (ESP) enabling its employees to acquire Henkel shares. In 2025 again, Henkel added 33 eurocents for each euro invested by an employee (limited to 4 percent of salary up to a maximum of 4,992 euros per year). Around 13,000 employees in 60 countries purchased Henkel preferred shares under this program in 2025. At year-end, some 16,900 employees held a total of around 3.2 million shares in the ESP securities accounts, representing 1.8 percent of total preferred shares. The lock-up period for newly acquired ESP shares is three years.

Investing in Henkel shares through long-term participation in our ESP has proven to be beneficial for our employees in the past. Employees who invested 100 euros each month in Henkel shares since the program was first launched held portfolios valued at 80,937 euros at the end of 2025 (assuming reinvestment of the dividends before tax deduction), which equates to a total return of 52,137 euros or 281 percent of the cumulative investment.

Henkel bonds

At the end of fiscal 2025, four Henkel bonds were outstanding with a total volume of around 1.8 billion euros and maturities ranging between 2026 and 2032.

The Sustainable Finance Framework established in October 2021 enables Henkel to issue two types of bonds on the capital market: bonds tied to sustainability criteria that are linked to the sustainability targets of Henkel, and “green bonds” that only fund selected sustainable projects. For example, the 650 million euro bond issued in September 2022 with a term of five years is tied to the achievement of certain targets by year-end 2025 relating to the sustainability of our packaging and to the reduction of greenhouse gas emissions. Failure to meet the corresponding targets at the relevant audit points will incur an interest rate premium that raises the cost of funding these bonds, as well as that of the outstanding three bonds linked to sustainability criteria. For more information, see under “Borrowings” on pages 395 and 396. Due to the non-achievement of the sustainability target for recycled plastic (SPT-3), a surcharge of 0.25 percent on the repayment amount of the 250 million USD bond and an interest surcharge of 0.375 percent on the 650 million euro bond percent in the last year of the bond’s maturity are due.

As of the end of fiscal 2025, three bonds linked to sustainability criteria were still outstanding. In July 2025, Henkel repaid the US-dollar-denominated bond with a nominal value of 70 million US dollars and the euro-denominated bond with a nominal value of 25 million euros.

Further information can be found on our website: www.henkel.com/creditor-relations

Bond data¹

Maturity year	2026		2027	2032
Currency	GBP	USD	EUR	EUR
Volume	350 million	250 million	650 million	500 million
Sustainability link ²	–	Sustainability-Linked Bond (SPT 1+3 2025)	Sustainability-Linked Bond (SPT 1+3 2025)	Sustainability-Linked Bond (SPT 1+2 2030)
Coupon	1.25% p.a.	1.75% p.a.	2.625% p.a.	0.50% p.a.
Maturity	9/30/2026	11/17/2026	09/13/2027	11/17/2032
Issuing year	2019	2021	2022	2021
Issuing price	99.99%	99.692%	99.649%	99.989%
Initial yield	1.25% p.a.	1.815% p.a.	2.701% p.a.	0.501% p.a.
Day count convention	Act/Act (ICMA)	30/360 (ISMA)	Act/Act (ICMA)	Act/Act (ICMA)
Denomination	100,000 GBP	200,000 USD	100,000 EUR	100,000 EUR
Security code no.	A2YN23	A3MQMB	A30VN3	A3MQMC
ISIN	XS2057835808	XS2407954002	XS2530219349	XS2407955827
Listing	Regulated Market of the Luxembourg Stock Exchange			

¹ Bonds outstanding as of December 31, 2025.

² The sustainability-linked bonds use the following Sustainability Performance Targets: “SPT 1” (Scope 1+2 emissions), “SPT 2” (Scope 3 emissions), “SPT 3” (Recycled plastic). More details about the indicators can be found in the sustainability statement on pages 149 to 320.

Extensive capital market communication

An active and open information policy ensuring prompt and continuous communication is a major component of the value-based management approach at Henkel. Hence, shareholders, shareholder associations, participants in the capital market, financial analysts, the media and the public at large are kept informed of the current situation and major business changes relating to the Company. All stakeholders are treated equally in this respect.

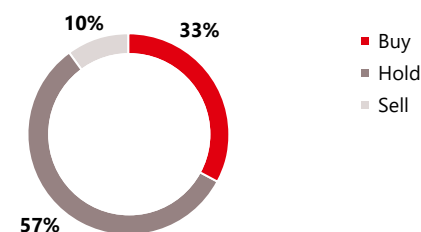
Up-to-date information is incorporated in the regular financial reporting undertaken by the Company. The dates of the major publications, and also the dates for the press conference on the preceding fiscal year and the Annual General Meeting (AGM), are published together with all relevant information on the internet at www.henkel.com/ir. This also serves as the portal for the live broadcast of telephone conferences and parts of the Annual General Meeting.

Our 2025 Annual General Meeting was held on April 28, 2025 in Düsseldorf, giving shareholders the opportunity to receive comprehensive information about the Company in person.

Shareholders, the media and the public at large are regularly provided with comprehensive information through press releases and information events, while occurrences with the potential to materially affect the price of Henkel shares are communicated in the form of ad-hoc announcements. The Company's advancements and targets in relation to environmental, social and governance issues in the field of sustainability are again published in our sustainability statement on pages 149 to 320.

Henkel is covered by numerous financial analysts at an international level. A total of 21 equity analysts regularly publish reports and commentaries on the current performance of the Company.

Analyst recommendations



At December 31, 2025
Basis: 21 equity analysts

Henkel places great importance on dialog with investors and analysts. At 24 capital market conferences and roadshows attended by people from Europe, North America and Asia, institutional investors and financial analysts had an opportunity to engage with representatives of the Company and, in many instances, directly with senior management. In total, we exchanged views with about 450 different institutional investors and financial analysts around the globe in over 400 individual or group meetings and telephone or video conferences.

COMBINED MANAGEMENT REPORT

35	Corporate governance at Henkel AG & Co. KGaA	79	Economic report
35	Takeover-relevant information	79	Macroeconomic development
40	Corporate governance statement	80	Development by sector
		82	Review of overall business performance
70	Fundamental principles of the Group	82	Results of operations of the Group
70	Operational activities	82	Sales
70	Overview	84	Operating profit
70	Organization and business units	85	Expense items
72	Strategic framework for purposeful growth	86	Other operating income and expenses
72	Our mid-term financial ambitions	86	Financial result
72	Our strategic framework	86	Income before tax, net income and earnings per share (EPS)
74	Integration of the Consumer Brands business unit	86	Dividend
74	Consistent implementation of our growth agenda in fiscal 2025	87	Net working capital
77	Management system and performance indicators	87	Free cash flow and net financial position
78	Cost of capital	87	Adjusted return on capital employed (ROCE)
		87	Economic Value Added (EVA®)
		87	Comparison between actual business performance and guidance

89	Business unit performance
89	Adhesive Technologies
95	Consumer Brands
100	Net assets and financial position
100	Acquisitions and divestments
101	Capital expenditures
102	Right-of-use assets
102	Net assets
105	Financial position
105	Financing and capital management
106	Key financial ratios
107	Employees
110	Procurement
111	Production
112	Research and development
117	Marketing and distribution

120 Henkel AG & Co. KGaA (condensed version according to the German Commercial Code [HGB])

128 Risks and opportunities report

128	Risks and opportunities
128	Risk management system
129	Risk reporting procedures
130	Major risk categories
143	Major opportunity categories
144	Internal accounting control system
145	Risks and opportunities in summary

146 Forecast

146	Macroeconomic development
147	Development by sector
147	Outlook for the Henkel Group in 2026

149 Sustainability statement

CORPORATE GOVERNANCE AT HENKEL AG & CO. KGAA

The corporate governance disclosures take into account the relevant recommendations of the German Corporate Governance Code (GCGC) as amended on April 28, 2022, and contain

- the takeover-relevant information required according to Sections 289a, 315a Commercial Code [HGB] and
- the corporate governance statement per Sections 289f, 315d HGB,

together with explanations pertaining to same. Conditions cited in Sections 289a and 315a HGB which are not fulfilled at Henkel, are not mentioned.

Unless expressly indicated otherwise, further links or references are not part of the report.

Takeover-relevant information

(Disclosures required per Sections 289a, 315a German Commercial Code [HGB], and explanations)

Composition of issued capital

As of December 31, 2025, the issued capital (capital stock) of the Company was unchanged year on year at 437,958,750 euros. It is divided into a total of 437,958,750 bearer shares (of no par value), with each share representing a nominal proportion of the capital stock of 1 euro. Of this total, 259,795,875 are ordinary shares (total nominal proportion of capital stock: 259,795,875 euros, representing 59.3 percent of the capital stock), and 178,162,875 are preferred shares without voting rights (total nominal proportion of capital stock: 178,162,875 euros, representing 40.7 percent of the capital stock). All shares are fully paid in. Multiple share certificates for shares may be issued.

In accordance with Art. 6 (4) of the Articles of Association, there is no right to individual share certificates.

Shareholders' rights/Annual General Meeting

The rights and obligations of shareholders are governed by the provisions of the German Stock Corporation Act [AktG], particularly Sections 12, 53a et seq., 118 et seq. and 186 AktG. Further obligations exist under capital market legislation, such as statutory voting rights notifications per Sections 33 et seq. German Securities Trading Act [WpHG].

Each ordinary share grants to its holder one vote at the Annual General Meeting (Art. 21 (1) of the Articles of Association). The preferred shares grant to their holders all shareholder rights apart from the right to vote (Sections 139 (1) and 140 (1) AktG in conjunction with Art. 6 (1) of the Articles of Association). The preferred shares carry the following cumulative preferential right of payment in the distribution of profit (Section 139 (1) AktG in conjunction with Art. 35 (2) of the Articles of Association) unless otherwise resolved by the Annual General Meeting:

- The holders of preferred shares receive a preferred dividend in the amount of 0.04 euros per preferred share. If the profit to be distributed in a fiscal year is insufficient for payment of a preferred dividend of 0.04 euros per preferred share, the arrears are paid without interest from the profit of the following years, with older arrears to be paid in full before more recent arrears and the preferred dividend from the profit of a particular fiscal year paid only after the clearance of all arrears. The holders of ordinary shares then receive a preliminary dividend from the remaining unappropriated profit 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.

- 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 share dividend for that second year, the holders of preferred shares are accorded voting rights until such arrears are paid (Section 140 (2) AktG). Cancellation or limitation of this preferred dividend requires the consent of the holders of preferred shares (Section 141 (1) AktG).

The shareholders exercise their rights in the Annual General Meeting per the relevant statutory provisions (especially Sections 118 et seq., 286 AktG) and the Company's Articles of Association (especially Art. 18 et seq.). In particular, they exercise the right to vote conveyed by the shares with voting rights – either personally, by mail-in (postal) vote, through a legal representative or through a proxy-holder nominated by the Company (Section 134 (3) and (4) AktG in conjunction with Art. 21 (2) and (3) of the Articles of Association) – and are also entitled to submit motions on the resolution proposals of management, speak on agenda items, raise pertinent questions and propose motions (Sections 126 (1) and 131 AktG in conjunction with Art. 23 (2) of the Articles of Association). Ordinary annual general meetings must be held within the first eight months following the close of the fiscal year (Section 175 (1) sentence 2 AktG); they usually take place within the first four to five months of the fiscal year.

Until June 30, 2027, the Management Board is authorized to hold Annual General Meetings virtually, without the shareholders or their proxies being physically present at the AGM venue (Art. 19 (4) of the Articles of Association).

Shareholders whose combined shares represent one-twentieth of the capital stock – equivalent to 21,897,938 ordinary or preferred shares or a combination of the two – may demand that a General Meeting be convened. Shareholders whose combined share of the capital stock amounts to 500,000 euros or

more – equivalent to 500,000 ordinary or preferred shares or a combination of the two – may demand the inclusion of items on the agenda and publication of same (Section 122 (1) and (2) AktG). In addition, shareholders whose combined share of the capital stock amounts to 100,000 euros or more – equivalent to 100,000 ordinary or preferred shares or a combination of the two – may, subject to certain conditions, request that a special auditor be appointed by the court to examine certain matters (Section 142 (2) AktG).

Through the use of electronic communications, particularly the internet, the Company makes it easy for shareholders to participate in the Annual General Meeting. It also enables them to be represented by proxy-holders nominated by the Company for exercising their voting rights. The reports, documents and information required by law for the Annual General Meeting, including the financial statements, annual reports and remuneration reports, are made available on the internet, as are the agenda for the Annual General Meeting and any counter motions or nominations for election by shareholders that require publication. Curricula vitae are published for all candidates standing for election to the Supervisory Board as shareholder representatives or to the Shareholders' Committee.

Restrictions with respect to voting rights or the transfer of shares

Generally, preferred shares do not convey any voting rights (Sections 139 (1), 140 (1) AktG; please refer to the remarks above for further details). Voting rights attached to treasury shares held by the Company (Section 71b AktG) and to ordinary shares for which the statutory notification requirement has not been met (Section 44 sentence 1 WpHG) may not be exercised. The voting rights attached to ordinary shares are also excluded by law in the cases cited in Section 136 AktG (conflicts of interest concerning ordinary shares held by members of the Management Board, Supervisory Board or Shareholders' Committee).

A share-pooling agreement has been concluded between members of the families of the descendants of Company founder Fritz Henkel, pursuant to which the members agree on how to exercise the voting rights conveyed by their relevant ordinary shares in Henkel AG & Co. KGaA and ensure their voting rights are exercised consistently. The agreement also contains restrictions with respect to transfers of the ordinary shares covered (Art. 7 of the Articles of Association).

If employees acquire Henkel preferred shares through the Employee Share Plan (employee shares), they receive a certain number of additional Henkel preferred shares without further payment (bonus shares). These bonus shares are subject to a Company-imposed lock-up period of three years, which begins on the first day of the respective participation period, and they may not be sold before expiration of this period. If the relevant employee shares are sold during the lock-up period, the respective bonus shares are forfeited.

Contractual agreements also exist with members of the Management Board governing lock-up periods for Henkel preferred shares which they are required to purchase and hold under the Share Ownership Guideline.

Major shareholders

According to notifications received by the Company as of March 21, 2025, a total of 61.85 percent of the voting rights are held by members of the Henkel family share-pooling agreement (for additional information, please see the disclosures provided in the notes to the consolidated financial statements under Note 43 on page 453). No other direct or indirect investment in capital stock exceeding 10 percent of the voting rights has been reported to us or is known to us.

Shares with special rights

There are no shares carrying multiple voting rights, preference voting rights, maximum voting rights or other special controlling rights.

Statutory requirements and provisions in the Articles of Association governing the appointment and dismissal of members of the Management Board and amendment of the Articles of Association

Decisions regarding the appointment and dismissal of personally liable partners are taken by the Shareholders' Committee of Henkel AG & Co. KGaA and not by the Annual General Meeting (Art. 26 of the Articles of Association). Henkel Management AG is the sole Personally Liable Partner of the Company (Art. 8 (1) of the Articles of Association); all its shares are held by Henkel AG & Co. KGaA.

The Supervisory Board of Henkel Management AG is responsible for the appointment and dismissal of members of the Management Board of Henkel Management AG (Management Board). The appointments are for a maximum tenure of five years, although initial appointments tend to be for a period of three years, in accordance with the recommendations of the GCGC. Reappointment or an extension of tenure is permitted for a maximum period of five years in each case (Section 84 (1) AktG). The Supervisory Board of Henkel Management AG may revoke the appointment as member of the Management Board for good cause or reason, which may consist of gross dereliction of Management Board duties or inability to properly manage the Company's affairs (Section 84 (4) AktG). The Supervisory Board of Henkel Management AG exercises due discretion when appointing and revoking appointments.

According to Section 84 (3) AktG, a member of a Management Board comprised of more than one person is entitled to request the Supervisory Board to revoke their appointment if they are temporarily unable to perform the duties associated with the tenure because they are on maternity or parental leave, need to nurse a relative or are themselves ill. If a member of a

Management Board exercises this right, the Supervisory Board must revoke the appointment

1. but, in the case of maternity leave, at the same time guarantee reinstatement following completion of the protection periods specified in Section 3 (1) and (2) of the Maternity Protection Act [MuSchG],
2. but, in the case of parental leave, the need to nurse a relative, or sickness, at the same time guarantee reinstatement following a period of up to three months, as requested by the Management Board member; the Supervisory Board can refuse to revoke the appointment for good cause.

The Management Board is composed of at least two members in accordance with Art. 7 (1) of the Articles of Association of Henkel Management AG. The Supervisory Board of Henkel Management AG is also responsible for determining the number of members on the Management Board. The Supervisory Board can appoint a member of the Management Board to chair the Management Board (Section 84 (2) AktG; Art. 7 (1) of the Articles of Association of Henkel Management AG).

If its management or executive board comprises more than three people, a listed corporation that is subject to the German Codetermination Act of 1976 must appoint at least one woman and at least one man to that executive body (participation requirement pursuant to Section 76 (3a) AktG). This participation requirement is applied accordingly to the Management Board of Henkel Management AG.

Unless otherwise mandated by statute or the Articles of Association, the resolutions of the Annual General Meeting of Henkel AG & Co. KGaA are adopted by simple majority of the votes cast. If a majority of capital is required by statute, resolutions are adopted by simple majority of the voting capital represented (Art. 24 of the Articles of Association). This also applies to changes in the Articles of Association. However, modifications to the object of the Company require a three-quarters' majority (Section 179 (2) AktG). The Supervisory Board and Shareholders' Committee have the

authority to resolve purely formal modifications of and amendments to the Articles of Association (Art. 34 of the Articles of Association). By resolution of the Annual General Meeting, the Supervisory Board is also authorized to amend Art. 5 and 6 of the Articles of Association with respect to each use of the authorized capital and upon expiration of the term of the authorization.

Authorization of the Management Board to issue or buy back shares

Authorized capital was created by resolution of the Annual General Meeting on April 28, 2025 (Art. 6 (5) of the Articles of Association). Under the new resolution, the Personally Liable Partner is authorized, with the approval of the Supervisory Board and of the Shareholders' Committee, to increase the capital of the Company at any time through to April 27, 2030, by up to a nominal amount of 81,633,000 euros in total from the issuance for cash consideration of up to 81,633,000 new non-voting preferred bearer shares that are equivalent to existing preferred shares with respect to the distribution of profits or of the Company's assets. The authorization may be utilized to the full extent allowed either once or several times in installments. The new non-voting preferred shares participate in profit distributions from the beginning of the fiscal year in which they are issued. To the extent permitted by law, the Personally Liable Partner may, with the approval of the Supervisory Board and of the Shareholders' Committee and in derogation from Section 60 (2) AktG, otherwise determine that the new shares shall participate in profits from the beginning of a fiscal year that has already elapsed and for which, at the time of their issuance, no resolution had yet been passed by the Annual General Meeting on the appropriation of profit.

Shareholders must be granted a pre-emptive subscription right. Pursuant to Section 186 (5) sentence 1 AktG, the new shares can be acquired by one or more banks, securities institutions or companies to be nominated by the Personally Liable Partner on condition that they offer them for purchase to the shareholders (indirect subscription right).

The Personally Liable Partner is authorized, with the consent of the Supervisory Board and the Shareholders' Committee, to determine the further details of the capital increase and its implementation, in particular the issue amount (Authorized Capital 2025).

According to the resolution passed by the Annual General Meeting on April 24, 2023, the Personally Liable Partner is authorized to purchase ordinary and/or preferred shares of the Company for any permissible purpose at any time until April 23, 2028 up to a maximum proportion of 10 percent of the capital stock existing at the time the resolution is adopted by the Annual General Meeting or at the time the authorization is exercised, whichever is lower. Equity derivatives (put and/or call options and/or forward contracts or a combination of same) can also be used for such purchase. The volume of any and all shares purchased using such derivatives must not exceed 5 percent of the capital stock existing at the effective date or at the time the authorization is exercised, whichever is lower. The terms of the derivatives must not exceed 18 months in each case and shall be contracted such that, after April 23, 2028, it will not be possible to acquire treasury shares through exercise of such derivatives.

Moreover, by resolution of the Annual General Meeting of April 24, 2023, the Personally Liable Partner is authorized to utilize the acquired treasury shares for any permissible purpose, subject to the approval of the Shareholders' Committee and the Supervisory Board. To the exclusion of the pre-emptive subscription rights of existing shareholders, treasury shares may, in particular, be transferred to third parties for the purpose of acquiring entities or participating interests in entities. Treasury shares may also be sold to third parties against payment in cash, provided that the selling price is not significantly below the quoted market price at the time of share disposal. Treasury shares may also be offered for purchase or transferred to members of the Company's staff, or managers and employees of affiliated companies, particularly in connection with share-based payment plans or employee participation programs. The shares may likewise be used to satisfy

warrants or conversion rights granted by the Company. Moreover, the Personally Liable Partner was authorized to withdraw treasury shares without further resolution by the Annual General Meeting.

Insofar as shares are issued or used to the exclusion of pre-emptive rights, the proportion of capital stock represented by such shares shall not exceed 10 percent.

For further information concerning the acquisition of treasury shares, the number held and their use, please refer to the disclosures provided in the notes to the consolidated financial statements under Note 10 on pages 380 to 382.

Material agreements governed by a change of control, and compensation agreements in the event of a takeover bid

The Company has not entered into any material agreements governed by a change of control in the wake of a takeover bid, nor any compensation agreements with members of the Management Board or the staff in the event of a takeover bid.

Corporate governance statement

(Disclosures required under Sections 289f, 315d of the German Commercial Code [HGB], and explanations)

In the corporate governance statement issued jointly by the Management Board and Supervisory Board of Henkel AG & Co. KGaA, the Management Board and Supervisory Board provide information in the relevant sections of the report on the essential elements of Henkel's corporate governance structures, relevant corporate governance practices, the composition and working methods of the Management Board, Supervisory Board and Shareholders' Committee, and the objectives to be set and the concepts pursued in the composition of the aforementioned bodies.

It should be noted that Section 317 (2) sentence 6 HGB stipulates that the review of the disclosures by the external auditor is limited to the question as to whether the requisite information has been disclosed.

The GCGC stipulates disclosures relating to the internal control and risk management systems that extend beyond the legal requirements governing management reports. These disclosures have been allocated thematically to the corporate governance statement.

1. GCGC declaration of compliance

The GCGC is substantially aligned to the statutory provisions applicable to a German joint stock corporation ("Aktiengesellschaft" [AG]). It is applied analogously by Henkel AG & Co. KGaA (the Company) to the extent that its regulations are applicable to the legal form of a Kommanditgesellschaft auf Aktien (see below). A description is provided in the following to enable a better understanding of the principles underlying the management and control structure of the Company and the special features distinguishing us from an AG which derive from our specific legal form and our Articles of Association, with indication also of the primary rights accruing to the shareholders of Henkel AG & Co. KGaA.

Legal form/Special statutory features of Henkel AG & Co. KGaA

Henkel is a "Kommanditgesellschaft auf Aktien" [KGaA]. A KGaA is a company with a legal identity (legal entity) in which at least one partner has unlimited liability with respect to the Company's creditors (personally liable partner/general partner), while the liability for such debts of the other partners participating in the share-based capital stock is limited to their share capital (limited shareholders, Section 278 (1) AktG).

In terms of its legal structure, a KGaA is a mixture of a joint stock corporation [AG] and a limited partnership [KG], with a leaning toward stock corporation law. The differences with respect to an AG are primarily as follows: The duties of the executive board of an AG are performed at the Company by Henkel Management AG – acting through its Management Board – as the sole Personally Liable Partner (Sections 278 (2), 283 AktG in conjunction with Art. 11 of the Articles of Association). The Company is the sole shareholder of Henkel Management AG.

The rights and duties of the supervisory board of a KGaA are more limited compared to those of the supervisory board of an AG. Specifically, the supervisory board of a KGaA is not authorized to appoint personally liable partners, preside over the partners' contractual arrangements, impose procedural rules on the management board, or rule on business transactions. These duties are performed for the Company by the Shareholders' Committee and by the Supervisory Board of Henkel Management AG respectively. A KGaA is not required to appoint a director of labor affairs, even if, like Henkel, the company is bound to abide by the German Codetermination Act of 1976.

The general meeting of a KGaA essentially has the same rights as the shareholders' meeting of an AG. For example, it votes on the appropriation of earnings, elects members of the supervisory board (shareholder representatives) and formally approves the supervisory board's actions. It appoints the auditor and also votes on amendments to the articles of association and measures that change the company's capital, which are implemented by the management board. Additionally, as stipulated by the legal form, it also votes on the adoption of the annual financial statements of the company, formally approves the actions of the personally liable partner (general partner), and elects and approves the actions of the members of the shareholders' committee as established under the articles of association. Resolutions passed in general meeting require the approval of the personally liable partner where they involve matters which, in the case of a limited partnership, require the authorization of the personally liable partners and that of the limited partners (Section 285 (2) AktG) or relate to the adoption of annual financial statements (Section 286 (1) AktG).

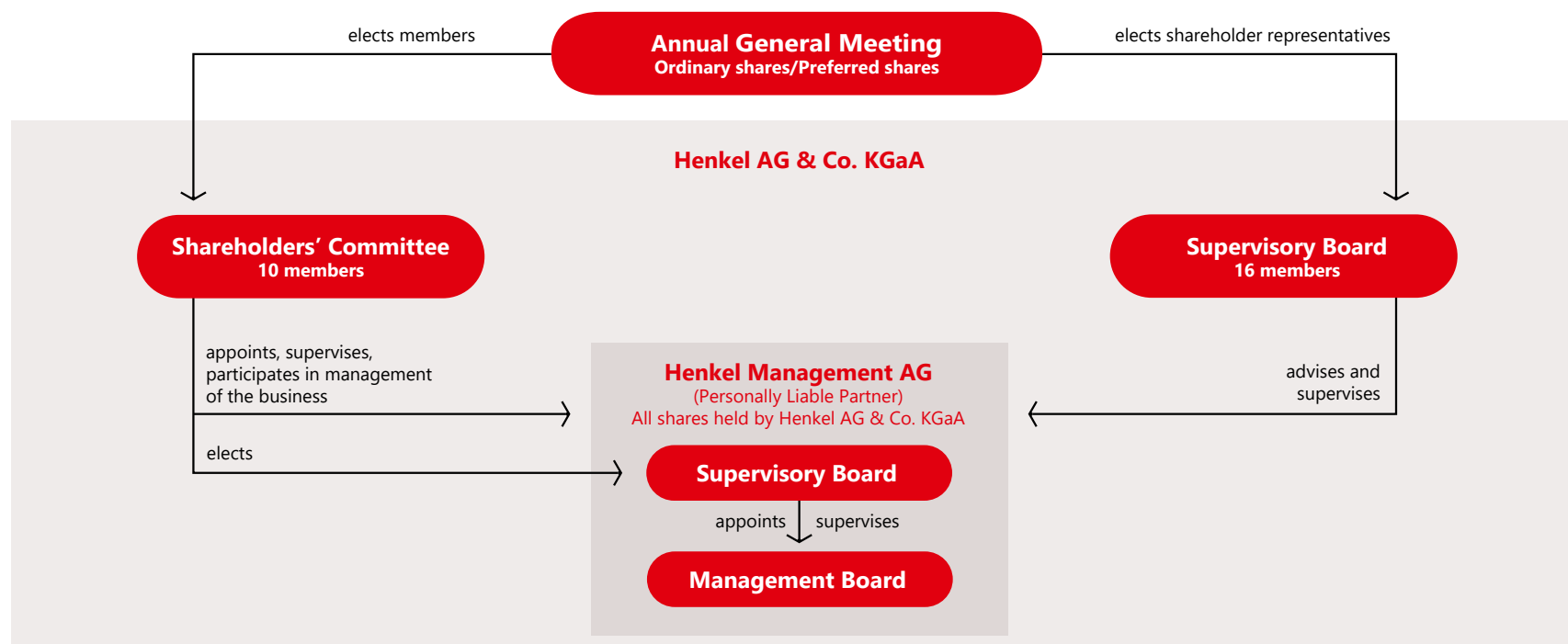
According to our Articles of Association, in addition to the Supervisory Board, Henkel also has a standing Shareholders' Committee comprising a minimum of five and a maximum of ten members, all of whom are elected by the Annual General Meeting (Art. 27 of the Articles of Association). The Shareholders' Committee is required in particular to perform the following functions (Section 278 (2) AktG in conjunction with Sections 114 and 161 HGB, and Art. 8, 9 and 26 of the Articles of Association):

- The Shareholders' Committee acts in place of the Annual General Meeting in guiding the business activities of the Company.
- It decides on the appointment and dismissal of the Personally Liable Partners.

- It holds both the power of representation and executive powers over the legal relationships prevailing between the Company and Henkel Management AG, the Personally Liable Partner.
- It exercises the voting rights of the Company in the Annual General Meeting of Henkel Management AG, thereby choosing its three-member Supervisory Board which, in turn, appoints and dismisses the members of the Management Board.
- It determines the rules of procedure for Henkel Management AG, as the Personally Liable Partner, and specifies which transactions it must submit to the Shareholders' Committee for approval.

There were no changes in the Group management and supervisory structure in the year under review. The following chart illustrates the structure of the Company.

Structure of Henkel AG & Co. KGaA



Declaration of compliance per Section 161 AktG

Where the GCGC offers recommendations concerning the duties and responsibilities of a supervisory board that are performed by the company's Shareholders' Committee or the Supervisory Board of Henkel Management AG in compliance with the Articles of Association, those recommendations have been adopted accordingly for the Shareholders' Committee and the Supervisory Board of Henkel Management AG respectively. Such recommendations by the GCGC relate to the composition of the Management Board, succession planning, the length of first terms in office, reappointment and specification of an age limit, definition of a remuneration system and of total remuneration, specification of the amount of variable remuneration to be paid to the Management Board and of the monetary arrangements upon termination of a contract.

In March 2025, the Management Board, Supervisory Board and Shareholders' Committee issued the following declaration, which was published on the company's website:

"Declaration for 2025 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 ("Company") declare, pursuant to Section 161 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 Company has complied with the current recommendations of the German Corporate Governance Code as amended on April 28, 2022 ("GCGC") since the last declaration of compliance of February 2024, and is currently complying and will comply in future with the GCGC recommendations subject to certain derogations indicated below:

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

- The Company is a German partnership limited by shares ("Kommanditgesellschaft auf Aktien" [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 Company is Henkel Management AG, the Management Board ("Management Board") of which is thus responsible for managing the business activities of the Company. The Company is the sole shareholder of Henkel Management AG.
- The Shareholders' Committee established in accordance with the Company's bylaws acts in place of the Annual General Meeting of the Company, its primary duties being to engage in the management of the Company'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 of the Company 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 likewise responsible for exercising the Company's voting rights at Annual 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.

GCGC recommendations that refer to the duties and responsibilities of a supervisory board that are performed by the Shareholders' Committee in accordance with the Company'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 Company 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 Code-termination 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.

GCGC recommendations

Where the GCGC offers recommendations concerning the duties and responsibilities of a supervisory board that are performed by the Company's Shareholders' Committee or the Supervisory Board of Henkel Management AG due to legal form or in compliance with the Articles of Association, 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 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 by-laws, the Company complies with all recommendations ("shall" provisions) of the GCGC, with the following exception:

- The Company has derogated and continues to derogate 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 – under the remuneration policy – all lock-up periods relating to a board member's own investment in Henkel preferred shares (share deferral) expire upon termination or in the event of death. 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 from the GCGC

Notwithstanding the aforementioned special features arising from its legal form, the Company has adopted and will continue to adopt the discretionary suggestions of the GCGC.

Düsseldorf, March 2025

Management Board Shareholders' Committee Supervisory Board"

The corresponding declarations of compliance together with the reasons for deviations from recommendations are publicly accessible on our website:

www.henkel.com/corporate-governance

2. Availability of remuneration policy, remuneration report and remuneration resolution

According to Section 120a (1) AktG, the general meeting of an exchange-listed corporation adopts resolutions approving the remuneration policy for management board members as submitted by the supervisory board

whenever the policy is substantially amended, and at least every four years. The Annual General Meeting of Henkel AG & Co. KGaA on April 24, 2023 approved the remuneration policy applicable since 2023 for the Management Board per Section 87a (1) AktG by a majority of 98.04 percent. The remuneration policy and the corresponding resolution are publicly accessible on our website: www.henkel.com/corporate-governance

The remuneration of the members of the Supervisory Board and of the Shareholders' Committee is governed by Article 17 (Supervisory Board remuneration) and Article 33 (Shareholders' Committee remuneration) of the Articles of Association of Henkel AG & Co. KGaA. According to Section 113 (3) AktG, listed corporations must adopt resolutions governing the remuneration of their supervisory board members at least every four years, whereby a resolution simply confirming the status quo is permissible. By resolution adopted by the Annual General Meeting on April 22, 2024, the remuneration of members of the Nominations Committee and members of the new Sustainability Committee, which was established in 2024, of the Supervisory Board was approved by a majority of 99.85 percent, and Art. 17 of the Articles of Association was amended accordingly. Taking into consideration the aforementioned adjustments, the rules governing the remuneration of the Supervisory Board and the Shareholders' Committee were also confirmed. The remuneration policy for the members of the Supervisory Board and the Shareholders' Committee and the respective resolutions are publicly accessible on the website www.henkel.com/ir

According to Section 120a (4) AktG, the general meeting of an exchange-listed corporation must approve the remuneration report for the previous fiscal year, which report must be compiled and audited per Section 162 AktG. The remuneration report for fiscal 2024, which details the remuneration of the corporate bodies of Henkel, together with the associated audit opinion relating to the statutory formal audit and additional substantive audit, is publicly accessible on the website www.henkel.com/ir. Likewise, the

remuneration report for fiscal 2025 including audit opinion will be made publicly accessible on this website.

3. Material corporate governance principles and practices

Material codes of conduct at Henkel

The Management Board, the Shareholders' Committee and the Supervisory Board are committed to ensuring that the management and stewardship of the Company are conducted in a responsible and transparent manner aligned to achieving a long-term increase in shareholder value. With this in mind, they have pledged allegiance to the following three principles:

- Value creation as the foundation of our management approach
- Sustainability achieved through the application of socially responsible management principles
- Transparency supported by an active and open information policy

The members of the Management Board conduct the Company's business with the care of a prudent and conscientious business director in accordance with statutory requirements, the Articles of Association of Henkel Management AG and the Articles of Association of Henkel AG & Co. KGaA, the rules of procedure governing the actions of the Management Board, the provisions contained in the individual contracts of employment of its members, and also the compliance guidelines and resolutions adopted by and within the Management Board.

Corporate management principles which go beyond the statutory requirements are derived from our purpose, our vision, and our values. For our Company to be successful, it is essential that we share a common approach to entrepreneurship. We have defined a clear strategic framework with a long-term horizon. It guides us in making the right decisions and helps us to concentrate on our strategic priorities and focus resolutely on our ambition for the future.

We want to create value – for our customers and our consumers, for our people, for our shareholders, as well as for the wider society and communities in which we operate.

Our purpose:

- Pioneers at heart for the good of generations.

Our vision:

- Win the 20s by outperforming the markets through innovative and sustainable solutions.

Our values:

- We put our **customers** and **consumers** at the center of what we do.
- We value, challenge and reward our **people**.
- We drive excellent sustainable **financial performance**.
- We are committed to leadership in **sustainability**.
- We shape our future with a strong entrepreneurial spirit based on our **family business** tradition.

The corporate bodies of Henkel and our employees worldwide are guided by this purpose, this vision, and these values. They reaffirm our ambition to meet the highest ethical standards in everything we do. And they guide our employees in all the day-to-day decisions they make, providing a compass for their conduct and actions.

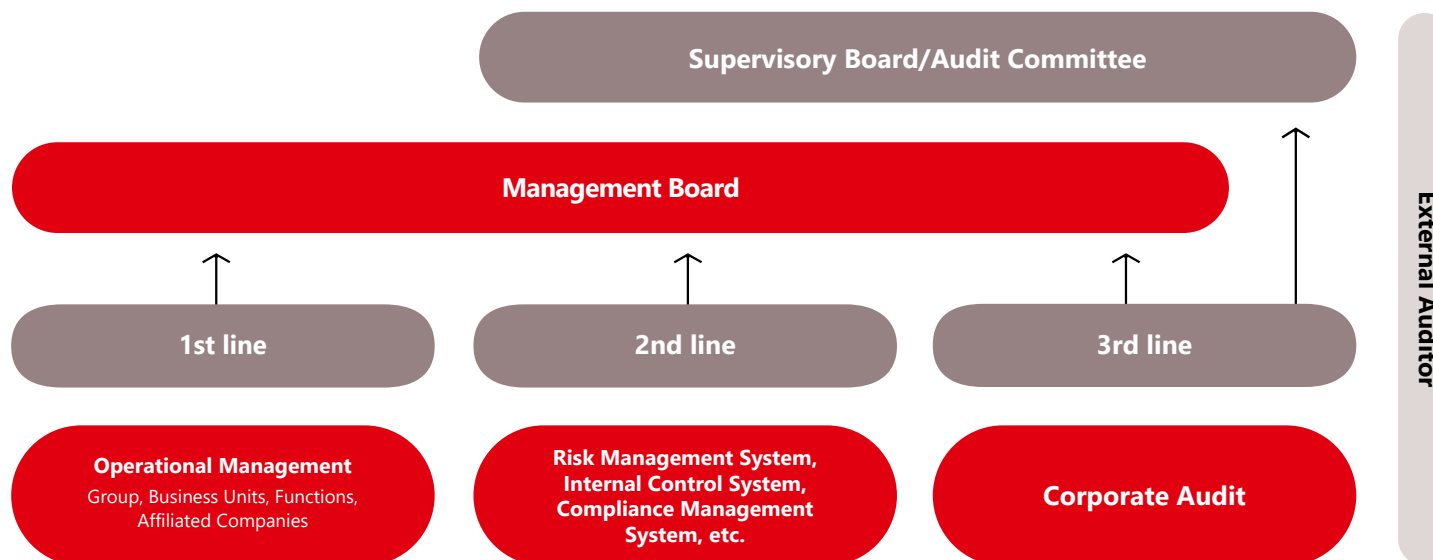
Henkel is committed to ensuring that all business transactions are conducted in an ethically irreproachable, legal fashion. Consequently, Henkel expects all our employees not only to respect the Company's internal rules and all relevant laws, but also to avoid conflicts of interest, to protect Henkel's assets and to respect the social values of the countries and cultural environments in which Henkel does business. The Management Board has therefore issued a series of Group-wide codes and standards with precepts that are binding worldwide. These regulatory instruments are not static, but are periodically reviewed and amended as appropriate, evolving in step with the

changing legal and commercial conditions that affect Henkel as a globally active corporation. The Code of Conduct supports our employees in ethical and legal issues. The Leadership Commitments define the principles of management conduct. The Code of Sustainability describes the principles that drive our sustainable, socially responsible approach to business. This code also enables Henkel to meet the commitments derived from the United Nations Global Compact.

Key principles governing the internal control and risk management systems

A responsible and appropriate approach to managing risks and opportunities is a central element of corporate governance at Henkel. To enable us to identify and assess risks and opportunities early on, we have established coordinated risk management and internal control systems that are closely aligned to the nature and scope of the business activities and the risk situation of Henkel. Both systems feature operational components alongside the accounting-related elements. Sustainability aspects are also taken into account. In line with the requirements for sustainability reporting, the integration will be continuously expanded. This includes the continuous expansion of the existing internal control system to include important processes of sustainability reporting, as well as the linking of the risk management system and sustainability reporting in the identification and assessment of opportunities and risks. The internal control system and the risk management system are subject to continuous improvement in line with regulatory requirements. The aforementioned systems are supplemented by a compliance management system aligned to the risk situation of the Company. Overall responsibility for ensuring effective control and risk management and compliance with laws and guidelines lies with the Management Board.

Structure of Henkel AG & Co. KGaA



The three-lines model provides the organizational framework for these systems. The **first line of defense** is provided by those charged with operational management, who are responsible for identifying, assessing and managing the associated risks. The **second line of defense** relates to the specific governance of Henkel, with the functions concerned being responsible for developing/improving and implementing the processes and systems for use by the first line. The Management Board and Supervisory Board each receive regular risk management, internal control system and compliance reports. The **third line of defense** is provided by the Corporate Audit function, which performs an impartial oversight function and regularly reports to the Management Board and the Supervisory Board's Audit Committee on its audit findings. For financial reporting, the three lines of defense are supplemented by the activities of the external auditor.

Risk management

Further details relating to governance and the risk management processes that have been put in place can be found in the risks and opportunities report on pages 128 to 145.

Internal control system

The internal control system comprises all of Henkel's systematically defined controls and monitoring activities. It is designed in reference to the internationally recognized COSO framework (Committee of Sponsoring Organizations of the Treadway Commission) for internal controls and is the subject of continuous development and improvement. The Group-wide guidelines and the ICS manual define the principles, objectives, responsibilities and the structure of the internal control system and the approach to examining the

appropriateness and effectiveness. In its design, the internal control system goes beyond accounting-related risks. It also includes risks associated with operational business activities and compliance with essential internal and external requirements. At the same time, it must be taken into account that not all operational activities are included in the Group-wide internal control system. For such processes that are not covered by the formally defined internal control system, organizational responsibility lies with the respective operational business units on the basis of the defined guidelines and standards that apply throughout the Group. The key characteristics of our internal control and risk management systems relating to financial reporting and accounting processes per Section 315 (4) HGB are described in our risks and opportunities report on pages 144 and 145.

Compliance management

Ensuring compliance with laws and regulations is an integral component of our business processes. Henkel has established a Group-wide compliance organization with locally and regionally responsible compliance officers led by a globally responsible General Counsel & Chief Compliance Officer (CCO). The compliance organization operates on three levels: "Prevention," "Detection," and "Response." The General Counsel & CCO, supported by the Corporate Compliance Office and the interdisciplinary Compliance & Risk Committee, manages and controls compliance-related activities undertaken at the corporate level, coordinates training courses, oversees adherence to both internal and external regulations, supports the development and implementation of in-house standards that are binding worldwide, and takes appropriate action in the event of compliance violations.

The local and regional compliance officers are responsible for organizing and overseeing the training activities and implementation measures tailored to the specific local and regional requirements. They report to the Corporate Compliance Office. The General Counsel & CCO reports regularly to the Management Board and to the Supervisory Board's Audit Committee and the Shareholders' Committee on identified compliance violations. In addition, compliance issues and potential violations are also regular items on the agenda of other local corporate management bodies.

The issue of compliance is moreover an integral part of the target agreements signed by all managerial staff of Henkel. Due to their position, it is particularly incumbent on them to set the right example for their subordinates, to effectively communicate the compliance rules and to ensure through the implementation of suitable organizational measures that these are obeyed.

The procedures to be followed in the event of complaints or suspicion of malpractice also constitute an important element of the compliance policy. Since we place great importance on identifying potential misconduct and taking suitable action to prevent violations, all Henkel employees and stakeholders are required to report possible misconduct. In addition to our internal reporting system and complaint registration channels, a compliance hotline operated by an external service provider is available for the purpose of reporting suspicions of violations – anonymously, if preferred – to the Corporate Compliance Office. The Head of the Corporate Compliance Office is mandated to initiate the necessary follow-up procedures.

Our corporate compliance activities are focused on antitrust law and the fight against corruption. In our Code of Conduct, the corporate guidelines based upon it, and in other publications, the Management Board clearly expresses its rejection of all infringements of the principles of compliance, particularly antitrust violations and corruption. We do not tolerate such violations in any way. For Henkel, bribery, anticompetitive agreements, or any other violations of laws are no way to initiate or conduct business.

A further compliance-relevant area relates to capital market law. Supplementing the legal provisions, internal codes of conduct have been put in place to regulate the treatment of issues and information that have the potential to materially affect share prices. The Company has an Ad Hoc Committee comprised of representatives from various departments. In order to ensure that potential insider information is handled as required by law, this Committee reviews occurrences for their possible effect on share prices, determining the need to issue reports to the capital markets on an ad-hoc basis. The ultimate authority to decide how to handle potential insider information lies with the Management Board. There are also rules that go beyond the legal requirements, governing the behavior of the members of the Management Board, the Supervisory Board and the Shareholders' Committee, and also employees of the Company who, due to their function or involvement in projects, have access to potential insider information.

Sustainability management

Our sustainability management is integrated vertically, horizontally and interdepartmentally into our organizational structure, whereby the internal sustainability control system is still being established and is therefore not included in the following description. The Sustainability Council chaired by CPO Sylvie Nicol is the central corporate management body in charge of our global sustainability activities. At the request of the Management Board, the Council performs coordinating, initiative and control functions relating to sustainability issues. They include strategic issues and issues of operational relevance, such as climate change and the impacts of same, human rights,

sustainable products and technologies, packaging, product safety, and management systems. The Sustainability Council establishes project groups to address sustainability issues and oversees the findings. Additionally, overarching projects are initiated and the achievement of sustainability targets is regularly monitored. The Sustainability Council is composed of senior executives from all business units and functions throughout the Company.

The operating business units are responsible for the operational design of our sustainability strategy and for providing the resources needed to implement same. They align their brands and technologies, and the sites involved, to sustainability in line with the specific challenges and priorities of their product portfolio. The managers in charge of the regional and national companies are responsible for implementing Group specifications and for ensuring compliance with legal requirements. With the support of the corporate functions and the operating business units, they develop an implementation strategy appropriate to the individual sites and their local circumstances.

The corporate functions support the implementation of our sustainability strategy in the respective areas and the measurement of progress. In this respect, the central Corporate Sustainability function headed by the Chief Corporate Sustainability Officer acts as an important coordinator and steward.

The Supervisory Board's Sustainability Committee, which was established in April 2024, deals with sustainable corporate governance and closely monitors the sustainability strategy of the Management Board and its further development.

Internal audit

The primary task of our internal audit function (Corporate Audit) is to provide independent and objective auditing and consultancy services aimed at adding value and improving business processes. A systematic and target-driven approach assesses the effectiveness of the risk management system, control mechanisms and management and monitoring processes and is used to coordinate improvement programs. Regular audits are conducted around the globe at our production and administrative sites, as well as at our toll/contract manufacturers and at logistics centers to ensure compliance with our codes and standards. Our audits focus particularly on the areas of procurement, distribution, marketing, finance, IT, personnel, supply chain, production, and health and environmental safety. Corporate Audit reports regularly to the Management Board and the Supervisory Board's Audit Committee on the findings of its audits.

Audit Committee

The Supervisory Board's Audit Committee regularly assesses the appropriateness and effectiveness of the Group-wide internal control and risk management systems and on the further improvement of same. The efficacy of the control and risk management systems are examined on the basis of risk reports, the report on the internal control system and reports submitted by the General Counsel & Chief Compliance Officer and Corporate Audit. The Audit Committee also approves the relevant risk-based audit schedule submitted by Corporate Audit.

Appropriateness and efficacy of the internal control and risk management systems

After examining the internal control and risk management systems, including the compliance management system, and the internal audit reports, the Management Board is not aware of any circumstances that might indicate that these systems are not appropriate and effective. Generally speaking, however, internal control and risk management systems – irrespective of their individual design – cannot guarantee with absolute certainty that all

risks will be identified in time or that (compliance) violations will be avoided or discovered.

4. How the Management Board, Supervisory Board and Shareholders' Committee work; how their committees are composed and work

Management Board

The Management Board is composed of at least two members in accordance with Art. 7 (1) of the Articles of Association of Henkel Management AG. The Supervisory Board of Henkel Management AG is also responsible for determining the number of members on the Management Board; it can appoint a member of the Management Board as Chair. As a rule, members are appointed to the Management Board for an initial term of no more than three years. As of December 31, 2025, the Management Board had five members.

The Management Board is solely responsible for managing the Company and for representing Henkel AG & Co. KGaA in transactions with third parties. The members of the Management Board are segregated from both the Supervisory Board and the Shareholders' Committee of Henkel AG & Co. KGaA and from the Supervisory Board of Henkel Management AG; no member of the Management Board may also sit on either of the aforementioned Supervisory Board nor the Shareholders' Committee.

The Management Board is responsible for managing the entire Company. One of its material tasks is to define the organizational structure, objectives, and strategic orientation of the Company, including its sustainability strategy. In doing so, the Management Board systematically identifies and evaluates the social and environmental risks and opportunities facing the Company, as well as the environmental and social impacts of the Company's business activities. In addition to long-term financial targets, sustainability objectives are also used to determine the remuneration payable to the Management Board and senior executives.

The Management Board also manages and monitors the activities of the Company by planning, coordinating and allocating resources, resolving and supporting key individual measures and ensuring appropriate internal control and risk management systems that also already incorporate sustainability aspects in relevant areas. It must also ensure compliance with legal provisions, regulatory requirements and internal Company guidelines, and take steps to ensure that Group companies also observe them. To this end, the Management Board has put a compliance management system aligned to the Company's risk situation in place that also offers employees and third parties the option of reporting suspicions of relevant violations in the Company without fear of retribution.

It is the duty of the Management Board to prepare the annual financial statements of Henkel AG & Co. KGaA, the consolidated financial statements and combined management reports for Henkel AG & Co. KGaA and the Group, the non-financial statements and non-financial reports and the half-year financial reports and quarterly statements. Together with the Supervisory Board of Henkel AG & Co. KGaA, it compiles the annual remuneration report per Section 162 AktG.

As the executive body of the Group, the Management Board is bound to uphold the interests of the Company and is responsible for ensuring a sustainable increase in shareholder value. The members of the Management Board are responsible for managing Henkel's business operations in their entirety. The individual Management Board members are assigned, in accordance with a business distribution plan, areas of competence for which they bear lead responsibility. The members of the Management Board cooperate closely as colleagues, informing one another of all major occurrences within their areas of competence and conferring on all actions that may affect several such areas. Actions and business transactions that are of fundamental relevance for the Company or pose an unusual risk must be agreed upon in advance by the entire Management Board. The same applies to matters for which one member of the Management Board requires a

decision by the entire Management Board. The Chair of the Management Board (CEO) is responsible for coordinating all areas of Management Board responsibility. Further details relating to cooperation and the division of operational responsibilities within the Management Board are regulated by the rules of procedure issued by the Supervisory Board of Henkel Management AG.

The Management Board adopts its resolutions in regular meetings called and chaired by the CEO or by written procedure. Decisions by the Management Board are taken on the basis of detailed information and analysis submitted by the business units and central, corporate functions and – to the extent deemed necessary – by external consultants. Wherever possible, Management Board resolutions are adopted unanimously. In the absence of a unanimous vote, the majority decides; in the event of a tie, the Chair of the Management Board has the casting vote. The Chair cannot force a decision against a majority vote but does have a veto right if outvoted. Exercising the veto right prompts renewed debate of the resolution by the Management Board. If the veto right is exercised again in response to the proposed adoption of a resolution, the matter is forwarded to the Shareholders' Committee for a final decision. Any member of the Management Board can appeal to the Shareholders' Committee in respect of a matter affecting the Company in which they were outvoted.

The Management Board has established various committees and councils – some of which are chaired by a member of the Management Board – to consult and decide on individual issues, especially in respect of acquisition/divestment/investment decisions, personnel policy issues and sustainability issues. These committees and councils examine the planned measures, assess the opportunities and risks, and communicate their decisions to the Management Board or – to the extent that the Management Board is responsible for making the appropriate decision – submit to it appropriate proposals for decision.

Supervisory Board

Composition, duties

The Company's Supervisory Board is composed of equal numbers of shareholder and employee representatives as specified in the Codetermination Act of 1976 [MitbestG], and is made up of 16 members (Section 7 (1) sentence 2 MitbestG in conjunction with Art. 12 (1) of the Articles of Association). The eight shareholder representatives are elected by the Annual General Meeting and the eight employee representatives (six employees of the Company and its German subsidiaries and two union representatives) by the workforce, in keeping with the Codetermination Act of 1976 and the relevant voting procedures. A member of the Management Board cannot simultaneously be a member of the Supervisory Board. All members of the Supervisory Board are bound in equal measure to protect the interests of the Company. Members are appointed for five-year terms unless otherwise specified at election. At the election of the shareholder representatives by the 2024 Annual General Meeting, their term of office was set at four years.

It is the responsibility of the Supervisory Board to advise and supervise the Management Board in the performance of its business management duties, including consideration of sustainability aspects. At regular intervals, the Supervisory Board discusses with the Management Board the progress regarding implementation of the business and sustainability strategy, business policy, business performance and planning, the risk situation, risk management and the internal control system, as well as issues relating to compliance. It reviews the annual financial statements of Henkel AG & Co. KGaA and the Group's consolidated financial statements together with the associated combined management reports, taking into account the reviews and audit reports submitted by the auditor, and the combined non-financial statement for Henkel AG & Co. KGaA and the Group (sustainability report). It also votes on the proposal of the Management Board regarding the appropriation of profit and submits to the Annual General Meeting a proposal for the appointment of the external auditor, based on the recommendation submitted by the Audit Committee. Moreover, the Supervisory Board compiles jointly

with the Management Board the annual remuneration report in accordance with Section 162 AktG. Approving the annual financial statements is not the Supervisory Board's duty, but rather, due to the legal structure of the Company, the responsibility of the Annual General Meeting.

As a general rule, the Supervisory Board meets four times per year. The Management Board often does not participate in such meetings. The Supervisory Board reaches its decisions by a simple majority of the votes cast. In the event of a tie, the Chair has the casting vote. The Supervisory Board has established an Audit Committee, a Nominations Committee and a Sustainability Committee.

The Audit Committee is made up of three shareholder and three employee representative members of the Supervisory Board. Each member is elected by the Supervisory Board based on nominations of their fellow shareholder or fellow employee representatives on the Board. The Chair of the Audit Committee is elected based on a proposal of the shareholder representative members. As of December 31, 2025, the following were members of the Audit Committee: Simone Menne (Chair), Laurent Martinez (Vice Chair) and Dr. Simone Bagel-Trah as shareholder representatives, and Birgit Helten-Kindlein, Edgar Topsch and Michael Vassiliadis as employee representatives. All members must be familiar with the sector in which the Company operates (Section 107 (4) sentence 3 in conjunction with Section 100 (5) AktG). It is, moreover, a statutory requirement that the Audit Committee includes at least one member with expertise in the field of accounting and at least one further member with expertise in the field of auditing. According to D.3 GCGC, the Chair of the Audit Committee should be knowledgeable in at least one of the two fields. Henkel's Audit Committee meets these requirements. In particular, among the shareholder representatives on the Audit Committee, Simone Menne (Chair) and Laurent Martinez have spent many years working on management boards, as chief financial officers and being involved in audit committees, and have gained a thorough understanding of and expertise in the fields of accounting and auditing.

The shareholder representatives believe that Dr. Bagel-Trah is independent from the Company and the Management Board per Recommendation C.7 GCGC, despite being a member of the Supervisory Board for more than twelve years. Likewise pursuant to the aforementioned Recommendation, Simone Menne and Laurent Martinez are also independent from the Company, the Management Board and the controlling shareholder.

As a general rule, the Audit Committee meets four times per year. It prepares the proceedings and resolutions of the Supervisory Board relating to the adoption of the annual financial statements and the consolidated financial statements, the combined management report, including the sustainability report, and also the appointment proposal for the auditor of the financial statements and the auditor of the sustainability reporting to be made to the Annual General Meeting. It issues audit mandates to the auditor of the financial statements and the auditor of the sustainability report following their appointment by the Annual General Meeting and defines the focal areas of the audit, as well as deciding on the fee for the audit and other advisory services provided by the auditor. The Audit Committee specifies a cap on the provision of other advisory services, i.e. non-audit-related services as permitted in the relevant EU regulations, and oversees adherence to same. It likewise monitors the independence and qualifications of the auditor and the sustainability report auditor. Furthermore, the Audit Committee monitors the accounts and the accounting process and assesses the effectiveness of the internal control system, the risk management system and the internal auditing and review system. It is also involved in issues relating to compliance, sustainability, and quality of the financial statements audit and of the audit of the sustainability reporting. The Heads of Group functions – particularly Legal & Compliance, Treasury, Corporate Sustainability and Corporate Audit – report regularly to the Audit Committee. Prior to the respective publication dates, the Audit Committee discusses the quarterly statements and the financial report for the half year with the Management Board in a meeting that is also attended by the external auditor, and discusses the corresponding auditor's reports. The Audit Committee also monitors the

internal procedure for assessing whether transactions with related parties are conducted correctly and at arm's length, and adopts resolutions in place of the Supervisory Board governing the approval of transactions with related parties as defined in Sections 111a to 111c AktG. In the year under review, no transactions were conducted with related parties that would have required approval or disclosure per Section 111c AktG. The Chair of the Audit Committee reports promptly and in full to the plenary Supervisory Board on the content and results of each of the committee meetings.

The Nominations Committee comprises the Chair of the Supervisory Board and two further shareholder representatives elected by the Supervisory Board based on nominations of the shareholders' representatives. The Chair of the Supervisory Board is also Chair of the Nominations Committee. The Nominations Committee prepares the resolutions of the Supervisory Board on election proposals by the Supervisory Board to be presented to the Annual General Meeting for the election of shareholder representatives. In the process, it considers not just the requisite knowledge, skills and professional experience of the proposed candidates, but also the Supervisory Board's defined objectives and the agreed diversity strategy for its composition. As of December 31, 2025, the following were members of the Nominations Committee: Dr. Simone Bagel-Trah (Chair), Benedikt-Richard Freiherr von Herman (Vice Chair) and Barbara Kux.

Given the importance of sustainability issues for the Company, the Supervisory Board established a Sustainability Committee in April 2024 to focus on sustainable corporate governance and closely monitor the sustainability strategy of the Management Board and its further development. The Sustainability Committee is made up of three shareholder and three employee representative members of the Supervisory Board. Each member is elected by the Supervisory Board based on nominations of their fellow shareholder or fellow employee representatives on the Board. The Chair of the Sustainability Committee is elected based on a proposal of the shareholder representative members. As of December 31, 2025, the following were members of the

committee: Dr. Simone Bagel-Trah (Chair), Barbara Kux (Vice Chair) and Vinzenz Peter Gruber as shareholder representatives, and Birgit Helten-Kindlein, Dr. Konstantin Benda and Michael Vassiliadis as employee representatives.

Shareholders' Committee

Composition, duties

According to our Articles of Association, in addition to the Supervisory Board, Henkel also has a standing Shareholders' Committee comprising a minimum of five and a maximum of ten members, all of whom are elected by the Annual General Meeting (Art. 27 of the Articles of Association). A member of the Management Board cannot simultaneously be a member of the Shareholders' Committee. Members are appointed for five-year terms unless otherwise specified at election. At the election by the 2024 Annual General Meeting, the term of office was set at four years. The Shareholders' Committee comprised ten members in the year under review.

The Shareholders' Committee performs the tasks assigned to it by the Annual General Meeting or according to the Articles of Association. In particular, the Shareholders' Committee acts in place of the Annual General Meeting in guiding the business activities of the Company. It is involved in defining corporate policies, objectives and long-term planning activities, and monitors and regularly advises Henkel Management AG and its Management Board on the management of the Company. The Shareholders' Committee takes part in important business decisions, offers suggestions with regard to the further development of the Company, and monitors adherence to budgets.

In addition, it governs the appointment and dismissal of personally liable partners and holds both executive powers and the power of representation over the legal relationships prevailing between the Company and Henkel Management AG as the Personally Liable Partner. The Shareholders' Committee is likewise responsible for exercising the Company's voting rights at Annual General Meetings of Henkel Management AG. In doing so, it also

appoints members to the Supervisory Board of Henkel Management AG and is thus closely involved in the appointment and remuneration of members of the Management Board. The Shareholders' Committee has, moreover, determined rules of procedure for Henkel Management AG that specify which transactions are subject to its approval.

As a general rule, the Shareholders' Committee meets six times per year. If deemed necessary, it meets without participation of the Management Board. It also holds a joint conference with the Management Board lasting several days to discuss issues surrounding corporate strategy, including sustainability. The Shareholders' Committee reaches its decisions by a simple majority of the votes cast. It has established a Finance and a Personnel Committee that likewise meet six times per year, as a rule.

The Finance Committee deals primarily with financial matters, questions of financial strategy, financial position and structure, taxation, balance sheet and insurance policy, accounting, non-financial reporting procedures, compliance issues and risk management within the Company. It also performs the necessary preparatory work for decisions to be made by the Shareholders' Committee in matters for which decision authority has not been delegated to it. As of December 31, 2025, the following were members of the Finance Committee: Konstantin von Unger (Chair), Dr. Christoph Kneip (Vice Chair), Dr. Paul Achleitner, Sabrina Soussan and Poul Weihrauch.

The Personnel Committee deals primarily with personnel matters relating to members of the Management Board and succession planning, with issues pertaining to human resources strategy, and with remuneration, donations and corporate citizenship activities. It performs the necessary preparatory work for decisions to be made by the Shareholders' Committee in matters for which decision authority has not been delegated to it. It also addresses issues concerned with succession planning and management potential within the individual business units, taking into account relevant diversity aspects. As of December 31, 2025, the following were members of the Personnel Committee: Dr. Simone Bagel-Trah (Chair), Dr. Kaspar von Braun

(Vice Chair), Alexander Birken, Dr. h.c. Thomas Manchot and Jean-François van Boxmeer.

The respective Chairs of the Finance and Personnel Committees report promptly and in full to the Shareholders' Committee on the content and results of each of the committee meetings.

Conflicts of interest

Conflicts of interest must be disclosed in an appropriate manner to the Supervisory Board or Shareholders' Committee, particularly those that may arise as the result of a consultancy or committee function performed in the service of customers, suppliers, lenders or other business partners. Members encountering material conflicts of interest that are not of a merely temporary nature are required to resign their mandate.

No consulting or other service or works agreements existed in the year under review between members of the Supervisory Board or Shareholders' Committee on the one hand, and the Company on the other.

Some members of the Supervisory Board and of the Shareholders' Committee are or were in past years holders of senior managerial positions in other companies. If and when Henkel pursues business activities with these companies, the same arm's length principles apply as those adopted in transactions with and between unrelated third parties. In our view, such transactions do not affect the impartiality of the members in question.

Onboarding/Upskilling

In an onboarding procedure, newly elected members of the Supervisory Board and Shareholders' Committee are familiarized with our corporate values, applicable codes and standards, the basic organizational structure and strategy of the Company together with the main corresponding initiatives, the Company's operational performance and other current issues of relevance, and members' rights and obligations, taking into account the special features arising from our legal form and Articles of Association. Further, members take it upon themselves to seek the training needed to perform their duties – as recommended, for example, in the case of amendments to legal frameworks. These efforts are appropriately supported by the Company. If the need arises, in-house information events provide specific upskilling.

Interaction between Management Board, Supervisory Board and Shareholders' Committee

The Management Board, Supervisory Board and Shareholders' Committee work in close cooperation for the benefit of the Company.

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

In keeping with the precepts of good corporate governance, the Management Board informs the Supervisory Board and the Shareholders' Committee regularly, and in a timely and comprehensive fashion, of all relevant issues concerning strategy and business policy, corporate planning, profitability, the business development of the Company and major affiliated companies, and also matters relating to risk exposure, risk management, and compliance. It likewise regularly discusses with the other corporate bodies the status of strategy implementation, including the sustainability strategy.

During their tenure, members of the Management Board are subject to a comprehensive ban on competition. They are obligated to act in the interests of the Company and must not be guided by personal interest when making decisions. In particular, they must not make personal use of business opportunities owed to the Company. Any sideline activities – particularly supervisory board mandates outside the Henkel Group – may only be accepted with the prior approval of the Supervisory Board of Henkel Management AG. The Supervisory Board of Henkel Management AG decides whether and to what extent any compensation for sideline activities is to be offset. All members of the Management Board must immediately notify the Chair of the Supervisory Board of Henkel Management AG and their Management Board colleagues of any conflicts of interest.

For transactions of fundamental significance, the Shareholders' Committee has established a right of veto in the procedural rules governing the actions of Henkel Management AG in its function as sole Personally Liable Partner (Art. 26 of the Articles of Association). This covers, in particular, decisions or measures that materially change the net assets, financial position or results of operations of the Company. The Management Board complies with these rights of consent of the Shareholders' Committee and also duly submits to the decision authority of the Company's Annual General Meeting.

Our vision and values, Code of Conduct, Code of Corporate Sustainability and other codes and policies governing our stewardship of the Company are publicly accessible on our website www.henkel.com/company/corporate-culture.

Activities of the Supervisory Board and Shareholders' Committee in the year under review

The activities of the Supervisory Board and its committees are described in the Report of the Supervisory Board to the Annual General Meeting.

The Shareholders' Committee continued to discharge its duties diligently in fiscal 2025 in accordance with the legal statutes and Articles of Association.

In compliance with the Articles of Association, it engaged in the management of the Company and carefully and regularly monitored the work of the Management Board, advising and supporting it in its stewardship and in the strategic development of the Company. It also discussed and ruled on those transactions that required its approval.

Six scheduled meetings took place in the year under review, together with one ad-hoc meeting and a conference with the Management Board of several days' duration. Likewise, the Personnel and Finance Committees each met six times. These meetings were held in person with the option of attending via video conference.

Participation in the meetings of the Shareholders' Committee and its (sub)committees was 97 percent. For details of individual members' attendance at meetings, please refer to the remuneration report.

At all ordinary meetings, the reports submitted by the Management Board were discussed, and the general development of the Company, the status of acquisitions and divestments, and other matters of strategic importance were analyzed together with the Management Board. The overall economic situation and Henkel's business performance were also discussed. Areas of particular focus included the strategic alignment of the Company and the measures required for action implementation, the review of the hive-down of the Adhesive Technologies and Consumer Brands business units in Germany proposed by the Management Board, financial reporting, performance by the business units overall and in the regions, options for advancing business unit development, capital expenditures and innovations, the sustainability strategy of the Group and business units, and the short- and medium-term plans of both the Group and the individual business units.

Business transactions requiring the approval of the Shareholders' Committee were discussed in detail together with the Management Board and appropriate resolutions adopted, some of which required preliminary consultation with the relevant committees. The issues involved focused mainly on

strategy and financial planning, major capital expenditures, acquisitions and divestments, fundamental personnel issues and Henkel's funding and financing strategy. The Shareholders' Committee and the Personnel Committee also submitted appropriate recommendations with regard to Management Board matters to the Supervisory Board of Henkel Management AG.

Efficiency audit

In adoption of Recommendation D.12 GCGC, the Supervisory Board and the Shareholders' Committee hold an internal review every two years to determine the efficiency with which they and their (sub)committees carry out their duties. This assessment is performed on the basis of an extensive Company-specific checklist focusing on the relevant key aspects, such as meeting frequency, duration, preparation and organization, scope and content of the underlying documentation, information and reports submitted by the Management Board, minutes, committee work and information disclosure, financial control and risk management systems, requests for information, collaboration with the auditor, corporate governance matters and improvement opportunities.

The efficiency of the activities of the Supervisory Board and Shareholders' Committee and their respective (sub)committees, and the impartiality of their members, were confirmed in the efficiency audit performed in 2025/2026. Some improvement opportunities were discussed and are in the process of being implemented. The next efficiency audit is scheduled to take place in 2027/2028.

Supervisory Board of Henkel Management AG

The Company is the sole shareholder of Henkel Management AG. The voting rights to which the Company is entitled at the general meetings of Henkel Management AG are exercised by the Shareholders' Committee, which therefore also elects the members of the Supervisory Board of Henkel Management AG. Members are appointed for five-year terms unless otherwise specified at election. At the election by the 2024 Annual General Meeting, the term of office was set at four years.

The Supervisory Board of Henkel Management AG consists of three members who are also members of the Shareholders' Committee. At December 31, 2025, the following were members of the Supervisory Board: Dr. Simone Bagel-Trah (Chair), Dr. Kaspar von Braun (Vice Chair) and Alexander Birken. Electing certain members to both corporate bodies ensures that the Shareholders' Committee not only appoints Henkel Management AG as the Personally Liable Partner, but also (through the members of the Supervisory Board of Henkel Management AG) appoints its Management Board and therefore the individuals who are responsible for managing the Company. Effective control of management – i.e. of the Management Board of Henkel Management AG – is therefore also assured as follows:

- Monitoring and control of the Management Board by the Supervisory Board of Henkel Management AG in accordance with laws governing joint stock corporations
- Monitoring and control of Henkel Management AG as the Personally Liable Partner and therefore (also) its Management Board
 - by the Shareholders' Committee, thus exercising the powers of the Company's shareholders, and
 - by the Supervisory Board at KGaA level in accordance with laws governing joint stock corporations.

The Supervisory Board of Henkel Management AG is responsible for appointing and dismissing members of the Management Board, the drafting of their contracts, the assignment of their business duties, and their remuneration. Regarding Management Board remuneration, the Supervisory Board of Henkel Management AG is responsible, in particular, for:

- Determining and reviewing remuneration policy
- Specifying the non-performance-related and variable, performance-related components of remuneration
- Defining individual targets each year, and measuring performance with regard to same
- Determining the extent to which the financial and non-financial targets have been met each year and quantifying annual and multi-year variable, performance-related remuneration
- Approving the assumption of voluntary duties and supervisory board, advisory board or similar mandates in other companies, as well as other sideline activities

Corresponding resolutions are adopted by the Supervisory Board of Henkel Management AG after prior consultation in the Shareholders' Committee's Personnel Committee. The general rules governing the treatment of conflicts of interest are applied. Specifically, members of the Management Board are excluded from such consultations and resolutions to the extent necessary to avoid conflicts of interest. The Supervisory Board of Henkel Management AG is responsible for engaging external remuneration experts to either develop or modify the remuneration system or to assess whether Management Board remuneration is appropriate. At the same time, it ensures the independence of remuneration experts from both the Management Board and the Company at large.

Members of the corporate bodies

Details of the composition of the corporate bodies of Henkel and their committees, of the other offices held by the members of the corporate bodies that are subject to mandatory disclosure under Section 285 no. 10 HGB and of the tenures on said corporate bodies can be found in the presentation on pages 459 to 464. Members' curricula vitae are publicly accessible on the website: www.henkel.com.

5. Targets for the proportion of women in the first two management levels below the Management Board/ Adherence to minimum requirements when composing Management and Supervisory Boards

Targets for the proportion of women in the first two management levels below the Management Board

Pursuant to Section 76 (4) AktG, management or executive boards of companies that are listed or subject to codetermination regulations must set targets for the proportion of women in the first two management levels below the management or executive board. If the proportion of women is below 30 percent at the time the targets are set, the targets may not be below the proportion already achieved. At the same time, the schedules set for achievement of the targets must not be longer than five years in each case.

Based on the current personnel mix, the Management Board has established the following targets for the first two levels of management below the Management Board. These targets are expected to be achieved by December 31, 2026:

- First management level: Proportion of 30 percent women
- Second management level: Proportion of 35 percent women

In accordance with the legal requirements, the point of reference for the definition of the management levels and the proportion of women was based exclusively on Henkel AG & Co. KGaA and not the Henkel Group – notwithstanding Henkel's globally aligned management organization. As a result, the figures include only employees of Henkel AG & Co. KGaA with management responsibility who report directly to the Management Board (management level 1) and those who report to management level 1 (management level 2).

As of December 31, 2025, women accounted for 26.1 percent of the first management level, and for 43.9 percent of the second management level. In addition, we are committed to a balanced gender distribution at all management levels in accordance with local laws. In 2025, we were again able to raise the proportion of women in management worldwide – to 43.2 percent as of December 31, 2025 (previous year: 41.9 percent).

Statutory gender quota for Management Board composition

If its management or executive board comprises more than three people, a listed corporation that is subject to the German Codetermination Act of 1976 must appoint at least one woman and at least one man to that executive body (participation requirement pursuant to Section 76 (3a) AktG).

In compliance with this requirement, the Management Board of Henkel Management AG – the sole Personally Liable Partner of Henkel AG & Co. KGaA, which is a listed corporation subject to the German Codetermination Act – must include at least one woman and at least one man as it comprises more than three members.

Compliance with this legislation governing the composition of the Management Board was assured throughout the year under review. As of December 31, 2025, the Management Board was comprised of four men and one woman. This represents a ratio on the Management Board of 80 percent men and 20 percent women.

Statutory gender quota for Supervisory Board composition

Given Henkel's position as a listed corporation subject to the German Codetermination Act of 1976, its Supervisory Board must consist of at least 30 percent women and at least 30 percent men (Section 96 (2) AktG).

Throughout the entire year under review, the statutory minimum quota of both women and men was represented among both the shareholder representatives and the employee representatives. As of December 31, 2025, the Supervisory Board comprised nine men and seven women. Shareholder representatives consisted of four men and four women, and employee representatives of five men and three women. This represents an overall ratio of around 56 percent men and 44 percent women.

6. Diversity considerations regarding composition of the Management Board of Henkel Management AG and of the Supervisory Board and Shareholders' Committee of Henkel AG & Co. KGaA

Diversity considerations governing Management Board composition/Succession planning

Aside from the key requirements of qualification, competence and professional excellence for the relevant areas of responsibility on the Management Board, the Supervisory Board of Henkel Management AG has specified the following criteria – after consultation in the Shareholders' Committee and its Personnel Committee – that must be considered when making Management Board appointments to ensure as broad a spectrum as possible of

knowledge, skills and professional experience (diversity) on the Management Board:

■ Education/Career experience

Overall, the members of the Management Board must demonstrate knowledge, skills and professional experience in the following areas in particular:

- Management/leadership experience: Experience with managing globally operating entities, involvement of employee representative bodies, leading and motivating employees, succession planning
- Understanding of the business: Knowledge of/experience in industrial/consumer business areas and key markets, including the social environment in which Henkel operates, as well as knowledge of/experience in the fields of marketing, selling and distribution, digitalization/e-commerce, research and development, production/engineering and sustainable management
- Strategic expertise: Experience in developing and implementing prospects and strategies for the future
- Financial expertise: Experience in accounting, auditing financial statements, issues surrounding funding and capital markets.
- Financial control/risk management: Experience in the fields of internal control and risk management systems, as well as internal auditing systems
- Governance/compliance/ethics: Experience with interaction among corporate bodies (governance) and in compliance with statutory/in-house requirements; modern understanding of corporate ethics and how to implement the associated principles

■ Internationality

The international activities of the Company in both emerging and mature markets should be appropriately reflected in the composition of the Management Board. Henkel therefore strives to ensure that several members of different nationalities or with international backgrounds (who

have spent several years working abroad or supervising foreign business activities, for example) are included on the Management Board.

■ Gender

A reasonable proportion of both genders shall be represented in the Management Board. The Management Board must include at least one woman and at least one man.

■ Seniority

Change and continuity are two issues that must be taken into reasonable account when composing the Management Board. Henkel therefore aims to include members with different levels of seniority on the Management Board. Irrespective of this requirement, members of the Management Board should generally not be older than 63.

Implementation progress

We believe that the aforementioned requirements were met in full in the reporting period.

Overall, the Management Board, which includes one woman, has the knowledge, skills and professional experience needed to properly and effectively perform its duties. Several members of the Management Board have international business experience with both emerging and mature markets. No individual on the Management Board exceeds the suggested maximum age.

Succession planning

The Shareholders' Committee and the Supervisory Board of Henkel Management AG work with the Management Board to ensure long-term succession planning with regard to Management Board composition. Although both in-house and external candidates are considered for future appointment, every effort is made to select candidates from within the organization who have proven their aptitude for such duties.

In keeping with the requirements of German company law [AktG] and the GCGC, long-term succession planning takes account of the corporate strategy and the aforementioned diversity considerations. Key elements of the systematic management development process include:

- Early identification of suitable candidates
- Systematic development of managers by giving them tasks involving increasing levels of responsibility and in different areas of the Company, regions and functions, where possible
- Proven ambition to successfully shape strategy and operations; strong leadership skills
- Role model in implementing our corporate values

Each year, the members of the first management level below the Management Board undergo corresponding assessment, during which the issue of potentially taking on Management Board responsibility, and measures to secure succession, are also considered. Management potential within the individual business units is likewise discussed.

When a Management Board vacancy requires filling, a corresponding profile is developed that incorporates the specific qualification requirements and the aforementioned criteria; this is then used as the basis for shortlisting available candidates. Corresponding interviews are held with these candidates. Where necessary, external consultants are engaged to help develop the profile and to assist with selecting and evaluating candidates. The Shareholders' Committee then submits an appropriate recommendation to the Supervisory Board of Henkel Management AG.

Diversity considerations governing Supervisory Board composition

Bearing in mind the statutory requirements and the recommendations of the GCGC, and taking into account the specific situation and global reach of the Company's activities in industrial and consumer business areas, the Supervisory Board has specified the following objectives governing its composition. When proposing candidates to the Annual General Meeting for both routine re-election and replacement by-election, the Supervisory Board considers these objectives, whereby the particular regulations of the German Codetermination Act of 1976 must be observed with regard to the employee representative candidates.

- Education/career experience
Overall, the Supervisory Board must demonstrate knowledge, skills and professional experience in the following areas in particular:
 - Entrepreneurship/leadership experience: Experience in the management of companies, associations, organizations and networks
 - Understanding of the business: Knowledge of/experience in the fields of research and development, production/engineering, marketing, selling and distribution, digitalization/e-commerce, as well as knowledge of/experience in industrial/consumer business areas and in the key markets in which Henkel operates
 - Sustainability: Experience in sustainable management.
 - Financial expertise: Experience in the fields of accounting/accounting processes and with auditing financial statements, knowledge of financial instruments and funding strategies

- Personnel/society/communication/media: Experience in the field of HR, in managing employees and in the areas of society, communication and media
 - Financial control/risk management: Experience in the fields of internal control and risk management systems, as well as internal auditing systems
 - Governance/compliance: Experience with interaction among corporate bodies (governance) and in ensuring compliance with statutory/in-house requirements
- **Impartiality, integrity**
- To ensure the impartiality of its counseling activities and supervision of the Management Board, the shareholder representatives on the Supervisory Board must include what they believe to be a reasonable number of independent members, bearing in mind the Company's ownership structure. According to Recommendation C.6 GCGC, a member of a supervisory board is considered independent if they are independent from the company and its management board and independent from a controlling shareholder. Pursuant to Recommendation C.7 GCGC, more than half the shareholder representatives should be independent from the company and the management board. Supervisory board members are considered independent from the company and its management board if they have no personal or business relationship with the company or its management board that could create a substantial and not merely temporary conflict of interest. Assessing the independence of shareholder representatives from the Company and its Management Board requires particular consideration of whether the respective Supervisory Board member or a close family member
- was a member of the Company's Management Board in the two years prior to appointment,
 - is or was in the past three years a partner of or in the employ of the present or previous external auditors of the Company,

- receives or has received over the past three years not inconsiderable remuneration of any nature from Henkel AG & Co. KGaA or one of its affiliates (excluding remuneration for Supervisory Board or Shareholders' Committee membership),
- is currently involved in, maintains, or has maintained in the year prior to appointment by Henkel AG & Co. KGaA or one of its affiliates, a material business relationship – either directly or indirectly – as a partner, shareholder, member of management or in a leading position of the entity maintaining the business relationship (e.g. as customer, supplier, lender or advisor),
- is a close family member of a member of the Management Board, or
- has been a member of the Supervisory Board for more than twelve years.

If one or more of the aforementioned indicators apply and a shareholder representative is still considered independent from the Company and/or the Management Board, the reasons for this assessment must be given in the corporate governance statement.

In keeping with the ownership structure and the Company's tradition as a family business to which the Henkel family has been committed ever since the Company was founded in 1876, possession of a controlling interest or attribution of a controlling interest due to membership in the Henkel family share-pooling agreement is not viewed as a circumstance that could create a substantial and not merely temporary conflict of interest as defined in the GCGC recommendation. Membership of the Shareholders' Committee or of the Supervisory Board of Henkel Management AG is compatible with membership of the Company's Supervisory Board. As a rule, however, three, but at least two, of the shareholder representatives on the Supervisory Board or close members of their families should be neither members of the share-pooling agreement nor members of the Shareholders' Committee nor members of the Supervisory Board of Henkel Management AG, and they must be named accordingly in the corporate governance statement.

Moreover, no more than two former members of the Management Board should be elected to the Supervisory Board, nor people

- who – if not members of a management/executive board of a listed corporation – exercise more than five supervisory board mandates in total for non-Group listed corporations or for non-Group companies with similar requirements (chairing a supervisory board counts twice),
- who – if members of a management/executive board of a listed company – exercise more than two supervisory board mandates in total for non-Group listed companies or for non-Group companies with similar requirements, or chair the supervisory board of a non-Group listed company,
- or who perform management or advisory tasks for material competitors.

Members of the Supervisory Board should, moreover, be capable of duly upholding Henkel's reputation in the public domain.

■ **Availability**

When proposing new candidates to the Annual General Meeting for election to the Supervisory Board, the Supervisory Board must make sure that the relevant candidates can devote the anticipated time required to the task.

■ **Internationality**

The international activities of the Company should be appropriately reflected in the composition of the Supervisory Board. Henkel therefore strives to ensure that several members with international backgrounds (who have spent several years working abroad or supervising foreign business activities, for example) are included on the Supervisory Board.

■ **Gender**

A reasonable proportion of women and men shall be appointed to the Supervisory Board. The statutory minimum requirement of 30 percent of the respective gender is deemed to be reasonable. Henkel strives to increase the proportion of the underrepresented gender when new or replacement members are elected.

■ **Age and length of service**

The Supervisory Board should appropriately include representatives from different generations/age groups. Henkel therefore aims to include members from different generations/age groups on the Supervisory Board. Irrespective of the aforementioned, nobody should, as a rule, be proposed to the Annual General Meeting for election to the Supervisory Board who, at the time of the election, has already reached their 70th birthday. Also, as a rule, nobody should be proposed to the Annual General Meeting for election to the Supervisory Board who, at the time of the election, has already served more than ten years on the Supervisory Board. However, to ensure continuity, members may also serve on the Supervisory Board for longer periods of time in individual cases. In keeping with the ownership structure and the Company's tradition as a family business, this applies particularly to members of the Henkel family share-pooling agreement.

Implementation progress

In addition to the statutory minimum quota specified in Section 96 (2) AktG, the Supervisory Board believes that the aforementioned requirements were again met in full in the reporting period.

Overall, the Supervisory Board believes it has the knowledge and skills needed to properly and effectively perform its duties. Several of the shareholder representatives on the Supervisory Board are or were members of management/executive boards in relevant companies and are experienced and skilled in managing globally operating corporations and in managing employees. Equally, several shareholder representatives have in-depth

knowledge in the fields of research and development, production, marketing, selling and distribution, digitalization/e-commerce and sustainable management. The same applies for the fields of finance/accounting, financial control/risk management and governance/compliance.

In addition, several shareholder representatives on the Supervisory Board offer international business experience or other international expertise.

No shareholder representative exceeded the specified maximum age at the time of their election.

The GCGC recommendations on impartiality have been adopted.

None of the shareholder representatives nor close family members of a shareholder representative is a former Management Board member, or performs board or committee functions or acts as a consultant for major competitors, and none are persons whose business or personal relationship with the Company or members of the Management Board could create a substantial and not merely temporary conflict of interest.

Dr. Simone Bagel-Trah, Chair of the Supervisory Board, has been on the Supervisory Board for more than twelve years. According to the GCGC, this could indicate a lack of impartiality. After exercising their due discretion, the shareholder representatives judged that – despite this indication – Dr. Bagel-Trah is regarded as independent from the Company and its Management Board as seen from an overall perspective. Dr. Bagel-Trah maintains the necessary impartiality toward the Company and the Management Board in the performance of her respective office and her functions. Her conduct in office demonstrates a critical approach to the issues and questions to be assessed, while safeguarding the interests of the Company.

The other shareholder representatives had been members of the Supervisory Board for less than twelve years in the year under review and had not been in any other personal or business relationship with the Company or its Management Board that could create a substantial and not merely temporary conflict of interest. According to the precepts of Recommendation C.7 GCGC, these shareholder representatives are therefore independent from the Company and the Management Board. The shareholder side therefore believes that all shareholder representatives on the Supervisory Board are independent from the Company and the Management Board.

Four of the eight shareholder representatives – Barbara Kux, Simone Menne, Vinzenz Peter Gruber and Laurent Martinez – are not party to the Henkel family share-pooling agreement; under GCGC Recommendation C.9, they are therefore independent from the controlling shareholder. Apart from Dr. Simone Bagel-Trah, none of the shareholder representatives in office is a member of the Shareholders' Committee or the Supervisory Board of Henkel Management AG.

As such, the shareholder representatives on the Supervisory Board include what they believe to be a reasonable number of independent members as recommended by the GCGC.

Qualifications matrix for the Supervisory Board

The members of the Supervisory Board believe they have the following skills and experience required according to the Supervisory Board's objective:

Shareholder representatives

Skills and experience of the shareholder representatives serving on the Supervisory Board as of December 31, 2025									
Name, gender*, membership on the Supervisory Board	Independence		Skills/Experience						
	from the Company and Manage- ment Board ¹	from the controlling shareholder ²	Entrepre- neurship/ Leadership experience	Under- standing of the business	Sustainability	Financial expertise	HR/ Society/ Commu- nication/ Media	Financial control/ Risk management	Governance/ Compliance
Dr. Simone Bagel-Trah (Chair) (f) (since 4/14/2008)	X	–	X	X	X	–	X	X	X
Lutz Bunnenberg (m) (since 6/17/2020)	X	–	X	X	–	–	–	X	–
Vinzenz Peter Gruber (m) (since 4/22/2024)	X	X	X	X	X	–	X	X	X
Benedikt-Richard Freiherr von Herman (m) (since 4/11/2016)	X	–	X	X	X	–	–	X	X
Barbara Kux (f) (since 7/3/2013)	X	X	X	X	X	X	X	X	X
Dr. Anja Langenbacher (f) (since 4/22/2024)	X	–	X	X	X	X	X	X	–
Laurent Martinez (m) (since 4/24/2023)	X	X	X	X	X	X	–	X	X
Simone Menne (f) (since 6/17/2020)	X	X	X	X	X	X	–	X	X

* Gender: male (m); female (f)

¹ Shareholder representatives' opinion, based on the criteria of Recommendation C.7 (2) GCGC 2022.

² As defined in Recommendation C.9 GCGC 2022.

Employee representatives

Skills and experience of the employee representatives serving on the Supervisory Board as of December 31, 2025							
Name, gender*, membership on the Supervisory Board	Skills/Experience						
	Entrepre- neurship/ Leadership experience	Understanding of the business	Sustainability	Financial expertise	HR/ Society/ Communi- cation/ Media	Financial control/ Risk management	Governance/ Compliance
Birgit Helten-Kindlein (Vice Chair) (f) (since 4/14/2008)	X	X	X	–	X	X	–
Michael Baumscheiper (m) (since 12/11/2020)	X	X	–	–	X	–	X
Dr. Konstantin Benda (m) (since 4/24/2023)	X	X	–	X	X	–	X
Sabine Friedrich (f) (since 9/23/2023)	X	X	X	–	X	–	–
Natalie Mühlenfeld (f) (since 1/31/2025)	X	X	X	–	X	X	X
Dirk Thiede (m) (since 4/9/2018)	X	X	–	–	X	–	–
Edgar Topsch (m) (since 8/1/2010)	X	X	–	–	X	–	X
Michael Vassiliadis (m) (since 4/9/2018)	X	X	X	–	X	X	X

* Gender: male (m); female (f)

Proposals to the Annual General Meeting for the election of shareholder representatives

Shareholder representatives are elected by the Annual General Meeting, both as part of routine re-elections and replacement by-elections. To this end, the Supervisory Board must submit appropriate proposals for adoption by the Annual General Meeting.

When elections are required, the Nominations Committee defines appropriate profiles that consider the requirements of German company law [AktG] and the GCGC and the aforementioned objectives for Supervisory Board composition. This forms the basis for shortlisting available candidates who are then interviewed. Where necessary, external consultants are engaged to help develop the profile and to assist with selecting and evaluating candidates. Finally, the Nominations Committee submits its recommendation to the Supervisory Board of Henkel AG & Co. KGaA for its election proposal to the Annual General Meeting.

Diversity considerations governing the composition of the Shareholders' Committee

Requirements profile

Given the tasks of the Shareholders' Committee, its members should generally demonstrate knowledge, skills and experience in the following areas particularly:

- Management/leadership experience: Experience in managing and leading globally operating corporations
- Management of executives: Experience in managing and remunerating executives; succession planning
- Understanding of the business: Knowledge of/experience in industrial and/or consumer business areas and Henkel's key markets, as well as knowledge of/experience in the fields of marketing, selling and distribution, digitalization/e-commerce, research and development, and production/engineering
- Sustainability: Experience in sustainable management

- Strategic expertise: Experience in developing and implementing prospects and strategies for the future
- Financial expertise: Experience in accounting, auditing financial statements, issues surrounding funding and capital markets
- Financial control/risk management: Experience in the fields of internal control and risk management systems, as well as internal auditing systems
- Governance/compliance: Experience with interaction among corporate bodies (governance) and in ensuring compliance with statutory/in-house requirements

Members of the Shareholders' Committee should not have any personal or business relationship with the Company or its Management Board that could create a substantial and not merely temporary conflict of interest.

In keeping with the ownership structure and the Company's tradition as an open family business to which the Henkel family has been committed ever since the Company was founded in 1876, possession of a controlling interest or attribution of a controlling interest due to membership in the Henkel family share-pooling agreement is not viewed as a circumstance that could create a substantial and not merely temporary conflict of interest. Membership of the Company's Supervisory Board or of the Supervisory Board of Henkel Management AG is compatible with membership of the Shareholders' Committee. As a rule, however, five, and at least four, members of the Shareholders' Committee or their close families should be neither members of the share-pooling agreement nor members of the Company's Supervisory Board, and they must be named accordingly in the corporate governance statement.

Implementation progress

As of December 31, 2025, the Shareholders' Committee was comprised of eight men and two women. This represents an overall ratio of 80 percent men and 20 percent women. Overall, the Shareholders' Committee believes it has the knowledge and skills needed to properly and effectively perform its duties. Several of the Shareholders' Committee members are or were

members of management/executive boards in relevant corporations and are experienced and skilled in managing globally operating businesses, developing and implementing visions and strategies, and the management and remuneration of executives. Equally, several members have in-depth knowledge in the fields of marketing, selling and distribution, digitalization/e-commerce, research and development, production/engineering and sustainable management. The same applies for the fields of finance/accounting, financial control/risk management and governance/compliance.

None of the Shareholders' Committee members has a business or personal relationship with the Company or members of the Management Board that could create a substantial and not merely temporary conflict of interest.

Five of the ten members in office as of December 31, 2025 – Sabrina Soussan, Dr. Paul Achleitner, Alexander Birken, Jean-François van Boxmeer and Poul Weihrauch – are not party to the Henkel family share-pooling agreement; under GCGC Recommendation C.9, they are therefore independent from the controlling shareholder. Apart from Dr. Simone Bagel-Trah, none of the members currently in office is a member of the Company's Supervisory Board.

Qualifications matrix

The members of the Shareholders' Committee believe they have the following skills and experience required according to the Shareholders' Committee's objective:

Members of the Shareholders' Committee

Skills and experience of the members serving on the Shareholders' Committee as of December 31, 2025										
Name, gender*, membership on the Shareholders' Committee	Independence		Skills/Experience							
	from the Company and Management Board ¹	from the controlling shareholder ²	Manage- ment/ Leadership experience	Management of executives	Under- standing of the business	Sustainability	Strategic expertise	Financial expertise	Financial control/ Risk management	Governance/ Compliance
Dr. Simone Bagel-Trah (Chair) (f) (since 4/18/2005)	X	–	X	X	X	X	X	–	X	X
Konstantin von Unger (Vice Chair) (m) (since 4/14/2003)	X	–	X	X	X	X	X	X	–	–
Dr. Paul Achleitner (m) (since 4/30/2001)	X	X	X	X	X	X	X	X	X	X
Alexander Birken (m) (since 6/17/2020)	X	X	X	X	X	X	X	X	X	X
Dr. Kaspar von Braun, Ph.D. (m) (since 4/4/2022)	X	–	–	–	X	X	X	X	–	X
Dr. Christoph Kneip (m) (since 6/17/2020)	X	–	–	–	X	X	X	X	X	X
Dr. h.c. Thomas Manchot (m) (since 4/22/2024)	X	–	X	X	X	–	X	–	–	–
Sabrina Soussan (f) (since 4/28/2025)	X	X	X	X	X	X	X	X	X	X
Jean-François van Boxmeer (m) (since 4/15/2013)	X	X	X	X	X	X	X	–	–	X
Poul Weihrauch (m) (since 4/22/2024)	X	X	X	X	X	X	X	X	X	X

* Gender: male (m); female (f)

¹ No personal or business relationship with the Company or its Management Board that could create a substantial and not merely temporary conflict of interest.

² As defined in Recommendation C.9 GCGC 2022.

Proposals to the Annual General Meeting for the election of members of the Shareholders' Committee

Members of the Shareholders' Committee are elected by the Annual General Meeting, both as part of routine re-elections and replacement by-elections. To facilitate this, the Shareholders' Committee and the Supervisory Board are required to submit appropriate proposals for adoption by the Annual General Meeting.

When elections are required, appropriate profiles are defined that consider the aforementioned diversity objectives for Shareholders' Committee composition and which serve as the basis for shortlisting available candidates. Corresponding interviews are then held with these candidates. Where necessary, external consultants are engaged to help develop the profile and

to assist with selecting and evaluating candidates. Following internal consultations, the Shareholders' Committee and the Supervisory Board then approve the corresponding proposals for resolution by the Annual General Meeting.

7. Other disclosures

Managers' transactions

In accordance with Article 19 (1) of Regulation (EU) No. 596/2014 of the European Parliament and Council on Market Abuse (Market Abuse Regulation), members of the Management Board, the Supervisory Board and the Shareholders' Committee, and parties related to same, are obligated by law to

disclose notifiable transactions involving shares in Henkel AG & Co. KGaA or their derivative financial instruments where the value of such transactions by the member, or a party related to the member, attains or exceeds 20,000 euros in a calendar year. Transactions disclosed to the Company are publicly accessible on the website www.henkel.com/ir

Disclosures relating to the external auditor

The contract to audit the annual and consolidated financial statements of Henkel AG & Co. KGaA in fiscal 2020 was publicly tendered in accordance with Regulation (EU) No. 537/2014 of April 16, 2014 (EU Audit Regulation). Based on the outcome of the tender process, PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Frankfurt am Main, Germany (PwC), has been the external auditor for the Henkel Group since fiscal 2020. The Financial Market Integrity Strengthening Act permits the proposal to the Annual General Meeting of PwC for election as the external auditor up to and including fiscal 2029 without the need for a new tender process.

The auditors who signed off the audit opinion relating to the consolidated financial statements and the annual financial statements of Henkel AG & Co. KGaA for fiscal years 2020 to 2022 were Dr. Peter Bartels and Michael Reuther (the latter being the auditor responsible for the engagement), while the financial statements for fiscal 2023 and 2024 were signed off by Dr. Peter Bartels and Antje Schlotter (the latter being the auditor responsible for the engagement) and for fiscal 2025, Prof. Dr. Bernd Roese and Antje Schlotter (the latter being the auditor responsible for the audit).

FUNDAMENTAL PRINCIPLES OF THE GROUP

Operational activities

Overview

Henkel was founded in 1876. Therefore, the year under review marks the 149th in our corporate history. At the end of 2025, Henkel employed around 47,200 people worldwide. We hold globally leading market positions in our consumer and industrial businesses.

Our purpose describes what unites everyone at Henkel: “Pioneers at heart for the good of generations.” It is firmly anchored in our DNA and continues our success story of innovation, responsibility and sustainability as we move forward.

Organization and business units

Henkel AG & Co. KGaA is operationally active, as well as being the parent company of the Henkel Group. As such, it is responsible for defining and pursuing Henkel’s corporate objectives and also for the management, control and monitoring of Group-wide activities, including risk management and the allocation of resources. Henkel AG & Co. 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 management and control is the responsibility of the Management Board of Henkel Management AG in its function as sole Personally Liable Partner. The Management Board is supported in this by the central, corporate functions.

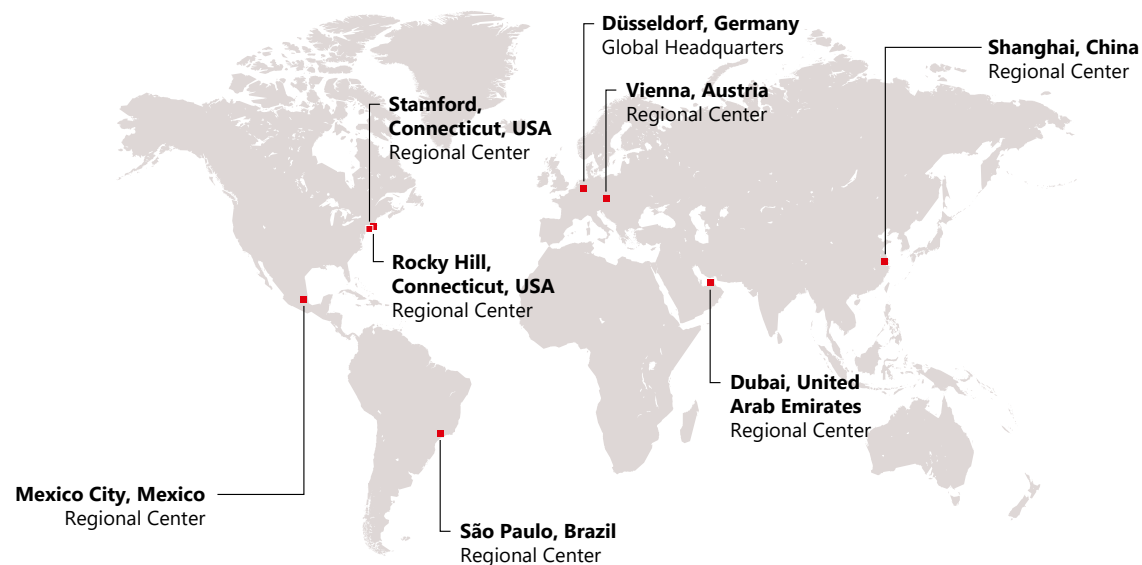
Henkel is organized into two operating business units: Adhesive Technologies and Consumer Brands.

As global market leader, the **Adhesive Technologies** business unit offers a broad portfolio of high-impact solutions in adhesives, sealants and coatings. In the three business areas Mobility & Electronics, Packaging & Consumer Goods, and Craftsmen, Construction & Professional, we develop customer-centric solutions for a wide range of industrial applications, as well as for consumers and craftsmen. As a result, we are very well positioned with our innovative product portfolio. We aim to give our industrial customers a competitive edge while offering consumers clear added value.

In the **Consumer Brands** business unit, our operations are centered on the global business areas Laundry & Home Care and Hair, as well as on the Other Consumer Businesses area with its operations in selective markets. We hold leading positions in numerous markets and categories and offer a strong brand portfolio featuring consumer-relevant innovations that create added value for our customers and consumers. We distribute our products through brick-and-mortar stores, hair salons and digital channels.

Details of the individual business areas of both business units can be found on page 90 for Adhesive Technologies and page 96 for Consumer Brands.

Henkel around the world: Regional Centers



The business activities of our **business units** are supported by the central, corporate functions of Henkel AG & Co. KGaA, our Global Supply Chain organization and our Global Business Solutions organization with its Shared Service Centers, thus enabling optimum utilization of corporate network synergies.

Implementation of the business activities at the country and regional level is the responsibility of the national affiliated companies whose operations are supported and coordinated by Regional Centers. The executive bodies of these national affiliates manage their businesses in line with the relevant statutory regulations, supplemented by their own articles of association, internal procedural rules and the principles incorporated in our globally applicable management standards, codes and guidelines.

Further details about the organization of our business activities along the value chain can be found in the sections "Procurement" (pages 110 and 111), "Production" (pages 111 and 112), "Research and development" (pages 112 to 116) and "Marketing and distribution" (pages 117 to 119).

Strategic framework for purposeful growth

We shape our future on the basis of a long-term strategic framework that builds on our purpose and our values.

With this strategic framework, we place a clear focus on purposeful growth. This means: We aim to create superior value for customers and consumers to outgrow our markets, to strengthen our leadership in sustainability, and to help our employees to grow both professionally and personally at Henkel.

Our mid-term financial ambitions

Driving our growth agenda supports us in achieving our medium-term financial ambitions:

- For the **Group**, we are aiming to generate organic sales growth of 3 to 4 percent, adjusted return on sales (adjusted EBIT margin) of around 16 percent and adjusted earnings per preferred share growth in the mid-to high single-digit percentage range (at constant exchange rates and including acquisitions). At the same time, Henkel places a continuous focus on free cash flow expansion.
- For the **Adhesive Technologies** business unit, we are aiming for organic sales growth of 3 to 5 percent and adjusted return on sales (adjusted EBIT margin) in the high-teens percentage range.
- For the **Consumer Brands** business unit, we are aiming for organic sales growth of 3 to 4 percent and adjusted return on sales (adjusted EBIT margin) in the mid-teens percentage range.

Our strategic framework

The key elements of our strategic framework are a winning portfolio with strong brands and solutions, a clear competitive edge in the areas of innovation, sustainability and digitalization, and future-ready operating models – underpinned by a strong foundation of a collaborative culture and empowered people.



Rigorously shape a winning portfolio

A successful portfolio is the key to sustainably profitable business performance. This is why we are consistently evolving our portfolio of brands and businesses as part of our active portfolio management – not least in light of the implementation of the portfolio measures in our business unit Consumer Brands (for more details, see page 96). At the same time, M&A activities in both business units remain an integral part of our strategy, supported by our strong balance sheet.

Accelerate impactful innovations

We want to accelerate impactful innovations and also adopt an enhanced innovation approach, for example by utilizing digital applications and data to gain faster and better insights into consumer behavior and market trends. Innovation decisions are made throughout the Company on a market and customer basis. We therefore continue to invest in innovation centers in order to strengthen interaction and cooperation with our partners. We consistently invest in innovations and brands in core categories and regions.

Boost sustainability as a true competitive differentiator

We want to boost sustainability as a true competitive differentiator. Sustainability is essential to create a competitive edge, enable business growth and generate value for our customers, consumers and all of our stakeholders.

To drive sustainable development, we have set ourselves ambitious goals as part of our 2030+ Sustainability Ambition Framework that build on our progress to date and which we are rigorously pursuing. We have included different ESG dimensions and defined key areas of focus:

- **Regenerative Planet:** We strive to achieve a circular economy, a climate-neutral future and the regeneration of nature. To this end, we are further developing our business activities to drive solutions in the areas of climate, circularity and nature.
- **Thriving Communities:** We actively contribute to people being able to lead a better life through our business and brands. To this end, we focus on equity, education and well-being.
- **Trusted Partner:** We are committed to product quality and safety while ensuring business success with integrity, focusing on performance, transparency and collaboration.

We will build on our particular strengths, such as the innovation capabilities of our business units and the comprehensive knowledge of our employees, as well as various contact points of our products and customers and consumers.

Please refer to pages 149 to 320 for a detailed discussion of our sustainability strategy and progress.

Enhance value creation for customers and consumers through digitalization

We take advantage of the opportunities offered by digitalization to increase the value added for our customers and consumers. To this end, we rely both on direct interaction with consumers and on increasing efficiency and effectiveness through digitalization and artificial intelligence in our processes. Talents in the field of digitalization are developed and actively supported. In this respect, our digital unit Henkel dx, which was created in 2019 to bring together the digital and IT teams at Henkel, is of key importance.

Continuously optimize operating models

We are striving to continuously optimize our operating models and, in doing so, to steadily improve the competitiveness of our processes and structures. We want to step up customer and consumer proximity, establish faster decision-making processes and realize further efficiency gains.

Strengthen our collaborative culture

A strong corporate culture, shared values and a clear understanding of collaboration as a strong team are essential to continue to successfully drive our growth agenda. Important cornerstones of this are our purpose – Pioneers at heart for the good of generations – and our Leadership Commitments uniting all employees worldwide. We believe that cultural transformation is an ongoing process in which we focus on collaboration and empowerment, foster the upskilling of our employees for future capabilities and enable them to constantly develop further.

Integration of the Consumer Brands business unit

In the past fiscal year, we successfully completed the **integration of the Consumer Brands business unit** and slightly exceeded the announced annual savings of 525 million euros at the end of the 2025 fiscal year. As part of the first phase of integration – which focused mainly on sales and administration – savings of around 275 million euros had already been achieved by the end of fiscal year 2024. In the second phase of integration, we were able to achieve savings of just over 250 million euros by the end of the 2025 fiscal year. This phase focused on optimizing the production and logistics network. The 1-1-1 approach in line with the principle of “one face to the customer” (one order, one shipment, one invoice) has now been successfully implemented in all relevant countries. Since announcing the integration of the Consumer Brands business unit at the beginning of 2022, we have also continued to drive the consolidation of the production and logistics network and – as measured by the number of our production sites, production lines, warehouses and contract manufacturers – we realized a significant reduction in complexity.

Consistent implementation of our growth agenda in fiscal 2025

In 2025, we again consistently implemented our growth agenda and made further progress in all areas – despite the manifold macroeconomic and geopolitical challenges.

We continued to resolutely evolve our **portfolio** in both business units in 2025.

With the sale of the North American retail brands business to a subsidiary of First Quality Enterprises, LLC as of April 1, 2025, we successfully completed the announced portfolio measures in the Consumer Brands unit. Since the announcement of the portfolio measures at the beginning of 2022, we have sold or discontinued brands and activities with a total turnover of slightly more than 1 billion euros. This has created a focused platform for our core brands and strengthened the basis for profitable growth in attractive categories and markets.

Building on the acquisitions of Critica Infrastructure in 2023 and Seal for Life Industries in the Adhesive Technologies business unit in 2024, we consistently implemented our focus on sustainable, high-growth applications in fiscal 2025 through the successful integration of both companies. We have thus expanded our range of services in the field of maintenance, repair and overhaul (MRO) and are strengthening our presence in future-oriented infrastructure markets such as renewable energies, oil and gas, and water. The aim is to expand our MRO portfolio in a dynamically growing market with innovative solutions in adjacent fields of application. On this basis, we have created a platform that enables us to integrate further adjacent businesses, promote growth and further expand our position as the world market leader in adhesive technologies.

In addition, Henkel signed an agreement in December 2025 to acquire Swiss-based ATP Adhesive Systems from Arsenal Capital Partners. ATP Adhesive Systems is a leading provider of high-performance, water-based specialty tapes for a wide range of end markets, including automotive, electronics, medical, construction and the graphics industry. This target acquisition will expand our portfolio beyond liquid technologies and rounds out our product offering with complementary adhesive solutions in attractive and fast-growing markets. The group of companies expects sales of around 270 million euros in the 2025 fiscal year.

We also made advancements in the area of **innovations**. Our innovation and customer centers play a key role in this respect. At these centers, we offer state-of-the-art laboratory facilities and a platform that fosters open collaboration and knowledge sharing in order to cater to the local needs of our customers and consumers. Working in partnerships founded on trust, we develop innovations and solutions across the entire value chain.

The Adhesive Technologies business unit has further expanded its global network of innovation centers. In addition to the existing innovation centers in Europe, North America and the IMEA region, the Inspiration Center Shanghai (ICS) was opened in 2025. It serves as a central innovation and customer hub for the Asia-Pacific region, serving to integrate modern research, application and test capacities. In addition, in 2025, we opened a state-of-the-art battery application center for North America in Madison Heights, USA, and so further expanding regional support for automotive and battery manufacturers with advanced material application competencies for electric vehicle components. This facility complements the battery application center and battery test center at our Inspiration Center Düsseldorf and forms the starting point for a global network with locations in Madison Heights, USA, and, starting in 2026, also in Shanghai, China, to enable seamless intra-regional collaboration.

The Consumer Brands business unit likewise further enhanced its innovation strength. At the House of Hair in Hamburg, which combines research, development, test salons and the Academy of Hair in one place, more than 300 experts are working on innovative solutions for hair care, styling and coloring. The House of Hair in Hamburg is also part of a global innovation network, with newly opened locations in Los Angeles, Tokyo and Guadalajara. This innovation network enables close cooperation and promotes the exchange of trends and technologies worldwide. In addition, the experience of hairdressers is incorporated directly into the development process, so that in addition to consumer products, products can also be developed for the professional business.

We have developed and launched numerous innovative products and solutions across both business areas that address important trends and offer relevant added value to customers and consumers. Material innovations are discussed on pages 92 (Adhesive Technologies) and 97 (Consumer Brands).

In 2025, we continued to integrate **sustainability** within our business operations. As part of our 2030+ Sustainability Ambition Framework, we worked on a more sustainable product portfolio, for example by increasing the use of renewable and recycled raw materials. We systematically track our progress in this field and are continually evolving the methodology used to assess the sustainability of our product portfolio in both business units.

At the same time, we have continued to push ahead with our commitment to climate protection on the basis of the net-zero roadmap defined in 2024, with regard to our own activities and along our value chain. Other focal points of our work have included, for example, the topics of circular economy and equality of opportunity.

Further information on the concepts and measures we pursue, as well as relevant key figures, can be found on pages 149 to 320.

In 2025, we also made important progress in **digitalization**. We have continued to drive the strategic alignment of our digital unit Henkel dx by steadily optimizing in-house structures, strengthening the development of digital expertise and promoting a culture of innovation. Aspects such as the acceleration of digital innovations, our platform strategy and the close collaboration of all business units and functions enabled us to further improve our efficiency in IT last year and to provide targeted support to the business units in implementing their strategy.

The use of artificial intelligence (AI) also plays an important role in this field. In the Consumer Brands business unit, for example, digital assistants are used for product innovation and development to simplify and accelerate the process from the idea stage through to production. The digital assistant is based on the generative AI technology and helps our employees to evaluate information about consumer needs, market trends and product feedback in a structured manner. In addition, we are increasingly applying AI solutions in marketing, e-commerce, and along the supply chain – for example, for data-based campaign management, improved demand forecasting and more efficient processing of returns.

We use AI in Adhesive Technologies, for example, in our global research labs to calculate the chemical and physical properties of new formulas – with the aim of substantially shortening the time needed for product development while at the same time enhancing the performance of the new solutions. For example, we can use AI-supported simulation and modeling approaches to develop virtual adhesives and digital twins that enable faster, data-driven design of solutions, particularly in electromobility, and reduce the need for physical prototypes.

To establish future-ready **operating models**, our focus in 2025 was on completing the integration of the Consumer Brands business unit, which we report on in detail on page 96.

We have also further strengthened our **corporate culture**, building on our purpose – Pioneers at heart for the good of generations – and our Leadership Commitments. To support our employees in fostering our cultural change, we continued the Accelerate Cultural Transformation (ACT) initiative – initially launched in 2023 and now well established – in the year under review. The aim is to encourage dialog across teams and to define concrete measures. The focus areas in 2025 were trust, collaboration and feedback. In addition, we have strengthened our corporate culture through various learning formats such as “Feedback Upskilling” and “360-Degree Henkel Feedback.” These formats help our employees to reflect on their behavior in the best possible way and to continue developing themselves in a targeted manner where necessary.

Management system and performance indicators

Our management system and key performance indicators are derived from our ambition to generate purposeful growth. The key performance indicators are organic sales growth, adjusted return on sales, and growth in adjusted earnings per preferred share at constant exchange rates.

These performance indicators are represented in both the annual and medium-term plans of Henkel. A regular comparison of these plans with current developments and the regular reporting of expected figures enable focused management of the Company based on the described performance indicators. Adjusting for one-time expenses and income (such as effects of acquisitions and divestments, and impairment losses on non-current assets), for restructuring expenses and for the effects of fluctuating exchange rates, enables better comparability of the performance indicators over time, thus enhancing transparency.

The performance indicators of relevance for management at Henkel – for which we have also defined mid-term ambitions – are discussed below.

- **Organic sales growth**
Organic sales growth is defined as the increase in sales after adjustment for the effects of acquisitions, divestments and foreign exchange. As such, it serves to quantify growth from within the Company. In addition, organic sales growth is one of the metrics used to determine the annual variable remuneration (Short Term Incentive) payable to the Management Board.
- **Adjusted return on sales**
Adjusted return on sales describes the ratio of adjusted operating profit (adjusted EBIT) to sales. As such, adjusted return on sales is indicative of business profitability.
- **Growth in adjusted earnings per preferred share at constant exchange rates**
Earnings per share compares the net income to the weighted average number of shares in free float. Calculation is based on IAS 33 (Earnings per Share). Calculation of this earnings metric as a performance indicator is based on adjusted earnings per share compared to the prior-year figure. In addition, growth in adjusted earnings per preferred share at constant exchange rates is one of the metrics used to determine the annual variable remuneration (Short Term Incentive) payable to the Management Board.

Moreover, we routinely disclose other key financials and non-financial metrics.

■ **Other key financials**

Other key financials include adjusted earnings per preferred share, net working capital as a percentage of sales, adjusted return on capital employed (adjusted ROCE), Economic Value Added (EVA®) and free cash flow. These key financials are explained in the glossary.

■ **Non-financial metrics**

In line with the goal of sustainable corporate development, non-financial indicators are also used as part of our sustainability strategy and reporting – for example, the reduction of the carbon footprint of our production sites, the share of recycled plastic used in consumer goods packaging or the proportion of women in management positions. Furthermore, ESG (Environmental, Social, Governance) targets count among the metrics to determine the long-term variable share-based remuneration (Long Term Incentive) payable to the Management Board.

Cost of capital

The cost of capital is calculated as a weighted average of the cost of equity and debt capital (WACC).

We regularly review our cost of capital in order to reflect changing market conditions. Moreover, we apply different WACC rates depending on the business unit involved. These are based on business unit-specific beta factors determined from a peer group benchmark.

The following table indicates the WACC rates before and after tax for the Henkel Group and each business unit.

WACC by business unit

in percent	WACC before tax		WACC after tax	
	2025	2026	2025	2026
Adhesive Technologies	11.50	10.75	8.50	8.00
Consumer Brands	8.00	7.75	5.75	5.75
Henkel Group	8.75	8.50	6.50	6.25

ECONOMIC REPORT

Macroeconomic development

The general economic development described in this section is based on data published by S&P Global Market Intelligence.

Overview:

Moderate growth in the global economy

In fiscal 2025, the global economy recorded moderate growth in an overall complex geopolitical environment characterized by uncertainties in global trade policy combined with slightly declining but still high interest rates. The global inflation rate fell slightly compared to the same period in the previous year, but remained at an elevated level.

As was also the case in the previous year, the global economy recorded gross domestic product growth of around 3 percent in 2025.

For the year under review, economic growth in Europe was around 1.5 percent, with North America recording around 2 percent. The IMEA and Asia-Pacific economic regions recorded economic growth of around 5 percent and 4 percent respectively. Latin America's economy expanded by around 2 percent.

Unemployment:

Globally slightly declining unemployment rate

The global unemployment rate was slightly under the level of the previous year at around 6 percent. The unemployment rate in Europe was around 5.5 percent, and in North America around 4.5 percent. The unemployment rate was around 11 percent in the IMEA region, around 5.5 percent in Latin America, and around 4 percent in the Asia-Pacific region.

Inflation:

Slight decline in global inflation rates

Global inflation in 2025 was around 3.5 percent, and thus lower year on year, although still at an elevated level. In Europe, prices rose by around 3 percent, which was roughly in line with the rate of increase in the previous year. In North America, the inflation rate decreased year on year to around 2.5 percent. The inflation rate in the IMEA and Latin America regions was significantly below the previous year's level, at around 8.5 percent and around 7.5 percent respectively. Inflation of around 1 percent was posted in the Asia-Pacific region.

Direct materials:

Moderate increase versus prior year

Prices for direct materials (raw materials, packaging, purchased goods and services) increased by a mid-single-digit percentage in 2025. While prices for oil and a wide range of oil-dependent derivatives declined over the course of the year, prices for natural raw materials rose.

Currencies:

Mainly negative trend in currencies

The US dollar showed a negative development against the euro on average over the year. At year-end, the exchange rate of US dollar to euro was 1.18. Most of the currencies of relevance for Henkel in the emerging markets depreciated on average over the year. The Polish zloty appreciated, whereas the Turkish lira depreciated by a double-digit percentage. The following table shows the development of the average exchange rates of the currencies most relevant for Henkel in fiscal 2025 against the euro:

Average rates of exchange versus the euro

	2024	2025	Appreciation (+)/ Depreciation (-)
Chinese yuan	7.79	8.12	-4.1%
Mexican peso	19.82	21.67	-8.5%
Polish zloty	4.31	4.24	1.7%
Turkish lira	35.56	44.79	-20.6%
US dollar	1.08	1.13	-4.4%

Source: ECB daily foreign exchange reference rates.

Development by sector

Consumption and retail:

Moderate increase in global consumption

The increase in global private consumption spending in 2025, at around 3 percent, was similar to the prior year.

Growth was generally characterized by subdued consumer sentiment in key markets such as Europe and North America. In particular, consumer sentiment in North America weakened significantly in the second half of the year.

Private consumer spending increased in Europe by around 1.5 percent, in North America by around 2.5 percent and in Latin America by around 2 percent. The IMEA region recorded an increase in private consumer spending of around 7 percent, while private consumer spending in the Asia-Pacific region increased by around 3.5 percent.

Industrial production index:

Moderate growth in industrial production

The industrial production index (IPX) recorded global growth of around 2.5 percent, thus exceeding the previous year's level.

In Europe and North America, the industrial production index stood at around 1 percent in 2025. The IMEA region recorded growth of around 4 percent and Latin America of around 1 percent. In the Asia-Pacific region, the industrial production index came in at around 4.5 percent.

HENKEL GROUP

Henkel is organized into two operating business units: Adhesive Technologies and Consumer Brands.

As global market leader, the **Adhesive Technologies** business unit offers a broad portfolio of high-impact solutions in adhesives, sealants and coatings. In the three business areas Mobility & Electronics, Packaging & Consumer Goods, and Craftsmen, Construction & Professional, we develop customer-centric solutions for a wide range of industrial applications, as well as for consumers and craftsmen.

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0.9 %

Organic sales growth

14.8 %

Adjusted¹ EBIT margin

€ 5.33

Adjusted¹ EPS

+4.7 %

Development of adjusted¹ EPS at constant exchange rates

€ 2.07

Dividend per preferred share²

¹ Adjusted for one-time expenses and income, and for restructuring expenses.

² Proposal to shareholders for the Annual General Meeting on April 27, 2026.

Review of overall business performance

Henkel delivered an overall good performance in a challenging fiscal 2025, which was characterized by moderate global economic growth in a complex geopolitical environment, with uncertainties resulting from a changed global trade policy. Looking at our business units, strong growth in the Mobility & Electronics business area had a particularly positive impact on business performance in the Industrial business. The Consumer business benefited in particular from a strong performance in the Hair business area.

Henkel has been pursuing a strategy for years aimed at strengthening resilience through regional diversification. Our geographical footprint remains well balanced, without strong dependencies on individual markets or countries. With our “In the region, for the region” strategy, we are able to mitigate the direct effects of tariffs. As a result, the impact of global trade policy on our business remained manageable in fiscal 2025 and therefore had no significant impact on profitability.

Results of operations of the Group

Sales

Sales in fiscal 2025 totaled 20,495 million euros, down -5.1 percent year on year in nominal terms. Foreign exchange effects had a negative impact of -4.2 percent on sales.¹ Adjusted for these foreign exchange effects, sales declined by -0.8 percent. Acquisitions/divestments also had a negative impact on sales, down -1.7 percent, mainly due to the sale of the Retailer Brands business in North America in the Consumer Brands business unit. Organic sales growth, i.e. adjusted for foreign exchange and acquisitions/

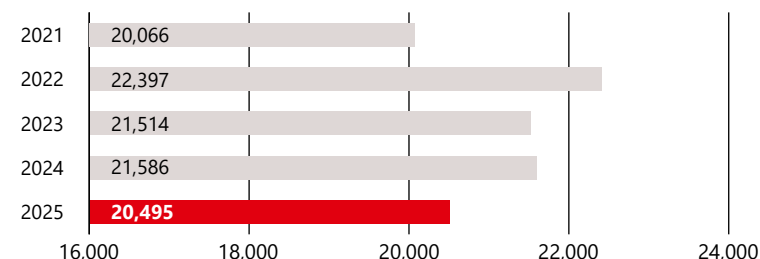
divestments, was positive at 0.9 percent. This increase was price-driven, while volume remained flat.

Sales development

in percent	2024	2025
Change versus previous year	0.3	-5.1
Foreign exchange	-1.8	-4.2
Adjusted for foreign exchange	2.1	-0.8
Acquisitions/divestments	-0.4	-1.7
Organic	2.6	0.9
Of which price	2.0	0.9
Of which volume	0.6	0.0

Sales

in million euros



The Adhesive Technologies business unit generated good organic sales growth of 1.5 percent, driven in particular by the Mobility & Electronics business area. The Consumer Brands business unit posted positive organic sales growth of 0.3 percent, driven particularly by the Hair business area.

¹ Including the impacts of the mandatory application of IAS 29 (Financial Reporting in Hyperinflationary Economies) for Türkiye.
This note also applies to the remainder of the management report.

Sales performance by business unit

in million euros	Sales		+/-	Organic	Of which price	Of which volume
	2024	2025				
Henkel Group	21,586	20,495	-5.1%	0.9%	0.9%	0.0%
Adhesive Technologies	10,970	10,667	-2.8%	1.5%	0.7%	0.7%
Consumer Brands	10,467	9,677	-7.5%	0.3%	1.1%	-0.8%

In Europe, organic sales growth was down -1.6 percent year on year. In contrast, in the IMEA region, Henkel achieved double-digit organic sales growth of 12.1 percent. In the North America and Latin America regions, Henkel recorded a slight decline in sales development amounting to -1.0 percent and -0.5 percent respectively. In contrast, the Asia-Pacific region generated strong organic sales growth of 3.4 percent.

Sales performance by region

in million euros	Europe	IMEA	North America	Latin America	Asia-Pacific	Corporate	Henkel Group
Sales 2025¹	7,882	2,135	5,424	1,492	3,411	151	20,495
Sales 2024 ¹	8,048	2,289	6,029	1,636	3,434	149	21,586
Change versus previous year	-2.1%	-6.7%	-10.0%	-8.8%	-0.7%	–	-5.1%
Organic	-1.6%	12.1%	-1.0%	-0.5%	3.4%	–	0.9%
Proportion of Group sales 2025	38%	10%	26%	7%	17%	1%	100%
Proportion of Group sales 2024	37%	11%	28%	8%	16%	1%	100%

¹ By location of company.

Operating profit

At 2,816 million euros, operating profit in fiscal 2025 was slightly below the level of the previous year (2024: 2,831 million euros), mainly due to significantly negative foreign exchange effects.¹ The operating expense and income items leading to the operating profit result were impacted by one-time expenses and income, and by restructuring expenses.

Adjusted operating profit (adjusted EBIT)

in million euros	2024	2025	+/-
EBIT (as reported)	2,831	2,816	-0.5%
One-time income	-3	-39	-
One-time expenses	60	137	-
Restructuring expenses	202	112	-
Adjusted EBIT	3,089	3,026	-2.0%

One-time expenses in fiscal 2025 totaled 137 million euros. Of this amount, 48 million euros relate to incidental costs in connection with acquisitions and divestments, 28 million euros to an adjustment of pension provisions, and 19 million euros to the recognition of provisions for legal disputes. In addition, one-time expenses of 11 million euros are related to a divestment made in the past and a further 10 million euros are related to impairment of a trademark right. One-off expenses of 6 million euros were incurred in the year under review in connection with the merger of the former Beauty Care and Laundry & Home Care business units into the Consumer Brands business unit.

One-time income in 2025 of 39 million euros mainly comprises gains related to a divestment made in the past (2024: 3 million euros).

In order to adapt our structures to our markets and customers, we spent 112 million euros on restructuring (2024: 202 million euros). A significant part of this is due to the optimization of our production, logistics and sales structures. In addition, restructuring expenses were attributable to the continued integration of our consumer goods businesses. Please refer to page 437 for more details on our restructuring expenses and on the one-time expenses and income.

Adjusted operating profit (adjusted EBIT) came in at 3,026 million euros and thus below the prior year level, primarily due to significantly negative foreign exchange effects (2024: 3,089 million euros).

In contrast, adjusted return on sales (adjusted EBIT margin) in the year under review was higher year on year at 14.8 percent (2024: 14.3 percent). Both the Adhesive Technologies business unit with 16.7 percent (2024: 16.6 percent) and the Consumer Brands business unit with 14.5 percent (2024: 13.6 percent) achieved an adjusted return on sales above the previous year's level.

While prices for direct materials (raw materials, packaging, and purchased goods and services) and logistics increased compared to the previous year, the improvement in adjusted return on sales in both business units was driven by ongoing measures to reduce costs and enhance purchasing, production and supply chain efficiency, as well as a positive business mix. In addition, the increase in the Consumer Brands business unit was driven by the implementation of strategic measures such as the continued realization of savings and further valorization of the portfolio.

¹ All income and expense items were affected by negative foreign exchange effects.

Expense items

The following explanations relate to our operating expenses adjusted for one-time expenses and income, and for restructuring expenses. The reconciliation statement and the allocation of the restructuring charges between the various expense items of the consolidated statement of income can be found on page 437.

Cost of sales was down -6.0 percent year on year at 10,024 million euros. Gross profit decreased by -4.1 percent to 10,470 million euros. The adjusted gross margin, by contrast, rose to 51.1 percent compared to the previous year (2024: 50.6 percent). While prices for direct materials increased, measures to reduce costs and enhance purchasing, production and supply chain efficiency, along with a positive business mix and further valorization of the portfolio in the Consumer Brands business unit, plus the sale of the Retailer Brands business in North America in April 2025, had a particularly positive impact on adjusted gross margin.

Reconciliation from sales to adjusted operating profit

in million euros	2024	%	2025	%	+/-
Sales	21,586	100.0	20,495	100.0	-5.1%
Cost of sales	-10,664	-49.4	-10,024	-48.9	-6.0%
Gross profit	10,922	50.6	10,470	51.1	-4.1%
Marketing, selling and distribution expenses	-6,071	-28.1	-5,753	-28.1	-5.2%
Research and development expenses	-631	-2.9	-614	-3.0	-2.7%
Administrative expenses	-1,132	-5.2	-1,104	-5.4	-2.5%
Other operating income/expenses	2	0.0	27	0.1	>100%
Adjusted operating profit (adjusted EBIT)	3,089	14.3	3,026	14.8	-2.0%

Marketing, selling and distribution expenses, at 5,753 million euros, were down year on year (2024: 6,071 million euros). In contrast, the ratio to sales, at 28.1 percent, was unchanged versus fiscal 2024. We spent a total of 614 million euros for research and development. The ratio to sales, at 3.0 percent, was virtually unchanged year on year. Administrative expenses totaled 1,104 million euros in fiscal 2025 following 1,132 million euros in the previous year. In relation to sales, the share was 5.4 percent, slightly above the previous year's level.

Other operating income and expenses

At 27 million euros, the balance of adjusted other operating income and expenses increased year on year (2024: 2 million euros).

Financial result

At -57 million euros, the financial result in fiscal 2025 – adjusted for expenses relating to the application of IAS 29 (Financial Reporting in Hyperinflationary Economies) for Türkiye – improved slightly year on year (2024: -62 million euros).

Income before tax, net income and earnings per share (EPS)

Earnings before taxes, at 2,729 million euros, were on the same level as the previous year (2024: 2,723 million euros). Taxes on income amounted to 670 million euros (2024: 691 million euros). The tax rate of 24.6 percent was slightly lower versus the prior year (2024: 25.4 percent). At 25.0 percent, the adjusted tax rate was largely unchanged year on year. Net income increased by 1.3 percent to 2,058 million euros (2024: 2,032 million euros). After allowing for 23 million euros attributable to non-controlling interests, net income attributable to shareholders of Henkel AG & Co. KGaA amounted to 2,035 million euros, 1.4 percent above the prior-year figure (2024: 2,007 million euros). Adjusted net income after deducting non-controlling interests amounted to 2,206 million euros, slightly below the previous year's figure of 2,243 million euros. A condensed version of the annual financial statements

of the parent company of the Henkel Group – Henkel AG & Co. KGaA – can be found on pages 120 to 127.

At 4.92 euros, earnings per preferred share were above the prior-year figure of 4.80 euros. Earnings per ordinary share increased to 4.90 euros (2024: 4.78 euros).

Adjusted earnings per preferred share decreased slightly by -0.6 percent to 5.33 euros (2024: 5.36 euros). At constant exchange rates, adjusted earnings per preferred share increased by 4.7 percent. In calculating adjusted earnings per preferred share, figures are adjusted for one-time expenses and income, and for restructuring expenses.

Dividend

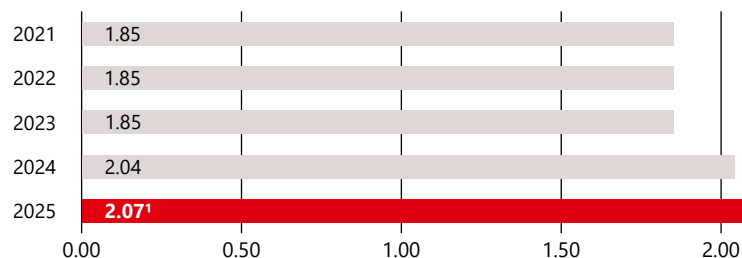
According to our dividend policy, dividend payouts of Henkel AG & Co. KGaA shall, depending on the Company's asset and profit positions and its financial requirements, amount to 30 to 40 percent of net income after non-controlling interests and adjusted for exceptional items.

At the Annual General Meeting, we will propose a dividend of 2.07 euros per preferred share for the past fiscal year, representing an increase year on year (2024: 2.04 euros). For the ordinary share, an increased dividend of 2.05 euros (2024: 2.02 euros) will also be proposed. The increase in dividend is possible thanks to the good financial performance in the past fiscal year and the strong financial base of the Henkel Group. The payout ratio remains unchanged at 37.9 percent¹ and is thus within the target range of 30 to 40 percent.

¹ Calculation based on the number of shares qualifying for dividends as of December 31, 2025.

Dividend per preferred share

in euros



¹ Proposal to shareholders for the Annual General Meeting on April 27, 2026.

Net working capital

Net working capital as a percentage of sales amounted to 3.8 percent, which – due in particular to lower trade accounts payable – represents an increase year on year (2024: 3.0 percent).

Free cash flow and net financial position

Free cash flow, at 1,850 million euros, came in below the previous year (2024: 2,362 million euros). This development was due, among other things, to lower operating cash flow. Despite cash outflows for the dividend and the share buyback program, the net financial position amounted to 109 million euros, hence above the prior-year figure (December 31, 2024: -93 million euros).

Adjusted return on capital employed (ROCE)

Return on capital employed adjusted for one-time income and expenses and for restructuring expenses (adjusted ROCE) came in at 13.8 percent, slightly below the level of the prior year (2024: 14.0 percent).

Economic Value Added (EVA®)

At 900 million euros, Economic Value Added (EVA®) – primarily due to higher capital costs before taxes – was below the previous year's figure (2024: 1,015 million euros).

Comparison between actual business performance and guidance

In light of business performance and evolving assumptions regarding further business development, the Management Board of Henkel AG & Co. KGaA updated its guidance for fiscal 2025 over the course of the year.

Performance versus guidance 2025

	Original guidance for 2025	Guidance for 2025 as updated on August 7	Results 2025
Organic sales growth			
Henkel Group:	1.5 to 3.5 percent	1.0 to 2.0 percent	0.9 percent
Adhesive Technologies:	2.0 to 4.0 percent	2.0 to 3.0 percent	1.5 percent
Consumer Brands:	1.0 to 3.0 percent	0.5 to 1.5 percent	0.3 percent
Adjusted¹ return on sales (adjusted EBIT margin)			
Henkel Group:	14.0 to 15.5 percent	14.5 to 15.5 percent	14.8 percent
Adhesive Technologies:	16.0 to 17.5 percent	16.5 to 17.5 percent	16.7 percent
Consumer Brands:	13.5 to 15.0 percent	14.0 to 15.0 percent	14.5 percent
Development of adjusted¹ earnings per preferred share at constant exchange rates	Increase in the low to high single-digit percentage range	Increase in the low to high single-digit percentage range	+4.7 percent

¹ Adjusted for one-time expenses and income, and for restructuring expenses.

The results for fiscal 2025 are compared below against the guidance that was last revised on August 7, 2025.

At 0.9 percent, organic sales growth of the Henkel Group was close to the lower end of our forecast range of 1.0 to 2.0 percent. Organic sales development in both business units was slightly below their respective forecast ranges, with Adhesive Technologies at 1.5 percent and Consumer Brands at 0.3 percent, compared to forecast ranges of 2.0 to 3.0 percent and 0.5 to 1.5 percent respectively.

Adjusted return on sales (adjusted EBIT margin) for the Henkel Group was 14.8 percent, thus falling within the forecast range of 14.5 to 15.5 percent. Both the Adhesive Technologies business unit with adjusted return on sales of 16.7 percent and the Consumer Brands business unit with adjusted return on sales of 14.5 percent were within their forecast ranges of 16.5 to 17.5 percent and 14.0 to 15.0 percent respectively.

Adjusted earnings per preferred share at constant exchange rates increased by 4.7 percent, which was also in line with the forecast increase in the low to high single-digit percentage range.

Beyond these key indicators, we had forecasted restructuring expenses in 2025 in the range of 150 to 200 million euros. At 112 million euros, the figure was slightly below expectations. Cash outflows from investments in property, plant and equipment and intangible assets were predicted to be 650 to 750 million euros. At 685 million euros, this figure was within the forecast range.

ADHESIVE TECHNOLOGIES

Our Adhesive Technologies business unit leads the global market with technologies for adhesives, sealants and coatings – for industrial applications and for consumers and craftsmen. As experts for industrial applications in more than 800 industries, we work closely with our customers and partners. Our strong technology portfolio results in customer-centric solutions in our Mobility & Electronics, Packaging & Consumer Goods, and Craftsmen, Construction & Professional business areas.

Our top 3 brands

LOCTITE

TECHNOMELT

BONDERITE

Sales

€ **10,667** million

Organic sales growth

1.5 %

Adjusted¹ operating income
(EBIT)

€ **1,779** million

Adjusted¹ return on sales
(EBIT margin)

16.7 %

¹ Adjusted for one-time expenses and income, and for restructuring expenses.

Overview of business activities and key developments

The Adhesive Technologies business unit offers a broad and globally leading portfolio of high-impact solutions in adhesives, sealants and coatings across the three business areas Mobility & Electronics, Packaging & Consumer Goods, and Craftsmen, Construction & Professional.

In the **Mobility & Electronics** business area, we offer our international customers customer-centric solutions and specialized technical services in the automotive and electronics industries, as well as for industrial key accounts. In doing so, we create added value for our customers at the interface of technology, semiconductors, automobiles and industrial goods. With our technology portfolio and market expertise, we deliver responses to global trends such as electrification, connectivity and autonomous driving. We also enable our customers to achieve their sustainability goals by ensuring that our solutions require fewer fossil raw materials during further processing.

In the **Packaging & Consumer Goods** business area, we provide innovative solutions for manufacturers of consumer goods and branded products around the globe. Building on strong, long-lasting and trusting business relationships, our solutions add value to branded and customer products. With our technology portfolio and market expertise, we address global consumer trends such as sustainability and promotion of a circular economy, while striving to achieve the maximum possible levels of food safety.

In the **Craftsmen, Construction & Professional** business area, we offer solutions for private consumers and craftsmen, the construction sector, and for manufacturing and professional servicing in more than 800 industry segments. We develop innovations for transformative products and customer solutions on strong global brand platforms. In doing so, we shape global trends, such as sustainability and digitalization – from sustainable construction and DIY to predictive maintenance and smart production processes.

Building on the acquisitions of Critica Infrastructure in 2023 and Seal for Life Industries in 2024, we continued to consistently pursue our focus on sustainable, high-growth applications in fiscal 2025 through the successful integration of both companies. We have thus expanded our range of services in the field of maintenance, repair and overhaul (MRO), a dynamically growing market, and strengthened our presence in future-oriented infrastructure markets such as renewable energies, oil and gas, and water. On this basis, we have created a platform that enables us to integrate additional adjacent businesses, drive growth and further strengthen our position as the global market leader in adhesive technologies.

In addition, Henkel signed an agreement in December 2025 to acquire Swiss-based ATP Adhesive Systems from Arsenal Capital Partners. ATP Adhesive Systems is a leading expert in high-performance, water-based specialty tapes for a wide range of end markets, including automotive, electronics, medical, building & construction, and graphics applications. The acquisition expands our portfolio beyond liquid technologies and complements our product offering with complementary bonding solutions in attractive and

fast-growing markets. The group of companies expects sales of around 270 million euros in the 2025 fiscal year.

We also drove forward relevant **innovations** under our largest brands in the year under review. In 2025, we realized about 70 percent of all sales with our five technology-based brand clusters for industrial customers and our four biggest brands for consumers. The proportion of Adhesive Technologies sales from products successfully launched onto the market in the last five years was around 25 percent. Here, the business unit's innovation centers play a key role. For further details of our global network of innovation centers, please refer to the section "Research and Development."

Major innovations in the Adhesive Technologies business unit in fiscal 2025 include a patented potting solution for flexible display protection of electronic end devices, an innovative cleaner for the low-emission treatment of beverage cans, and user-friendly and sustainable cardboard cartridges for our broad portfolio of assembly adhesives and sealants.

SELECTED INNOVATIONS IN 2025



Patented potting solution for flexible display protection in electronic devices

With our patented potting solution for flexible display protection, we not only enable our consumer electronics customers to design almost frameless end devices, but also to improve device protection. In addition, the manufacturing process for our customers is simplified, with the added benefit of reduced CO₂ emissions.



Innovative, low-temperature, low-emission cleaner for aluminum can production

Our innovative technology for the pre-treatment of beverage cans reduces temperature and foaming in the cleaning process. This enables our customers to save energy and reduce water consumption by up to 25 percent compared to current conventional methods, reducing both CO₂ emissions and costs.



Sustainable and innovative cartridge design with optimized user experience

With a cartridge body made of 100-percent recyclable cardboard, the new cartridge design enables improved separation of soiled parts and a significant reduction in plastic waste. At the same time, our customers benefit from an improved user experience thanks to an automatic opening system for easier and more secure usage.

Market environment

The economic environment in which the Adhesive Technologies business unit operates was characterized in particular by modest development overall in industrial demand and by persistent inflationary pressure. The global industrial production index (IPX) recorded a moderate increase of around 2.5 percent compared to the previous year. Global automotive production increased by around 3.5 percent year on year and thus improved compared to the expectations at the beginning of the year. Regional development in automotive production presented a mixed picture, with very strong growth in the Asia-Pacific and IMEA regions, while Europe and North America experienced a decline.

Sales performance

Sales in the Adhesive Technologies business unit totaled 10,667 million euros in the year under review, down -2.8 percent year on year in nominal terms. Foreign exchange effects reduced sales by -4.1 percent. Acquisitions/divestments had an impact of -0.1 percent.

Organically (i.e. adjusted for foreign exchange and acquisitions/divestments), sales increased by 1.5 percent. This sales growth was particularly driven by a positive volume development in the second half of the year compared to the prior year, resulting from slightly improved demand in some of our key end markets. Prices also developed positively compared to the previous year.

Sales development

in percent	2024	2025
Change versus previous year	1.7	-2.8
Foreign exchange	-1.8	-4.1
Adjusted for foreign exchange	3.5	1.3
Acquisitions/divestments	1.1	-0.1
Organic	2.4	1.5
Of which price	0.0	0.7
Of which volume	2.4	0.7

Organic sales development by business area

Organic sales growth in fiscal 2025 was driven by the Mobility & Electronics and Craftsmen, Construction & Professional business areas.

Sales performance by business area

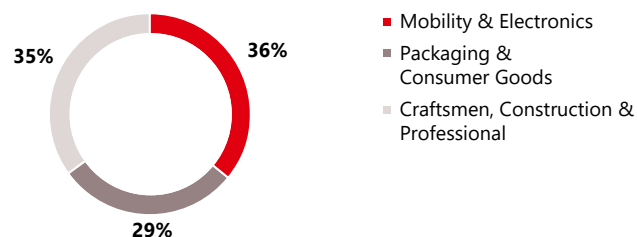
	Sales			
in million euros	2024	2025	+/-	Organic
Adhesive Technologies	10,970	10,667	-2.8%	1.5%
Mobility & Electronics	3,895	3,853	-1.1%	3.3%
Packaging & Consumer Goods	3,337	3,097	-7.2%	-0.6%
Craftsmen, Construction & Professional	3,738	3,716	-0.6%	1.3%

The **Mobility & Electronics** business area achieved strong organic sales growth of 3.3 percent, driven mainly by double-digit sales growth in the Electronics business – particularly due to strong performance in China – and by very strong sales growth in the Industrial business. The Automotive business, however, recorded a decline in sales overall due to muted demand in key markets such as Europe and North America.

The **Packaging & Consumer Goods** business area recorded slightly negative organic sales growth of -0.6 percent, with the Packaging business declining, while the Consumer Goods business achieved positive growth. Overall, the business area was characterized by subdued demand in the market.

The **Craftsmen, Construction & Professional** business area generated positive organic sales growth of 1.3 percent overall. The Construction and General Manufacturing & Maintenance businesses each contributed to this with good growth, while the Consumers & Craftsmen business recorded a positive performance.

Sales by business area 2025



Organic sales development by region

The good organic sales growth in the Adhesive Technologies business unit was driven in particular by the **Asia-Pacific** region, which achieved very strong organic sales growth, largely driven by the Mobility & Electronics business area. Here, the business in China had a particularly positive impact. The **Europe** region recorded a slight decline in organic sales performance, driven by all three business areas. The **North America** region likewise recorded a slight decline in organic sales overall, attributable to the Packaging & Consumer Goods and Mobility & Electronics business areas. By contrast, the Craftsmen, Construction & Professional business area achieved strong growth. In the **IMEA** region, the business unit achieved significant organic sales growth, with all business areas contributing. By contrast, the

Latin America region recorded a slight decline in organic sales growth, driven in particular by the Mobility & Electronics business area.

Operating profit

Adjusted operating profit was slightly lower year on year at 1,779 million euros. Gross margin remained unchanged from the previous year at a high level. Adjusted return on sales increased slightly year on year and reached 16.7 percent.

At 12.3 percent, net working capital as a percentage of sales was slightly higher compared to the prior year. Adjusted return on capital employed (adjusted ROCE) declined to 16.8 percent versus the previous year. Economic Value Added (EVA®) decreased year on year to 463 million euros.

Key financials

in million euros	2024	2025	+/-
Sales	10,970	10,667	-2.8%
Proportion of Henkel sales	51%	52%	-
Operating profit (EBIT)	1,715	1,680	-2.1%
Adjusted ¹ operating profit (adjusted EBIT)	1,817	1,779	-2.1%
Return on sales (EBIT margin)	15.6%	15.8%	0.1pp
Adjusted ¹ return on sales (adjusted EBIT margin)	16.6%	16.7%	0.1pp
Return on capital employed (ROCE)	16.4%	15.9%	-0.6pp
Adjusted ¹ return on capital employed (adjusted ROCE)	17.4%	16.8%	-0.6pp
Economic Value Added (EVA®)	515	463	-10.1%

¹ Adjusted for one-time expenses and income, and for restructuring costs.

pp = percentage points

CONSUMER BRANDS

Within the Consumer Brands business unit, we hold leading positions in attractive markets and have a strong brand portfolio. Our operations here are centered on the two global business areas Laundry & Home Care and Hair, as well as on the Other Consumer Businesses area with its operations in selective markets. Our portfolio features laundry detergents and household cleaners, hair styling, hair colorants and hair care products for both the Consumer and the Professional businesses, as well as body care products. In all business areas, we offer relevant innovations that create added value for our customers and consumers. We distribute our products through brick-and-mortar stores, hair salons and digital channels.

Our top 3 brands


Schwarzkopf

Persil



Sales

€ **9,677** million

Organic
sales growth

0.3 %

Adjusted¹ operating
income (EBIT)

€ **1,400** million

Adjusted¹ return on sales
(EBIT margin)

14.5 %

¹ Adjusted for one-time expenses and income, and for restructuring expenses.

Overview of business activities and key developments

The Consumer Brands business unit encompasses the business areas Laundry & Home Care, Hair and Other Consumer Businesses. In all business areas, we hold leading positions in numerous markets and categories, supported by a strong brand portfolio.

In the **Laundry & Home Care** business area, we operate globally, offering a broad product portfolio. The Laundry Care business comprises fabric cleaning and fabric care products, fabric softeners and laundry additives. Our products address a wide range of consumer needs, from deep-cleaning and sensitive product variants to fabric care across different price tiers. The portfolio in our Home Care business covers a range of categories – from dishwashing and hard surface cleaners to toilet cleaners.

Our **Hair** business area is also represented globally – both in the Consumer and Professional businesses. We are active with various brands covering hair care, hair colorants and hair styling products, and appeal to a broad base of consumers. We offer comprehensive expertise and innovative technologies that are utilized in both the Consumer and Professional businesses.

In the business area **Other Consumer Businesses**, we are primarily active in the Body Care category in selective markets, such as North America and Europe.

In the Consumer Brands business unit, we are focusing our portfolio on strategic core brands and businesses with attractive growth and margin potential. Another key aspect of our strategy is aligned to valorizing our portfolio. Through targeted innovations, supported by strong, focused investments in advertising and marketing, we are able to offer our consumers clear added value while further strengthening our brands. In the course of the integration of the Consumer Brands business unit, significant synergies have been realized since its announcement, contributing to enhanced profitability.

We have reinvested part of the resulting savings in innovations, sustainability and digitalization.

In the **first phase of the integration**, we were able to realize the targeted savings of around 275 million euros by the end of fiscal 2024. In addition, we successfully completed our strategic portfolio measures in the current fiscal year with the divestment of our Retailer Brands business in North America. Since the beginning of 2022, we have thus divested or discontinued brands and activities representing total sales of slightly more than 1 billion euros.

In the **second phase of the integration**, we were even able to slightly exceed the targeted savings of around 250 million euros by the end of fiscal year 2025. This phase focused on optimizing the production and logistics network. The 1-1-1 approach – based on the principle of “one face to the customer” (one order, one shipment, one invoice) – has now been successfully implemented in all target countries. Moreover, since the announcement of the integration of the Consumer Brands business unit at the beginning of 2022, we have continued to drive the consolidation of the production and logistics network and – as measured by the number of our production sites, production lines, warehouses and contract manufacturers – have achieved a significant reduction in complexity.

As a result, we were able to slightly exceed the targeted annual savings of 525 million euros by the end of fiscal year 2025 across both phases. With this, the integration of the Consumer Brands business unit has been successfully completed.

In addition, we continued to drive relevant **innovations** under our strong brands – such as Persil, Perwoll or Schwarzkopf over the past year. In 2025, the Consumer Brands business unit generated almost 60 percent of its sales with its top 10 brands. The proportion of sales from products successfully launched onto the market in the last three years was around 50 percent.

SELECTED INNOVATIONS IN 2025



Nourishing hair colorant from Schwarzkopf Creme Supreme

Our premium colorants under the newly introduced Creme Supreme brand protect the hair from damage in three steps of the coloring process. Creme Supreme is Schwarzkopf's first colorant for consumers that contains a nourishing bonding serum for pre-treatment – inspired by professional in-salon applications.



Perwoll for All Light Colors with Triple Renew technology

Our Perwoll product portfolio has been expanded with the new Perwoll for all light colors. Using Triple Renew technology, it refreshes light and white fabrics: It removes and prevents gray haze, renews the fibers and provides a long-lasting premium fragrance.



Persil Giant Discs with Triple-Action Formula Deep Cleaning Technology

The innovative Persil Giant Discs combine proven Persil quality with a powerful triple-action deep clean formula for effective stain removal, odor control and vibrant brightness. The Giant Discs have been specially developed for stubborn stains and larger laundry loads.

Market environment

The growth of the global markets of relevance for the Consumer Brands business unit in 2025 was primarily driven by the relevant consumer markets in the Hair business area. Market development was generally characterized by subdued consumer sentiment in key markets such as Europe and North America. Despite these conditions, all regions – with the exception of Asia-Pacific – recorded an overall positive development. However, in the second half of the year, there was a noticeable weakening in consumer sentiment, particularly in North America.

The global laundry detergents and household cleaners market of relevance for the Laundry & Home Care business area recorded good growth year on year – both in laundry care and home care. In the laundry care area, market growth was mainly driven by the fabric care and fabric finisher categories. However, laundry detergents showed a significant slowdown in growth in the second half of the year in key markets such as Europe and North America, with Europe even experiencing a decline in the second half of the year. The market growth in home care was driven by the dishwashing and hard surface cleaner categories, while the toilet care category recorded a decline.

The consumer markets of relevance for the Hair business area showed strong growth overall. This development was driven by very strong growth in the hair styling and hair coloration categories. The hair care category developed positively.

The body care markets of relevance to the Other Consumer Businesses business area posted very strong growth in 2025.

Sales performance

Sales in the Consumer Brands business unit totaled 9,677 million euros in the year under review, which was -7.5 percent below the prior year in nominal terms. Foreign exchange effects reduced sales by -4.4 percent. Acquisitions/divestments also had a negative impact on sales of -3.4 percent, mainly due to the divestment of the Retailer Brands business in North America in April 2025.

Organically (i.e. adjusted for foreign exchange and acquisitions/divestments), sales grew by 0.3 percent. This increase in sales was driven by good price developments, while the volumes declined slightly.

Sales development

in percent	2024	2025
Change versus previous year	-0.9	-7.5
Foreign exchange	-1.8	-4.4
Adjusted for foreign exchange	0.9	-3.1
Acquisitions/divestments	-2.0	-3.4
Organic	3.0	0.3
Of which price	4.2	1.1
Of which volume	-1.2	-0.8

Organic sales development by business area

In fiscal year 2025, organic sales growth was driven by the Hair business area, while the Laundry & Home Care business area showed a slight decline.

Sales performance by business area

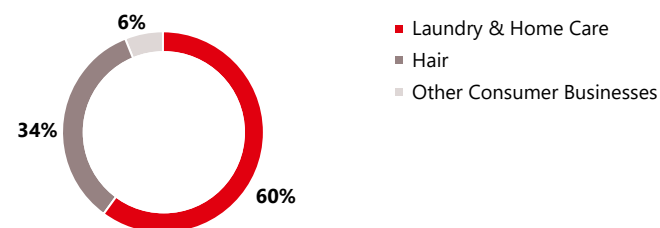
in million euros	Sales		+/-	Organic
	2024	2025		
Consumer Brands	10,467	9,677	-7.5%	0.3%
Laundry & Home Care	6,548	5,791	-11.6%	-0.9%
Hair	3,256	3,281	0.8%	3.2%
Other Consumer Businesses	663	604	-8.8%	-3.3%

The **Laundry & Home Care** business area recorded a slight decline in organic sales of -0.9 percent, mainly due to a downturn in the Laundry Care business. While the Fabric Cleaning category remained below the previous year, we posted a significant sales increase in the Fabric Care category. In both categories, our core brands Perwoll and Persil contributed with significant and strong sales increases respectively. This was also supported by recent innovations, such as the new Persil Giant Discs with Triple-Action Deep Clean Formula, and, in the case of Perwoll, by the further expansion into new markets and strong media support. By contrast, the Fabric Finisher category declined. The Home Care business posted good organic sales growth, driven in particular by a double-digit increase in the Hand-Dishwashing category. Our core brand Pril made a significant contribution to this. By contrast, the Hard Surface Cleaner category declined.

The **Hair** business area generated strong organic sales growth of 3.2 percent overall. The Consumer business achieved strong growth, particularly driven by the categories Hair Colorants with our core brands Syoss and Creme Supreme from Schwarzkopf, as well as Hair Styling with our core brand got2b. Here, also, we benefited from relevant innovations and strong marketing support. The Professional business continued its positive trend from prior years and delivered good organic sales growth.

The business area **Other Consumer Businesses** recorded a decline in sales of -3.3 percent.

Sales by business area 2025



Organic sales development by region

The positive organic sales growth in the Consumer Brands business unit was primarily driven by the IMEA region. In the **Europe** region, organic sales declined year on year, mainly due to the Laundry & Home Care business area, while the Hair business area showed good development. The **North America** and **Latin America** regions each recorded a slight decline, also mainly due to the Laundry & Home Care business area, whereas the Hair business area showed good and very strong development respectively. In the **Asia-Pacific** region, organic sales were down year on year, also due to Laundry & Home Care, while the Hair business area developed positively. The **IMEA** region achieved a double-digit increase in sales, with both business areas Laundry & Home Care and Hair contributing.

Operating profit

The Consumer Brands business unit generated adjusted operating profit of 1,400 million euros, which was almost at the prior year level. By contrast, the gross margin improved significantly, primarily driven by the continued valorization and optimization of the portfolio, as well as by savings resulting from the integration of the Consumer businesses – in particular through the measures implemented in the second phase to optimize the production and logistics network. In addition, the business mix had a positive effect. The adjusted return on sales reached 14.5 percent, representing a significant increase year on year.

Net working capital as a percentage of sales was -5.4 percent, compared to -6.4 percent in the previous year. The adjusted return on capital employed (adjusted ROCE) was slightly above the prior year with 12.5 percent, mainly due to improved adjusted operating profit. Economic Value Added (EVA®) was 413 million euros compared to 415 million euros in the previous year.

Key financials

in million euros	2024	2025	+/-
Sales	10,467	9,677	-7.5%
Proportion of Henkel sales	48%	47%	–
Operating profit (EBIT)	1,276	1,311	2.7%
Adjusted ¹ operating profit (adjusted EBIT)	1,419	1,400	-1.3%
Return on sales (EBIT margin)	12.2%	13.6%	1.4pp
Adjusted ¹ return on sales (adjusted EBIT margin)	13.6%	14.5%	0.9pp
Return on capital employed (ROCE)	11.1%	11.7%	0.6pp
Adjusted ¹ return on capital employed (adjusted ROCE)	12.3%	12.5%	0.1pp
Economic Value Added (EVA®)	415	413	-0.5%

¹ Adjusted for one-time expenses and income, and for restructuring expenses.

pp = percentage points

Net assets and financial position

Acquisitions and divestments

In the 2025 fiscal year, Henkel completed several minor acquisitions.

In addition, the Company signed an agreement in December 2025 to acquire Swiss-based ATP Adhesive Systems from Arsenal Capital Partners. ATP Adhesive Systems is a leading provider of high-performance, water-based specialty tapes for a wide range of end markets, including automotive, electronics, medical, construction and the graphics industry. The group of companies expects sales of around 270 million euros in the 2025 fiscal year. The transaction is subject to customary closing conditions, including regulatory approvals.

Effective April 1, 2025, Henkel sold all of the shares in the subsidiaries JemPak Corporation and Retailer Brands LLC, which operate the retailer brands business in North America, thereby completing the strategic portfolio optimization process within the Consumer Brands business unit announced in February 2022. Additional disclosures relating to the divestment can be found in the explanatory notes on page 352.

Neither the sale of the retailer brands business in North America, nor the minor acquisitions made in fiscal 2025 had any material effect on the net assets, financial position and results of operations of the Company. Moreover, the transactions did not lead to any significant change in the business and organizational structure of the Henkel Group. For detailed information on our organization and business activities, please refer to the disclosures on pages 70 and 71.

Capital expenditures

In the reporting period, capital expenditures (excluding acquisitions) amounted to 685 million euros (previous year: 615 million euros). At 624 million euros, investments in property, plant and equipment for existing operations came in above the 2024 figure of 561 million euros.

Capital expenditures on property, plant and equipment in the Adhesive Technologies business unit totaled 351 million euros (previous year: 308 million euros) and in the Consumer Brands business unit it amounted to 257 million euros (previous year: 240 million euros). We invested 61 million euros in intangible assets (previous year: 54 million euros).

Most of the expenditure was channeled into expansion projects, innovations and streamlining measures, which included, for example, increasing our production capacity, introducing innovative product lines and optimizing our supply chain.

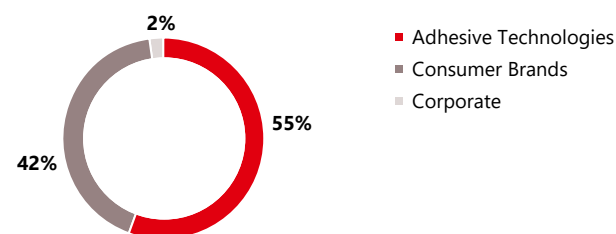
The major projects of 2025 were as follows:

- Construction of an adhesives production plant as part of a relocation in China (Adhesive Technologies)
- Construction of a technology center in Brazil (Adhesive Technologies)
- Construction of an innovation center in China (Adhesive Technologies)
- Construction of a production plant for bleaching powder in Mexico (Consumer Brands)
- Expansion of a fully automated warehouse in Germany (Consumer Brands).

In regional terms, capital expenditures focused primarily on Europe, Latin America and Asia-Pacific.

The minor acquisitions resulted in additions to intangible assets and property, plant and equipment in the amount of 46 million euros. Details of these additions can be found on pages 364 to 374 of the notes to the consolidated financial statements.

Capital expenditures by business unit in 2025¹



¹ Existing operations

Capital expenditures 2025

in million euros	Existing operations	Acquisitions	Total
Intangible assets	61	27	88
Property, plant and equipment	624	20	644
Total	685	46	732

Right-of-use assets

In the course of its business operations, Henkel enters into various lease agreements as a lessee. In 2025, the Henkel Group recognized additions to right-of-use assets in property, plant and equipment of 139 million euros in total (previous year: 219 million euros). Acquisitions did not account for any additions in the fiscal year (previous year: 10 million euros). Additional disclosures relating to leases can be found on pages 373 and 374 of the notes to the consolidated financial statements.

Net assets

At 32.5 billion euros, total assets decreased compared to year-end 2024 (35.2 billion euros).

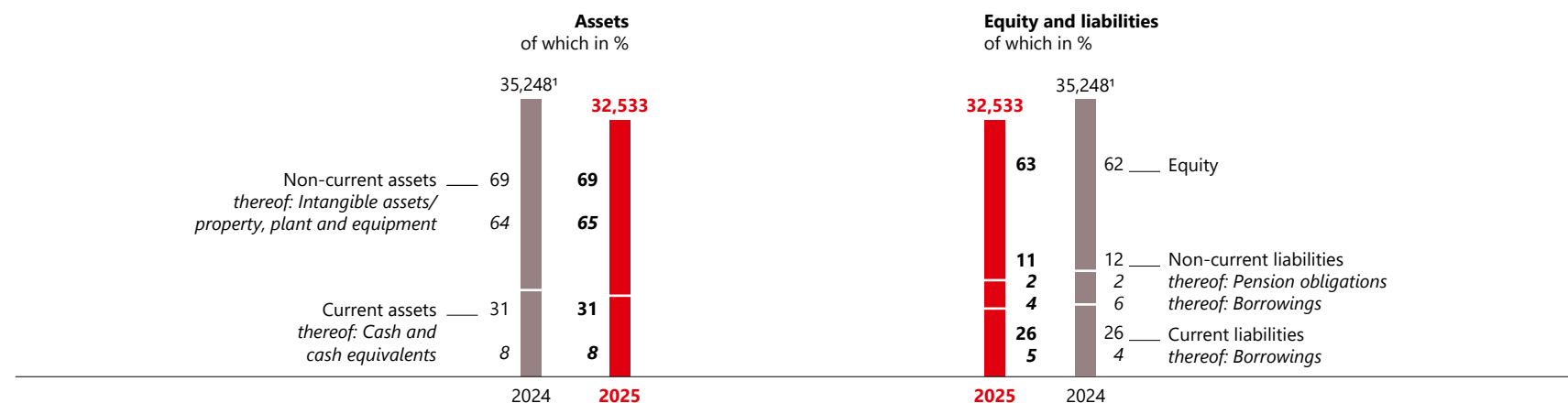
Under **non-current assets**, intangible assets decreased by 1,520 million euros in total to 17,251 million euros. The additions from acquisitions and investments amounting to 88 million euros were countervailed primarily by negative currency effects of 1,502 million euros, with scheduled depreciation providing a further offset of 103 million euros. At 3,777 million euros, property, plant and equipment was slightly below the level at year-end 2024 (3,794 million euros). The additions described in the sections "Capital expenditures" and "Right-of-use assets" were more than offset by scheduled depreciation (557 million euros) and negative currency effects (220 million euros).

Current assets totaled 10.1 billion euros, a decrease compared to year-end 2024 (11.0 billion euros). Inventories and trade accounts receivable decreased by 196 million euros and 144 million euros respectively. Other financial assets decreased by 282 million euros, mainly due to the sale of short-term cash investments and lower reimbursement receivables from Henkel Trust e.V. and external pension funds compared to the end of the previous year. The volume of cash and cash equivalents decreased by 181 million euros. Details on the development of cash and cash equivalents are discussed in the section on our financial position on page 105. Assets held for sale decreased by 146 million euros in fiscal 2025. For further discussion of the assets held for sale, please refer to the notes on page 379.

Equity including non-controlling interests totaled 20.6 billion euros, a decrease compared to year-end 2024 (21.8 billion euros). Net income generated in the amount of 2,058 million euros increased equity. Countervailing this, equity was reduced by currency translation of the financial statements of our subsidiaries (-1,599 million euros), dividends paid (-869 million euros) and the buyback of treasury shares (-856 million euros). The individual components influencing equity development are shown in the consolidated statement of changes in equity in on pages 344 and 345. Further details of treasury stock held can be found in the section "Treasury shares" in the notes to the consolidated financial statements.

Financial structure

in million euros



¹ Adjusted as a result of the update to the purchase price allocation for the shares in Seal for Life Industries Intermediate Co., Seal for Life Global Dutch Holding B.V. and SFL Canusa Canada Ltd.

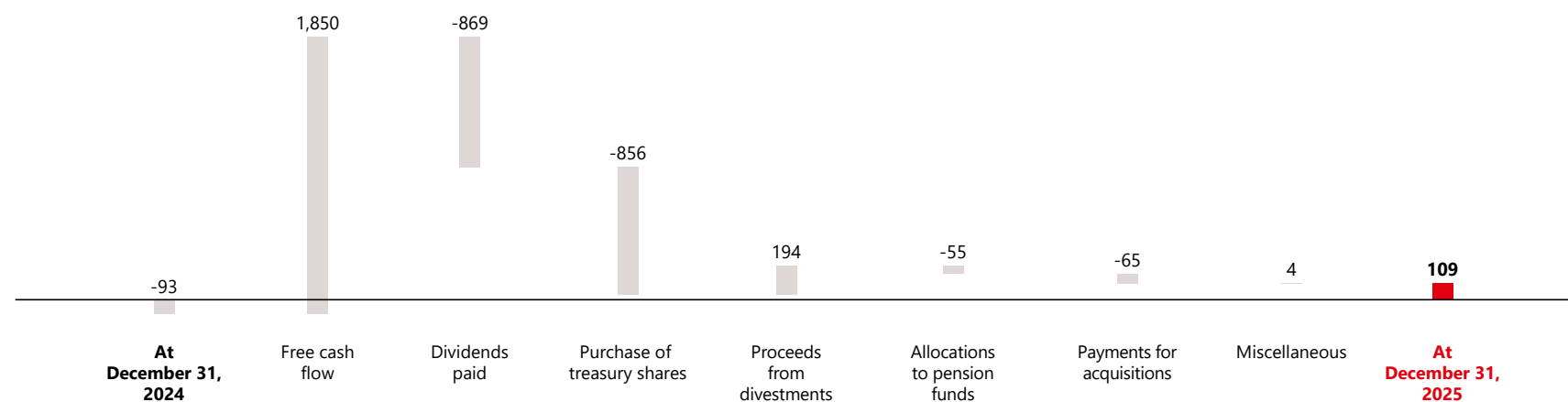
Non-current liabilities totaled 3.5 billion euros as at December 31, 2025, and were thus 801 million euros below the level disclosed at year-end 2024. In particular, non-current financial liabilities decreased by 667 million euros as a result of the reclassification of two bonds into current financial liabilities due to their reduced remaining term.

Compared to year-end 2024, **current liabilities** decreased by 673 billion euros to 8.4 billion euros in total. With current financial liabilities increasing by 133 million euros, partially due to the reclassification of two bonds from non-current financial liabilities, the decrease was mainly due to changes in trade accounts payable (-402 million euros) and in current provisions and other financial liabilities.

Effective December 31, 2025, our **net financial position**¹ amounted to 109 million euros (previous year: -93 million euros).

Net financial position

in million euros



Net financial position 2020 to 2025

in million euros

2020	-888
2021	-292
2022	-1,276
2023	12
2024	-93
2025	109

¹ The net financial position is defined as cash and cash equivalents, including cash and cash equivalents held for sale, plus readily monetizable securities and time deposits and financial collateral provided, less borrowings, plus positive and minus negative fair values of derivative financial instruments.

Financial position

Cash flow from operating activities in the year under review came in at 2,535 million euros, representing a decrease versus fiscal 2024 (3,120 million euros). While operating profit for the 2025 fiscal year was roughly on a par with the previous year, this was counterbalanced by effects arising from depreciation and changes in net working capital¹, other assets, and other liabilities, provisions and sundry accrued obligations not included in net working capital. The net working capital relative to sales increased from 3.0 to 3.8 percent in fiscal 2025 compared to the previous year.

The cash outflow in **cash flow from investing activities**, at -310 million euros, was down in fiscal 2025 compared to the previous year (-2,330 million euros). The higher figure in the previous year was mainly due to higher payments for the acquisition of subsidiaries and other business units and higher investments in other financial assets. Furthermore, the proceeds on disposal of subsidiaries and business units (less cash and cash equivalents disposed of) in the year under review were above the 2024 figure. Further discussion of the acquisitions and divestments in 2025 can be found in the "Acquisitions and divestments" section on page 100.

Cash flow from financing activities in fiscal 2025 showed a cash outflow of -2,291 million euros, while in fiscal 2024, Henkel recorded a cash inflow of 171 million euros. The cash outflow in the year under review resulted principally from the buyback of treasury shares, higher dividend disbursements and payments to settle financial liabilities, although compared to the previous year there were higher cash inflows from reimbursements from Henkel Trust e.V. and external pension funds under "Other changes in pension obligations." The cash inflow in fiscal 2024 was primarily derived from payments received from the assumption of financial liabilities.

Cash and cash equivalents decreased compared to December 31, 2024 by 181 million euros to 2,708 million euros.

At 1,850 million euros, **free cash flow** was down year on year (2024: 2,362 million euros), due in particular to the lower cash flow from operating activities in the year under review.

The development of our financial position is indicated in detail in the consolidated statement of cash flows on pages 346 and 347.

Financial and capital management

The financing of the Group is centrally managed by Henkel AG & Co. KGaA. Funds are, as a general rule, obtained centrally and distributed within the Group. Our financial management is based on the financial ratios defined in our financial strategy (see table of key financial ratios on page 106). We pursue a conservative and flexible investment and borrowings policy with a balanced investment and financing portfolio. The primary goals of our financial management are to secure the liquidity and creditworthiness of the Group, together with ensuring access at all times to the capital market, and to generate a sustainable improvement in shareholder value.

¹ Inventories plus payments on account, trade accounts receivable and receivables from suppliers, less liabilities to customers, trade accounts payable and current sales provisions.

Measures deployed in order to achieve these aims include optimization of our capital structure, adoption of an appropriate dividend policy, equity management and long-term debt reduction. Our capital needs and capital procurement activities are coordinated to ensure that requirements with respect to earnings, liquidity, security and independence are taken into account and properly balanced.

In fiscal 2025, Henkel paid out dividends of 2.02 euros per ordinary share and 2.04 euros per preferred share (previous year: 1.83 euros per ordinary share and 1.85 euros per preferred share). Cash flows not required for capital expenditures, dividends and interest payments were used, in particular, to acquire treasury shares under our share buyback program, and for the redemption of bonds. We covered our short-term financing requirement primarily through the issuance of commercial paper. Our multi-currency commercial paper program is additionally secured by a syndicated credit facility. The Henkel Group had access to approved credit lines of 2.0 billion euros that remained unutilized as of December 31, 2025 (previous year: 2.0 billion euros).

Our credit rating is regularly assessed by the rating agencies S&P, Moody's and Scope Ratings. As in previous years, our ratings remain within the "single A" target corridor. This is a good rating in the prime investment grade segment.

Credit ratings

	S&P	Moody's	Scope Ratings
Long term	A	A2	A
Outlook	Stable	Stable	Stable
Short term	A-1	P-1	S-1

At December 31, 2025

Our long-term ratings remain at A (S&P), A2 (Moody's) and A (Scope Ratings) with a stable outlook. Our short-term ratings are on the highest possible level in each case. This ensures our continued unrestricted access to the money and capital markets and to favorable financing terms and conditions.

As of December 31, 2025, our borrowings totaled 3,042 million euros (previous year: 3,576 million euros). This includes bonds issued, liabilities to banks and commercial paper.

Henkel's financial risk management activities are explained in the risks and opportunities report on pages 128 to 145. Further detailed information on our financial instruments can be found in the financial instruments report on pages 400 to 428 of the notes to the consolidated financial statements.

Key financial ratios

Leverage in fiscal 2025 was 0.3 and therefore remained unchanged compared to the figure for the previous year. The interest coverage ratio in the year under review was 31.8, following 29.4 in fiscal 2024. The equity ratio as at December 31, 2025 was 63.3 percent (previous year: 61.9 percent).

Key financial ratios

	2024	2025
Leverage		
Net financial position extended ¹ * (-1)/EBITDA	0.3	0.3
Interest coverage ratio		
EBITDA/(interest expenses and pension interest)	29.4	31.8
Equity ratio		
Equity/total assets	61.9%	63.3%

¹ The extension additionally takes into account provisions for pensions and similar obligations, lease liabilities, sundry financial liabilities, and receivables from Henkel Trust e.V. and external pension funds.

Employees

Our employees shape our Company through their commitment, knowledge and skills. They are crucial for driving our long-term success. This is why strengthening a corporate culture characterized by close collaboration and empowered people is an integral element of our strategic framework for purposeful growth.

Open and appreciative leadership culture

Building on shared values, our Leadership Commitments form the foundation for our employees and managers to bring our purpose – Pioneers at heart for the good of generations – to life. Numerous employee projects and initiatives help to anchor our Leadership Commitments firmly within the Company.

We are convinced that the continuous development of our corporate culture requires the commitment of all employees. To strengthen our culture, we offer various learning formats such as the so-called Feedback Upskilling and the 360-degree Henkel Feedback resources. These formats help our employees to reflect on their behavior in the best possible way and to further develop in a targeted manner where necessary. Our managers also play a central role here. Hence, we have been guiding our top executives through a 360-degree coaching process that supports them as role models in creating an inspiring and modern work environment. In addition, the now well-established Accelerate Cultural Transformation (ACT) initiative promotes cultural dialog and the development of concrete measures within the teams.

Development of employee numbers

As of year-end 2025, around 47,200 people were employed at Henkel. The slight increase compared to the previous year (2024: 47,150) is mainly due to an expansion in our digital unit Henkel dx and our Global Business Solutions organization.

Payroll cost and average employee numbers

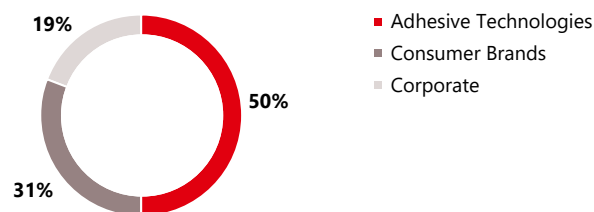
	2024	2025
Payroll cost in million euros	3,960	3,790
Average employee numbers	47,500	47,300

Promoting diversity

Diversity, equity and inclusion (DEI) are strategically important for Henkel and are an integral part of our corporate culture. We are convinced that a diverse workforce as well as an open and appreciative corporate culture are important success factors in a globalized world. Our ambition is to promote a culture of belonging and to create equal opportunities in order to leverage the full potential of our diversity. We thus pursue a holistic approach encompassing different dimensions of diversity.

To strengthen diversity, we pursue a clearly defined DEI strategy based on three main pillars: Firstly, we raise awareness for the various dimensions of diversity using different formats, such as campaigns and events. Secondly, we offer training programs for managers and employees to foster inclusive behavior. And thirdly, we are continuously improving the general conditions to eliminate structural barriers, for example through offerings to promote work-life balance. As part of this, we introduced eight weeks of gender-neutral parental leave for all employees worldwide in 2024, which was very well received by our employees in 2025. This underscores the contribution of the program to a more balanced sharing of family responsibilities.

Employees by organizational unit



At December 31, 2025

Women in management

in percent	2021	2022	2023	2024	2025
Henkel	36.7	37.1	37.7	38.8	39.4
Managers	38.1	38.7	39.5	41.9	43.2
Top managers ¹	27.6	29.6	30.7	34.5	36.5

¹ Corporate Senior Vice Presidents, management circles I and IIa.

One of our strategic diversity dimensions is gender diversity. We are committed to achieving a balanced gender distribution across all leadership levels administered in accordance with local laws. The proportion of women in leadership positions increased to 43.2 percent in 2025.

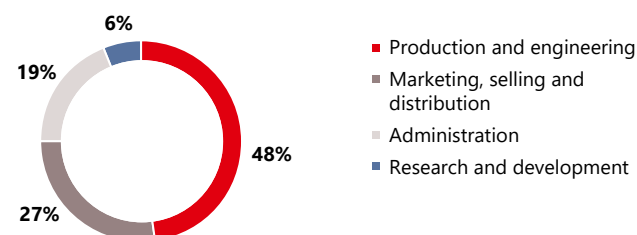
Internationality is also a natural part of the world of work at Henkel: We are represented by 125 nationalities operating in 75 countries. More than 80 percent of our workforce operate outside Germany.

Energized and empowered teams

We foster our employees' skills and knowledge and help them to reach their full potential through regular development meetings, transparent and ongoing feedback as well as individual development plans. This enables us to systematically identify and develop talents within the Company and ensure internal succession planning. Individual upskilling measures and possible career steps are also discussed as part of our globally standardized assessment process.

With the AI-based tool MySparks, introduced in 2025, we offer our employees a platform to make their skills and experiences visible. Based on the competencies and development preferences of employees, the tool suggests training content for individual professional development and highlights internal projects and job vacancies. Additionally, it enables networking within the Company through mentoring opportunities.

Employees by activity



At December 31, 2025

Recruiting, developing and retaining talents

As an employer, we want both our current and potential future employees to be inspired and convinced by our corporate culture and our development opportunities. As part of our global campaign entitled “Dare to make an impact?” we offer authentic insights into our working world on our Careers webpage, on social media and at face-to-face events. The positive response is reflected by our position in employer rankings and ratings.

We give due consideration to locally different training paths for in-house training and the professional development of our people. We offer 25 apprenticeship and five dual-track study programs in Germany. In 2025, we welcomed 148 new apprentices and dual-track students across Germany as they began working toward a professional qualification at Henkel. We also offer a range of trainee programs in selected emerging markets. Hence, we provide manifold development opportunities for our people.

Employees per region over time

	2021	%	2022	%	2023	%	2024	%	2025	%
Europe	24,100	46.0	23,650	46.2	20,900	43.7	20,450	43.4	20,500	43.5
IMEA	5,650	10.7	5,150	10.1	5,000	10.5	5,000	10.6	5,300	11.2
North America	8,250	15.7	8,300	16.2	8,050	16.8	7,850	16.6	7,250	15.4
Latin America	6,300	12.0	5,500	10.7	5,250	11.0	5,400	11.5	5,450	11.6
Asia-Pacific	8,200	15.6	8,600	16.8	8,600	18.0	8,500	18.0	8,650	18.4
Total	52,450	100.0	51,200	100.0	47,750	100.0	47,150	100.0	47,200	100.0

Basis: permanent employees excluding apprentices; figures rounded (at December 31).

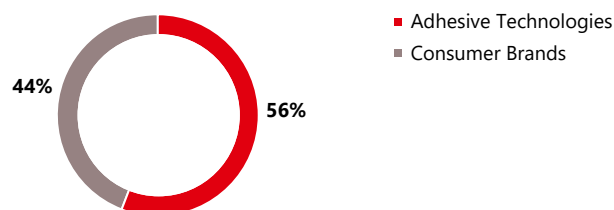
Procurement

We use externally sourced materials (raw materials, packaging and purchased goods and services) to manufacture our finished products. These items all fall under the general category of **direct materials**. Examples include washing-active substances (surfactants), adhesive components, cardboard boxes and external bottling services.

Aside from supply and demand, the prices of **direct materials** are mainly determined by the prices of the input materials used to manufacture them. They increased by a mid-single-digit percentage in 2025. While the prices for oil and a large share of oil-dependent derivatives declined over the course of the year, prices for natural raw materials such as palm kernel oil rose.

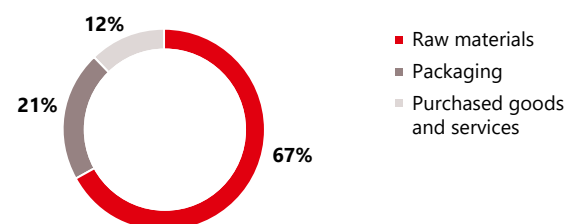
Our direct material spend was 7.5 billion euros, which was below the previous year (2024: 8.0 billion euros). The decrease compared to the previous year is due to a slightly lower volume development as well as foreign exchange effects.

Direct material spend by business unit in 2025



The five most important categories of direct materials are hotmelt adhesives, washing-active substances (surfactants), polyurethanes, inorganic raw materials, and surface treatment chemicals. These account for more than 35 percent of all direct material expenditures. Our five largest suppliers represent around 15 percent of purchasing volume in direct materials.

Direct material spend by type of material in 2025



Within the category of **indirect materials and services**, we procure materials and services that are not directly used to manufacture our finished products – such as maintenance materials or logistics, marketing and IT services. At 6.7 billion euros, the spend for indirect materials and services in 2025 was slightly below the prior-year level (2024: 7.0 billion euros).

We continuously optimize our value chain to further improve our level of quality and efficiency and to secure material supplies. In addition to negotiating new, competitive contract terms and conditions, our ongoing measures to reduce total procurement expenditures is a major factor in the success of our global purchasing strategy. We enter into long-term business relationships with selected suppliers to foster the development of innovations and to optimize manufacturing costs and logistics processes. We also agree and implement individual targets with our strategic suppliers aimed at optimizing the supply of both direct and indirect materials and services. Risk management is an important component of our purchasing strategy, especially against the backdrop of persisting uncertainties on the

procurement markets. The emphasis here is on reducing price and supply risks while maintaining consistently high quality.

Sustainability plays a major role in our procurement strategy. Since 2011, we have been involved as co-founders of “Together for Sustainability – Chemical Supply Chains for a Better World (TfS),” an initiative spawned by the chemical industry with the goal of harmonizing the ever more complex supplier management processes in relation to sustainability, and improving environmental and social standards within the supply chain. As part of this initiative, we regularly perform sustainability assessments and audits of our strategic suppliers. Detailed descriptions of our concepts and measures can be found on pages 149 to 320.

Production

In 2025, Henkel manufactured products at 165 sites in 53 countries. Our largest production facilities are located in Bowling Green, Kentucky, USA, and in Düsseldorf, Germany. In Bowling Green, we manufacture laundry detergents and household cleaners. In Düsseldorf, we produce not only laundry detergents and household cleaners but also adhesives for consumers and craftsmen, and products for our industrial customers.

Number of production sites

	2024	2025
Adhesive Technologies	124	130
Consumer Brands	37	35
Total	161	165

(At December 31)

In 2025, we further aligned the global production network of our **Adhesive Technologies** business unit to the continuously changing requirements of the markets. Our current 130 production sites around the globe use cutting-edge manufacturing technologies to secure cost and quality benefits in production and to meet the requirements of our customers. We invest in improving our manufacturing and warehouse footprint in line with market developments in all regions.

As part of a minor acquisition, the number of production sites increased slightly. At the same time, we continued to optimize our production network in 2025 by consolidating existing sites.

The construction of the new Adhesive Technologies production site in Yantai, China, proceeded according to plan in 2025. The production of adhesives for electronics, automotive, medical, equipment manufacturing, and aerospace started gradually in 2025.

In the **Consumer Brands** business unit, we pursued the optimization of our production and logistics network as part of the integration of our Consumer businesses. The focus of this transformation program included not just merging production capacities to optimize the network, but also comprehensively improving the operational processes in all plants and warehouses worldwide.

In 2025, we maintained operations on a total of 35 sites. This was slightly below the previous year. We further consolidated our production network in Europe. The closure of the production site for Laundry & Home Care products in Körösladány, Hungary, was completed. Furthermore, the production sites in Salt Lake City, USA, and Concord, Canada, were transferred to a new owner as part of the divestment of our Retailer Brands business in North America.

In addition to consolidating the production network in Europe and North America, we invested in new sites in emerging markets. We opened the Consumer Brands business unit's first production facility in China by acquiring a former contract manufacturer in Taicang, China. The acquisition enables us to reduce the dependence on third-party manufacturers and provides the basis for the further expansion of the Hair business area in China and North Asia.

In addition, the production and material planning processes have been reorganized. All activities in this area are now centralized in Mexico City, Mexico, for the regions North America and Latin America, and in Barcelona, Spain, for Europe.

In 2025, we continued fostering sustainability and digitalization as major cornerstones in **both business units** to ensure a future-ready production and logistics network, as well as driving the implementation of previously initiated measures.

Particularly, we made further progress in reducing our greenhouse gas emissions in production. For information on strategies and measures as well as relevant key figures, please refer to pages 149 to 320.

We are also driving various Industry 4.0 initiatives in both business units. To this end, site-specific measures were again put in place to standardize, digitalize and link processes and components in the year under review. Our aim is to ensure a continuous data exchange along the entire value chain – as the basis for optimized planning and resource provision, and for production and logistics efficiency.

Research and development

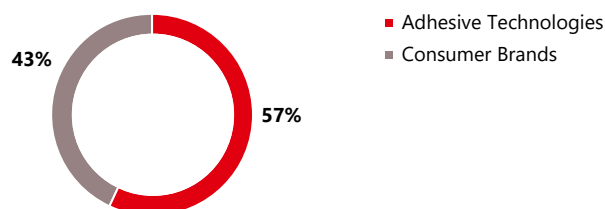
Expenditures by the Henkel Group for research and development (R&D) in fiscal 2025 totaled 630 million euros and were thus roughly on a par with the prior-year level (2024: 634 million euros). The ratio of R&D expenses to sales amounted to 3.1 percent (2024: 2.9 percent). Adjusted R&D expenditures totaled 614 million euros, following 631 million euros the year before. The ratio of adjusted expenses to sales was 3.0 percent (2024: 2.9 percent).

In 2025, R&D expenditures were mainly attributable to internal personnel expenses. Our research and development costs were fully expensed; in compliance with International Financial Reporting Standards (IFRS), no material product- or technology-related development costs were capitalized.

On an annual average, around 2,800 employees worked in research and development. This corresponds to approximately 6 percent of the total workforce. Our teams are composed of scientists – predominantly chemists – as well as material scientists, engineers and technicians.

The capabilities of our employees and our investments form the foundation on which the success of our R&D activities is built. We continue to focus on highly efficient innovations and steadily reducing our resource consumption, while maintaining or improving performance.

R&D expenditures by business unit in 2025



Key R&D figures

	2021	2022	2023	2024	2025
R&D expenditures (in million euros)	727	570	587	634	630
R&D expenditures (in percent of sales)	3.6	2.5	2.7	2.9	3.1
Adjusted ¹ R&D expenditures (in million euros)	504	543	580	631	614
Adjusted ¹ R&D expenditures (in percent of sales)	2.5	2.4	2.7	2.9	3.0
Employees ² (annual average)	2,600	2,700	2,750	2,750	2,800

¹ Adjusted for one-time expenses and income, and for restructuring expenses.

² Figures rounded.

Strengthening research and development together

The research and development experts in both business units align their project portfolios to the specific needs of their individual businesses. They work together on fundamental processes, basic innovations, evaluation of partners for innovation, and on sustainability. The Research and Development Committee is responsible for Group-wide coordination. The business units continually exchange on innovations in common areas of knowledge. As in previous years, activities in 2025 focused on the areas sustainability and digitalization.

Contributing to sustainability

Worldwide, growth and quality of life need to be decoupled from resource use and emissions. Our contribution here lies in the development of innovative products and processes that consume ever less resources while offering the same or better performance.

Our focus in this respect is on three goals: In collaboration with our suppliers, we want to continuously improve the sustainability profile of the raw materials we use. We want to help our customers and consumers reduce their energy consumption and greenhouse gas emissions through our innovations. Furthermore, we want to ensure that our packaging fulfills consumers' performance expectations yet uses the least possible quantity of materials and the most sustainable solutions, and that it can be recycled once the product has been used.

In our innovation process, we use various tools to systematically analyze, measure and evaluate new products. Life cycle analyses, profiles of potential raw materials and packaging materials, as well as our many years of sustainability expertise enable us to identify and utilize improvement potential right from the start of the product development process.

Open innovation and corporate venture capital

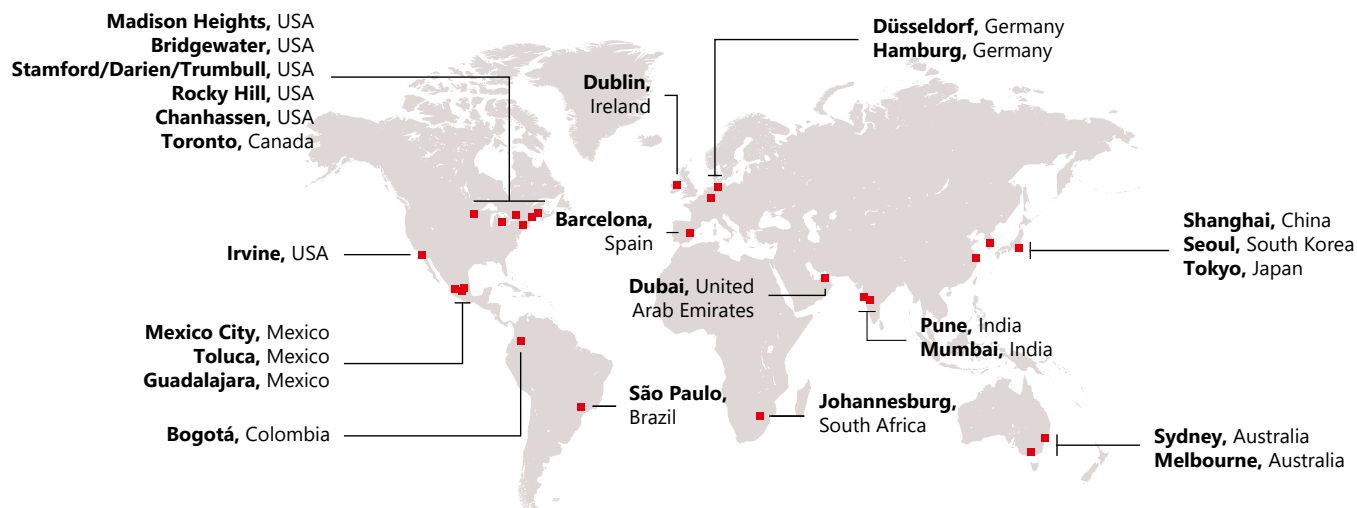
Our innovations come from both internal and external sources and evolve from long-standing, successful partnerships. The concept of open innovation

therefore holds great significance for us. Accordingly, we constantly strive to intensify our efforts to involve customers, suppliers and other partners such as research institutes, universities or startups. By partnering with and investing in startups with digital or technological expertise, we are striving to gain access to strategically relevant new technologies, applications and business models. In 2025, we further expanded our activities in this field and strengthened our expertise base, for example through targeted partnerships, as well as investments in startup companies and venture capital funds.

Research and development worldwide

In addition to its central research laboratories, Henkel maintains research and development sites in all regions around the world as hubs for innovative problem-solving. Worldwide research and development activities are managed globally by the business units. Research-intensive base technologies are developed at a central location with optimal access to external resources. These base technologies are then applied in the regional research and development sites in the creation of customer- and market-specific innovations. At the same time, the research and development staff in the regional sites obtain information about specific problems for the next generation of innovations, while working in close contact with customers and consumers. The new base technologies needed for the relevant solutions are, in turn, developed centrally.

Selected research and development sites



The **Adhesive Technologies** business unit provides its customers around the globe with customer-centric solutions based on a comprehensive portfolio of products, applications and services. The success of our business is founded in particular on our broad technology portfolio, the extensive expertise of our global and closely connected innovation teams, an in-depth understanding of the market, and proximity to our customers as the result of years of close collaboration.

Also in 2025, we focused our innovation activities and resources on further developing technologies and expanding partnerships aligned to key megatrends. These trends include sustainability, digitalization and mobility, as well as connectivity and urbanization.

Here, the business unit's innovation centers played a key role. In addition to the existing innovation centers – such as the Inspiration Center Düsseldorf

(ICD) in Europe, our innovation center in Mumbai, India, within the IMEA region, and the technology center in Bridgewater, New Jersey, USA, in the North America region – the Inspiration Center Shanghai (ICS) also opened in September 2025. Moreover, at the end of 2025, we completed the construction of another Inspiration Center in Latin America, in Jundiaí, São Paulo, Brazil, which is scheduled to open in early 2026. The innovation centers offer a partner ecosystem for the development of innovative, sustainable and customer-centric applications and solutions. They serve as a hub, facilitating the exchange of knowledge and collaboration with customers and partners from the fields of industry and science in the regions. At these innovation centers, the Adhesive Technologies business unit showcases its entire technology portfolio of adhesives, sealants and coatings and collaborates with customers from more than 800 industries to develop innovative and sustainable solutions.

In addition, in 2025, we opened a modern battery application center for North America in Madison Heights, USA, thus further expanding regional support for automotive and battery manufacturers with advanced material application skills for electric vehicle components. This facility complements the battery application center and battery test center at our Inspiration Center Düsseldorf and forms the starting point for a global network with locations in Madison Heights, USA, and, starting in 2026, also in Shanghai, China, to enable seamless intra-regional collaboration.

The Adhesive Technologies business unit again launched relevant innovations across all business areas in 2025. Selected innovations are presented on page 92.

In the **Consumer Brands** business unit, we bring relevant innovations to the market that meet consumers' demand for functional use and emotional added value. In doing so, we particularly leverage technological synergies and place our global consumers at the center of our research and development work through a clearly focused strategy. We are guided by relevant consumer trends, from sustainability to the desire for a conscious and healthy lifestyle. Our ambition is to be "Technological pioneers for tomorrow's consumers."

In order to successfully implement our strategy, we continuously invest in the expansion of our research and development centers. This is demonstrated by our global investments in new laboratories: At the House of Hair in Hamburg, which combines research, development, test salons and the Academy of Hair in one place, more than 300 experts are working on innovative solutions for hair care, styling and coloring. There, hair cosmetic products from all over the world are tested and analyzed using standardized measurement methods. For the product tests, we use an internal model pool with around 1,800 people to trial products on different hair types. In addition, the experience of hairdressers is incorporated directly into the development process, so that in addition to consumer products, products can also be developed for our Professional business.

The House of Hair in Hamburg is likewise part of a global innovation network, with newly opened locations in Los Angeles, Tokyo, Shanghai and Guadalajara. This innovation network enables close cooperation and promotes the exchange of trends and technologies worldwide.

We also fostered relevant innovations under our strong brands in the Consumer Brands business unit in the past year. Selected innovations are presented on page 97.

In all regions, we are increasingly focusing on the digitalization of our research and development processes. This includes a digital platform for product formulation and an intelligent assistant for product innovation and development. With the implementation of our global research and development platform, we have reached an important milestone that enables us to better network knowledge, make processes more efficient and accelerate the development of new solutions.

Patents and registered designs

We hold around 10,200 patents to protect our technologies around the world. Approximately 4,600 patents are currently pending. And we have registered around 2,300 designs to protect our intellectual property.

Marketing and distribution

We put our customers and consumers at the center of what we do. We offer them superior benefit, quality and service, as well as attractive innovations of our brands and technologies. In doing so, we create sustainable value.

The **Adhesive Technologies** business unit offers a broad and globally leading portfolio of adhesives, sealants and coatings. The success of our business is founded on groundbreaking innovations, customer-centric products and strong brands. Working closely with our customers and partners, we combine our innovation and technology leadership to create high-impact and sustainable solutions that are essential components in countless industrial and consumer goods around the world.

We develop global and regional marketing strategies for our brands and technologies. The resulting measures are implemented locally. Our branding strategy is aligned to our five technology-based brand clusters for industrial customers – Loctite, Technomelt, Bonderite, Teroson and Aquence – and our four global core brands for consumers and craftsmen (Pritt, Loctite, Ceresit and Pattex).

With our team of more than 6,500 technical experts, we foster close, long-term relationships with our approximately 100,000 customers and partners from more than 800 manufacturing and processing industry segments. We are thus able to obtain an in-depth understanding of an exceptionally wide range of applications across all markets. Since many of our solutions and technologies are integrated into technically complex processes and products, excellent technical customer service and thorough user training worldwide are of key importance. Retail customers and distributors serve the needs of private users, craftsmen and smaller industrial customers.

Our innovation centers – such as the Inspiration Center Düsseldorf (ICD) – also serve as integrated, state-of-the-art customer centers that showcase our entire range of Adhesive Technologies solutions and applications to customers and partners from around the globe and, in doing so, strengthen cooperation. With the opening of our new Inspiration Center in Shanghai, China, we have extended this successful concept to another location in one of our core markets. For further details of our innovation centers, please refer to the section “Research and development.”

Close collaboration along the value chain is a key success factor for innovations fostering sustainability in the widest range of industrial segments – which is why we once again brought together customers, suppliers, partners and sustainability experts in the various regions this year. For example, in the context of a global sustainability event at the Inspiration Center in Düsseldorf, we discussed the importance of sustainability during product development together with customers and sustainability experts from industry and research, and laid the foundations for the joint development of circular solutions. In addition, we have strengthened our regional engagement by organizing customer events in countries such as Türkiye and India, fostering dialog and anchoring our sustainability approach at an early stage in rapidly growing markets.

We aim to ensure outstanding customer experiences at all contact points around the globe through digital interaction, as well as personal exchange. We have further expanded our virtual offerings and technologies. These include not just digital remote analysis and troubleshooting by our customer service experts, but also a growing program of online training courses and seminars, as well as other interactive formats. In addition, we have further increased the range of products offered by our digital marketplace “Adhesives e-shop” to give customers from around 70 countries a user-friendly option to order online from our broad portfolio of specific product solutions tailored to their needs.

We strive to optimize our approach to consumers and craftsmen through the use of traditional advertising campaigns coupled with measures to attract customers at the point of sale and with digital marketing formats. Leveraging our close customer relationships and our comprehensive technical expertise, we continue to offer tailored solutions and innovative branded products with sustainable added value for our customers.

In the **Consumer Brands** business unit, our diverse and strong brand portfolio focuses on several consumer goods categories, in particular laundry and home care products and hair products. We concentrate on those markets, categories and brands in which we have strong expertise and where we see clear growth opportunities. One focus is on the valorization of our portfolio, which we support by targeted innovations and strong, focused investments in advertising and marketing.

With strong brands such as Schwarzkopf, Persil or all, we bring relevant innovations to the market. Our innovation process is consistently focused on our consumers. We strive to ensure the systematic and early identification of consumer trends – for which we also evaluate and analyze digital data – and to translate them into relevant new products. We are increasingly pursuing the integration of AI-based methods to better understand customer needs. This includes using generative AI chatbots that support consumers during their purchase decision. In doing so, we continue to concentrate on strengthening the brand equity and responding to consumer demand for products offering functional use and emotional added value. Here, we specifically cater to regional and local market conditions and consumer needs.

A particular focus area is on communication and hence marketing and advertising support. In fiscal 2025, we continued to target our marketing spend in the Consumer Brands business unit in order to reach a broad consumer base, further strengthen our brands, and communicate the added benefits of our innovations. Marketing spend management was based on a detailed analysis of our strategic priorities.

We use a wide range of distribution channels to offer products to our consumers: in brick-and-mortar stores, for example, such as supermarkets, discount stores, drugstores and hypermarkets, but also on e-commerce channels and in hair salons. Data-based understanding of our customers and consumers that we gain through surveys and data collection enables us to craft customized solutions and to identify shared value-adding potential for our partners across all distribution channels. On the basis of our leading market positions and global customer and consumer expertise, we serve as a strong partner for both brick-and-mortar and online retailers.

In 2025, we were again able to welcome numerous customers to our customer centers – the Lighthouse, and our Global Excellence Centers in Düsseldorf and Stamford, Connecticut, USA. These centers enable us to further deepen our relationships with customers both in brick-and-mortar retail and in the field of e-commerce, and to showcase our expertise to retail partners from around the globe. In our globally established Schwarzkopf Academies, we offer hairdressers value-adding services in the form of customer-focused seminars and continuous professional upskilling programs, which are used by many professionals around the world every year.

The importance of sustainability in our relationships with customers and consumers has continued to grow in **both business units** in recent years. Our customers expect their suppliers – and that includes Henkel – to ensure compliance with global environmental, safety, and social standards. Our standards and management systems, our many years of experience in sustainability reporting, and our leading positions awarded by external rating agencies all help us to convince our audience of our credentials in this domain. At the same time, the consistent implementation of our sustainability strategy in the market strengthens both our brands and the reputation of our Company as a partner in the field of sustainability for our customers in industry and trade. Information on the concepts and measures we are pursuing in the area of sustainability can be found on pages 149 to 320.

Henkel AG & Co. KGaA
(condensed version
according to the German
Commercial Code [HGB])

HENKEL AG & CO. KGAA (CONDENSED VERSION ACCORDING TO THE GERMAN COMMERCIAL CODE [HGB])

The annual financial statements of Henkel AG & Co. KGaA have been prepared in accordance with the rules and regulations of the German Commercial Code [HGB] and the German Stock Corporation Act [AktG]. Deviations from the International Financial Reporting Standards (IFRS Accounting Standards) applicable to the Group arise particularly with respect to the methods of recognition and measurement of intangible assets, financial instruments and provisions.

Operational activities

Henkel AG & Co. KGaA was operationally active in the two business units Adhesive Technologies and Consumer Brands in fiscal 2025, as well as in the Corporate segment. Henkel AG & Co. KGaA is also the parent company of the Henkel Group. As such it is responsible for defining and pursuing Henkel's corporate objectives and for the management, control and monitoring of Group-wide activities, including risk management and the allocation of resources. As of year-end 2025, some 8,800 people were employed at Henkel AG & Co. KGaA.

The operating business of Henkel AG & Co. KGaA represents just a portion of the business activity of the entire Henkel Group, which is managed across the corporation by the business units, primarily on the basis of the financial performance indicators: organic sales growth, adjusted return on sales (adjusted EBIT margin), and growth in adjusted earnings per preferred share

at constant exchange rates. Only the Group approach can provide a complete insight into these key financials (see the discussion of the management system and performance indicators applicable to the Henkel Group on page 77).

Unappropriated profit, the metric that determines a company's ability to pay dividends, is a financial performance indicator specifically of Henkel AG & Co. KGaA with its declared aim to ensure the reasonable participation of its shareholders in the net income of the Henkel Group.

The profit generated by Henkel AG & Co. KGaA is dictated by its own operations, which are reflected in the sales figures, among other metrics. Profit levels are also influenced to a large degree by the operations of its subsidiaries. Income from subsidiaries is a substantial contributor to the financial result of Henkel AG & Co. KGaA.

Thus the financial situation of Henkel AG & Co. KGaA generally corresponds to that of the Group as a whole, which is discussed in the section "Review of overall business performance" on page 82.

Henkel AG & Co. KGaA
(condensed version
according to the German
Commercial Code [HGB])

Results of operations

Performance of key financial performance indicators

Henkel AG & Co. KGaA recorded a decline in sales and earnings in 2025 compared to the previous year. In an economic environment that continues to be challenging, it was not possible to meet the forecast of stable to slightly increasing sales – particularly as a result of lower sales revenues in the Adhesive Technologies business unit.

The operating result declined as had been forecasted. The previous year had been marked by a one-time gain from the merger of a domestic subsidiary.

The financial result increased as expected due to a higher investment result. The higher dividend income exceeded the previous year's income from the intragroup sale of foreign affiliated companies.

Overall, the improved financial result partially offset the decline in operating profit, which meant that, taking into account the profit carried forward, the forecast of a stable net profit was slightly exceeded.

Condensed income statement in accordance with the German Commercial Code [HGB]

in million euros	2024	2025
Sales	3,862	3,815
Cost of goods and services sold	-2,508	-2,449
Gross profit	1,354	1,366
Selling and general administrative expenses	-1,285	-1,273
Research and development expenses	-577	-586
Other operating income/expenses	1,127	357
Operating profit	620	-135
Financial result	983	1,089
Income before tax	1,603	953
Taxes on income	-92	-18
Income after tax/Net income	1,511	935
Profit brought forward	1,411	2,071
Unappropriated profit	2,922	3,006

Sales and operating profit

Overall, Henkel AG & Co. KGaA generated sales of 3,815 million euros in fiscal 2025 (previous year: 3,862 million euros). The Adhesive Technologies business unit achieved sales of 1,092 million euros, which is slightly below the level of the previous year (1,138 million euros). The decline was particularly marked by restrained demand from the automotive industry. The Consumer Brands business unit generated sales of 1,469 million euros in fiscal 2025 (previous year: 1,451 million euros). The positive sales development was driven by higher volumes. The Professional business in particular showed an improvement on the previous year. Sales in the Corporate segment decreased to 1,254 million euros in 2025 (previous year: 1,274 million euros). The decline was mainly due to lower revenues from Group-internal services.

The operating result of Henkel AG & Co. KGaA stood at -135 million euros in fiscal 2025. In the previous year, income of 620 million euros was generated, primarily due to an exceptional gain in connection with the merger of a domestic subsidiary.

Expense items

Compared to 2024, cost of sales decreased by 59 million euros to 2,449 million euros. The reduction is mainly due to lower material expenses as a result of reduced volumes in the Adhesive Technologies business unit. This effect was partially offset by increased restructuring expenses. Gross margin increased year on year by 0.7 percentage points to 35.8 percent.

At 840 million euros, marketing, selling and distribution expenses came in below the prior-year figure of 893 million euros. Their ratio to sales decreased year on year by 1.1 percentage points to 22.0 percent. The previous year was characterized by higher expenditure on IT projects and consulting services in the Consumer Brands business unit.

Compared to 2024, general administrative expenses rose by 41 million euros to 433 million euros. The increase is due, among other factors, to higher expenses in relation to targeted acquisitions, plus higher restructuring expenses. The ratio to sales increased by 1.1 percentage points to 11.3 percent.

Expenditures for research and development rose by 9 million euros to 586 million euros. This was partly due to increased restructuring expenses. The ratio to sales rose compared to 2024 by 0.5 percentage points to 15.4 percent.

On average, approximately 1,200 employees worked in research and development at Henkel AG & Co. KGaA in 2025, supporting the development of innovative solutions for global application. The related activities are managed globally by the business units. For an overview of the research and development activities, please refer to the information relating to the Henkel Group on pages 112 to 116.

Restructuring expenses of 46 million euros, included in the expense items mentioned above, came in higher versus 2024 (20 million euros).

Other operating income/expenses

In 2025, the balance of other operating income and expenses (other operating result), at 357 million euros, decreased versus prior year (1,127 million euros).

Other operating income decreased in 2025 by 733 million euros year on year to 557 million euros. The reduction was mainly due to a gain arising from the merger with an affiliated company in 2024 and gains from asset disposals in the previous year. In fiscal 2025, the total included, in particular, income from cost recharging, which increased compared to the previous year. Other significant components included income from the reversal of provisions, and income in connection with a divestment made in the past.

At 200 million euros, other operating expenses in 2025 were up on the prior-year figure of 163 million euros. This figure includes, in particular, reimbursements to affiliated companies, as well as allocations to the pension scheme.

Financial result

Financial result rose from 983 million euros in 2024 to 1,089 million euros in 2025. While the previous year was characterized by income from the intra-group sale of foreign affiliated companies, fiscal 2025 saw an increase in dividend income. In addition, the write-up of shares in a foreign affiliated company had a positive effect on earnings.

Taxes on income

Taxes on income amounted to 18 million euros in 2025. Taxes on income in the previous year amounted to 92 million euros. This included withholding taxes resulting from the intragroup sale of foreign affiliated companies.

Henkel AG & Co. KGaA
(condensed version
according to the German
Commercial Code [HGB])

Net income and unappropriated profit

Net income amounted to 935 million euros and was therefore below the prior-year figure of 1,511 million euros. The decrease is mainly attributable to the lower operating profit.

The unappropriated profit figure of 3,006 million euros is slightly higher year on year (previous year: 2,922 million euros). The dividend distribution of 850 million euros for the 2024 fiscal year was offset by a higher net income for the period.

Condensed balance sheet in accordance with the German Commercial Code [HGB]

in million euros	Dec. 31, 2024	Dec. 31, 2025
Intangible assets and property, plant and equipment	2,315	2,331
Financial assets	11,354	10,932
Non-current assets	13,669	13,263
Inventories	17	18
Receivables and miscellaneous assets	1,342	1,064
Marketable securities	514	364
Liquid funds	1,950	1,696
Current assets	3,823	3,142
Prepaid expenses	31	31
Assets arising from the overfunding of pension obligations	12	3
Total assets	17,534	16,439
Equity	7,367	6,597
Special accounts with reserve element	58	55
Provisions	1,016	974
Liabilities/deferred income	9,093	8,815
Total equity and liabilities	17,534	16,439

Net assets and financial position

In 2025, the total assets of Henkel AG & Co. KGaA decreased compared to year-end 2024 by 1,095 million euros to 16,439 million euros.

Non-current assets decreased by 406 million euros to 13,263 million euros, mainly due to a reduction in financial assets. This resulted in particular from the capital reduction of a foreign affiliated company.

Substantial capital expenditures on property, plant and equipment in fiscal 2025 related to the expansion of the fully automated warehouse center for consumer goods at the Düsseldorf site and numerous replacement and expansion investments.

Current assets decreased year on year in 2025 from 3,823 million euros to 3,142 million euros. The reduction is mainly due to lower receivables and other assets. The background to this is the sale of operating receivables within the Group to Henkel Global Supply Chain B.V. (-496 million euros). The purchase price was primarily settled through the Group-internal assumption of operating liabilities as of December 31, 2025 (-447 million euros). The difference resulted in an increase in financial receivables from Henkel Global Supply Chain B.V. In addition, a lower inventory of short-term money market instruments contributed to the reduction in current assets.

The assets arising from the overfunding of pension obligations were 8 million euros lower year on year at 3 million euros and essentially reflect the netting of partial retirement obligations and associated plan assets.

Equity declined from 7,367 million euros to 6,597 million euros due to the dividend payout and also the share buyback program that began during the fiscal year. At the end of 2025, Henkel repurchased ordinary shares for a total amount of 168 million euros and preferred shares for a total amount of 688 million euros. The equity ratio decreased by 1.9 percentage points to 40.1 percent.

For details of issued capital and treasury stock, please refer to the disclosures in the notes to the statutory financial statements of Henkel AG & Co. KGaA.

Provisions decreased by 42 million euros to 974 million euros. The reduction was mainly due to lower provisions for taxes and for personnel expenses. Higher provisions for pensions were partially offset by the negative performance of financial assets held in the cover pool.

Year on year, liabilities and deferred income decreased overall in fiscal 2025 by 279 million euros to 8,815 million euros. This was primarily due to the internal assumption of operating liabilities by Henkel Global Supply Chain B.V. The reduction was counterbalanced by an increase in financial liabilities to affiliated companies. These items are also affected by the cash pool management function performed by Henkel AG & Co. KGaA within the Henkel Group. The use of cash pools allows largely centralized management of the Group's liquidity, thus facilitating a high degree of financial flexibility.

As of the reporting date, Henkel AG & Co. KGaA had four bonds on its books with a total volume of 1,779 million euros. These include one British pound-denominated bond with a nominal volume of 350 million British pounds and three sustainability-linked bonds representing a nominal volume of 1,150 million euros and 250 million US dollars respectively. In 2025, two waste reduction bonds with a nominal volume of 70 million US dollars and 25 million euros respectively were redeemed.

For an overview of the financing and capital management of Henkel AG & Co. KGaA, please refer to the information about the Henkel Group on pages 105 and 106.

Risks and opportunities

The business performance of Henkel AG & Co. KGaA is essentially subject to the same risks and opportunities as that of the Henkel Group. With respect to the risks affecting its subsidiaries, Henkel AG & Co. KGaA is generally exposed in proportion to its percentage shareholding in each case.

Due to the different accounting and measurement methods for pension obligations under the German Commercial Code [HGB] and IFRS, the conclusion drawn from the risk assessment for the annual financial statements of Henkel AG & Co. KGaA differs from that of the Group. The Group risk assessment refers to the effect on equity, whereas we see for the parent company a risk for the income statement. We assess the potential financial impact of this risk for Henkel AG & Co. KGaA as “high.”

Additional information regarding risks and opportunities and the internal control and risk management system can be found on the following pages 128 to 145.

Forecast

The performance of Henkel AG & Co. KGaA in its function as an operating holding company is influenced primarily by the development and dividend distributions of the companies in which it has shareholdings.

Based on an anticipated moderate rise in consumer demand, we expect a slight increase in sales revenue in 2026.

Performance within the Group also impacts Henkel AG & Co. KGaA through dividend payments from subsidiaries. Assuming steady development of the financial result, we expect the unappropriated profit generated in 2026 by Henkel AG & Co. KGaA to be flat year on year. This will enable our shareholders to participate to a reasonable extent in the Group's net income, with retained earnings also available for utilization if necessary.

In spring 2025, the Henkel Management Board announced that it would examine the possibility of transforming the Adhesive Technologies and Consumer Brands business units in Germany and in selected major countries into independent legal entities.

The Management Board has thoroughly discussed and agreed the proposal for the strategic development of the Company with the relevant oversight bodies. Accordingly, separate legal units are to be established in Germany for the two existing business units. This will serve Henkel's objective of making processes and structures more agile, while better supporting the future needs of its businesses and the growth agenda of the Henkel Group.

The Shareholders' Committee has approved this strategic further development of the Company. This proposal will now be submitted to the 2026 Annual General Meeting for a decision by the shareholders.

Subject to the approval of the Annual General Meeting, the hive-down will take place with retroactive economic effect as of January 1, 2026. In order to be able to establish a legally clear and future-oriented structure through the hive-down, Henkel AG & Co. KGaA will continue to manage operations on a transitional basis under business lease agreements until the systemic and procedural requirements have been met.

Due to the planned business lease agreements and the existing profit and loss transfer agreements, we do not expect any significant impact on the financial performance indicators of Henkel AG & Co. KGaA for fiscal 2026. Likewise, we do not expect any significant changes in the risk and opportunity assessment of Henkel AG & Co. KGaA.

The forecast for the Henkel Group can be found on pages 146 to 148.

RISKS AND OPPORTUNITIES REPORT

Risks and opportunities

In the course of its business activities as a globally operating company, Henkel is exposed to a large number of internal and external developments and events that are inextricably linked to entrepreneurial activity and that can influence the achievement of our targets to a significant degree. We deploy an array of effective monitoring and control systems aligned to identifying risks at an early stage, evaluating the exposure, and introducing effective countermeasures.

Entrepreneurial activity also involves identifying and exploiting opportunities to secure and extend the Company's competitiveness. Our risk reporting system, however, does not encompass entrepreneurial opportunities. Early and regular identification, analysis and exploitation of opportunities are performed at the Group level and within the individual business units. This is a fundamental component of our strategy. We perform in-depth analysis of the markets and our competitors, and study the relevant cost variables and key success factors.

Risk management system

Our risk management system incorporates all organizational rules and measures for identifying, assessing, managing and communicating risks, including system monitoring. The risk management system at Henkel is integrated into the comprehensive planning, controlling, and reporting systems used in the subsidiaries, in the business units, and at Group level. Furthermore, within the corporate governance framework, our internal control and compliance management systems support our risk management capability. The interaction between the individual governance systems at Henkel and our assessment of the appropriateness and effectiveness of the risk management system and the internal control system are discussed in the corporate governance statement on pages 46 to 50.

Within our risk strategy framework, the assumption of calculated risk is an intrinsic part of our business. However, risks that endanger the existence of the Company must be avoided. When it is not possible to avoid these critical risks, they must be reduced or transferred, for example through insurance. Risks are controlled and monitored at the level of the subsidiaries, the business units, and the Group. Risk management is thus performed with a holistic, integrative approach to the systematic handling of risks. Our risk management system is continuously developed and adjusted to changing requirements.

Our Corporate Audit function regularly reviews the quality and efficiency of our risk management system. During its audit of the annual financial statements for 2025, in compliance with Section 317 (4) German Commercial Code [HGB], the auditor examined whether the Management Board had put in place adequate measures as required under Section 91 (2) German Stock Corporation Act [AktG], particularly with regard to establishing a monitoring system, and whether said monitoring system was suitable in all material respects for identifying at an early point in time and with reasonable assurance any developments that might jeopardize the continued existence of the Company as a going concern.

Risk reporting procedures

The risk reporting system encompasses the systematic identification, evaluation, documentation and communication of risks and opportunities. We have defined the principles, processes and responsibilities relating to risk management in a corporate standard that is binding on the Henkel Group. With the continuous development of our corporate standards and systems, we take into account updated findings.

We understand short-term risks as potential future developments or events that could lead to negative deviations from our earnings guidance. As a rule, we estimate risks for the one-year forecast period. Risks with a probability of occurrence of over 50 percent are taken into account in our guidance and short-term planning. Risk reports therefore include risks that are not included in – or which extend beyond – short-term planning. The annual short-term risk reporting process begins with identifying risks using checklists based on defined risk categories. We evaluate the risks according to the probability of occurrence and potential loss after effective countermeasures (net), and collect additional information about the measures. The risks also include tail event risks where the likelihood of occurrence is judged to be very low but which could potentially cause very considerable damage. The short-term risk reporting process is supported by software which ensures transparent

communication throughout the entire Group. The first step entails determining gross risk to the extent that this is possible. We then calculate the net risk, taking countermeasures into account. Initially, risks are compiled on a decentralized basis at regional level by regional coordinators. The risks compiled at this stage include risks identified at country level. The risks collated regionally and at country level are then analyzed by experts in the business units and corporate functions. In particular areas such as Group Treasury, risks are determined with the support of sensitivity analyses including value-at-risk (VaR) computations. Risk analyses are then prepared for the respective executive committees of the business units and corporate functions, and finally assigned to an area-specific risk inventory. For the Henkel Group, we then aggregate the risks on the inventory using Monte Carlo simulation. For the purpose of determining resilience, we compare the VaR with our risk-bearing capacity.

To supplement our short-term risk reporting process, we conduct strategic risk analysis for long-term risks with an analysis period of up to ten years. We understand long-term risks as possible future developments or events outside the forecasting period of one year which – separately or in combination – could potentially jeopardize the continued existence of the Company as a going concern. Once a year, long-term risks are identified, subjected to qualitative assessment, and reviewed by selected in-house experts. The risks are then analyzed as a whole and assessed against our long-term risk-bearing capacity, keeping in mind the risk environment that is specific to Henkel.

The risk situation is subsequently reported to our Compliance & Risk Committee, the Management Board and the various oversight bodies. Material unforeseen changes are reported immediately to the CFO and the Compliance & Risk Committee. Corporate Accounting is responsible for coordinating the overall risk reporting process and analyzing the inventoried exposures.

Major risk categories

Short-term and long-term risks are grouped by influencing factors. A distinction is made between (geo)political, business-/industry-specific, financial, digital, environmental, social, governance, legal, and regulatory risks. In fiscal 2025, we revised the risk allocation and have renamed individual risk areas or recorded them separately. No new risk areas were identified. The changes reflect our approach in more closely structuring risks based on their cause. The changes affect the risk areas geopolitical risks and business-/industry-specific risk. As macroeconomic risks impact both our business-/industry-specific risks and our financial risks, we divide these influencing factors into two different risk categories. In addition, effects resulting from environmental, social and governance risks are reported as separate risk categories. Thus, we take into account the growing importance of sustainability issues and are guided by the structure in the sustainability statement. Reputation risks are taken into account within the risk categories that give rise to the risk. Compared to the previous year, there were no significant changes in the valuation of the individual risk areas. Long-term risks are compiled separately from the short-term risks and subjected to qualitative assessment. Short-term risks affecting our one-year forecast period are recorded and

quantitatively assessed as part of the short-term risk reporting process. Since this fiscal year, risks are only being reported where there is a potential financial impact of 20 million euros or more. The evaluation categories on which the reporting is based are given below.

Classification of short-term risks in ascending order

Potential financial impact	
Low	≥ 20 to < 75 million euros
Medium	≥ 75 to < 150 million euros
High	≥ 150 to < 500 million euros
Significant	≥ 500 million euros
Probability	
Very low	< 10%
Low	≥ 10% to < 25%
Medium	≥ 25% to < 50%
High	≥ 50%

Short-term risks are presented from a net perspective, i.e. with their respective mitigation measures taken into account.

Overview of major risk categories and quantitative evaluation of short-term risks

Risk category	Potential financial impact	Probability
Geopolitical risks	Significant	Low
Business-/industry-specific risks		
Procurement market risks	Significant	Low
Business operations risks	Significant	Low
Market, competition, customer and channel risks	Significant	Medium
Financial risks		
Credit risks	Significant	Very low
Liquidity risks	Low	Very low
Currency risks	High	Medium
Interest rate risks	Low	Medium
Risks from pension obligations (impact on equity)	High	Medium
Digital risks (IT and cyber risks)	Significant	Low
Environmental, social and governance risks		
Environmental risks	Significant	Low
Social risks (personnel risks)	High	Very low
Governance risks	Medium	Very low
Legal and regulatory risks	Significant	Very low

In the following explanation of the risk categories, long-term risks are dealt with separately where they give rise to additional relevant insights.

Geopolitical risks

Description of risk: We understand (geo)political risks to be risks arising from political factors that directly or indirectly affect our business activities. These include, in particular, trade restrictions, measures to nationalize or expropriate assets, capital transfer bans, default of trade receivables against state institutions, war, terrorist attacks and other upheavals. These risks can significantly affect the demand for our products, supply chains and business processes and affect the profitability of our business.

In the short-term forecast period, Henkel as a globally operating Group is exposed to the risk of major political incidents in certain countries or regions resulting in a loss of assets.

Geopolitical risks have further increased due to ongoing regional conflicts such as in Africa/Middle East, Asia or Eastern Europe, increasing tensions between economic areas and growing uncertainty in international relations. We also understand this to mean current developments in global tariff and trade policy. Henkel is therefore increasingly exposed to price and supply risks on the procurement markets. Added to this are developments such as trade restrictions, deglobalization trends, potential bloc formation, and geopolitical instability, which can have a significant impact on supply chains, sales markets, and economic planning. In view of the significant potential financial impact in conjunction with the probability of occurrence, geopolitical risks represent the most serious risk category in the short-term forecast period.

Measures: Henkel has been pursuing a strategy for years to strengthen resilience through regional diversification. Our geographical presence remains balanced, with no strong dependence on individual markets or countries. With our “In the region, for the region” policy, we are able to mitigate the direct impact of tariffs by reducing imports and exports of both finished products and raw materials. The potential indirect effects of higher tariffs, for example as a result of the passing on of price increases by our suppliers, are countered by the measures described under the procurement market risks. Our many years of experience in emerging countries enable us

to successfully manage and develop our business, even in times of political uncertainty.

We continuously monitor political and economic indicators in all major regions so that we can respond quickly to new developments. In particular, investment projects and financing strategies take political circumstances into account. We closely monitor the countries concerned, taking external ratings into account, and ensure risk-optimized funding and the repatriation of liquidity that is not needed at present. Planned investments are also analyzed with regard to potential political risks, and appropriate requirements specified for the return on investment. If a major political incident occurs, early and targeted risk analysis is performed and potential mitigation measures are put in place to avoid business interruptions.

Business-/industry-specific risks (including macroeconomic risks)

Business-/industry-specific risks include all risks arising for Henkel from factors such as the arrival of new market participants or developments on the sales and procurement markets. We distinguish between procurement market risks, business process risks and market, competition, customer and channel risks. Macroeconomic risks – such as global economic and industry-specific developments – influence these risks to a substantial extent and are therefore classified under this risk category unless they tend to have a greater impact on our financial risks.

Procurement market risks

Description of risk: Procurement markets continue to be affected by ongoing uncertainties related to future global economic and geopolitical developments. Significant price increases and the decreasing availability of raw materials can have a negative impact on our operating result. Additional price and supply risks exist due to possible demand- or production-related bottlenecks in the procurement markets, which can also have long-term effects. The reliability of suppliers, including the financial stability of key suppliers, is critical to our business operations and to ensuring business continuity. The development of new business models may also produce shortages in the supply chain over the long term.

Measures: If any supply shortages do occur, established interdisciplinary crisis management processes are triggered to ensure a high degree of supply reliability to our customers. The measures taken also include active supplier portfolio management through our globally engaged, cross-divisional sourcing capability, together with strategies aimed at securing price and volume both through contracts and – to the extent appropriate and possible – through financial hedging instruments. In order to minimize the risk of supplier default, we perform detailed risk assessments of suppliers to determine their financial stability, and stipulate supplier default clauses. With the aid of an external, independent financial services provider, we continuously monitor important suppliers of which the financial situation is regarded as critical. If a high risk of supplier default is identified, we systematically prepare back-up plans in order to ensure uninterrupted supply. Furthermore, we work in interdisciplinary teams within Research & Development, Supply Chain Management and Purchasing on devising alternative formulations and packaging forms so as to be able to respond to unforeseen fluctuations in raw material prices. Supplier diversification also represents a key element in our risk management to prevent dependence on individual suppliers and ensure our ability to source at all times the goods and services we require. Finally, close collaboration with our strategic suppliers plays an exceptionally important role. The basis for our risk management approach

is provided by a comprehensive procurement information system aimed at ensuring permanent transparency with respect to our purchasing volumes. Over the long term, we continually adapt our structures in response to developments on the procurement markets and the requirements of new business models, as well as in order to avoid shortages and bottlenecks along our supply chains.

Business process risks

Description of risk: Our business processes depend on the purchase of materials, efficient production processes and the timely delivery of products to our customers.

Risks in this area arise, in particular, from unplanned business interruptions or disruptions in the production process. Business interruptions due to supply bottlenecks, especially in single-source locations, are also countered by the measures described under procurement market risks. Production interruptions or disruptions in the processes can also be caused by changes in the production process or safety and quality issues. Defects in these areas can cause business interruptions and also call-backs or complaints.

Our business activities are also influenced by the implementation of transformation projects, such as acquisitions or other structural measures. Successful implementation of these structural changes is critical to achieving the desired business goals and avoiding disruption to other business activities. However, temporary delays may occur in some areas, resulting from necessary structural adjustments and the harmonization of processes or systems.

Measures: We can offset the negative effects of possible production outages through flexible production control and, where economically viable, additionally through insurance policies. Production risks are minimized by ensuring high employee qualification, clearly defined safety and hygiene standards, and regular plant and equipment maintenance. We take targeted measures to minimize safety and health risks (see the measures described under legal and regulatory risks on pages 140 to 142) and organize appropriate audit, advisory and training activities. This ensures that our production facilities and products are safe, as well as minimizing risks arising from safety or quality issues. These preventive measures are regularly updated to adequately protect our assets and reputation.

Capital expenditure decisions on property, plant and equipment are made in accordance with defined, differentiated responsibility procedures and approval processes. They incorporate all relevant specialist functions and are regulated in an internal corporate standard. Investments are analyzed in advance on the basis of detailed risk aspects. Further audits accompanying projects provide the foundation for project management and risk reduction. In terms of production, too, we continually adapt our structures in response to the requirements of new business models, as well as to avoid shortages.

We mitigate the risks associated with acquisitions and integration by ensuring comprehensive project and integration management.

Market, competition, customer and channel risks

Description of risk: We are exposed to further sales and market risks emanating from the uncertainties of the current economic environment. Risks arise for our business especially in connection with any long-term adverse effect on economic development. A slowdown in production at our industrial customers could lead to less demand for our solutions. In the consumer goods businesses, declining volumes in the wake of weaker demand – as a result of inflation dampening purchasing power or declining consumer confidence, for example – could constitute a risk for our sales.

A further significant risk is posed by an increasingly competitive environment, as this could result in a further increase in price and promotional pressures in the consumer goods sector. As consolidation in the retail sector continues and private labels occupy a growing share of the market, crowding-out competition in the consumer goods sector could further intensify.

Our ability to innovate is critical to our business. Technological change associated with digitalization may involve risks for the success of our products and processes. Moreover, the risk of product substitution could, in principle, affect all business areas.

Successful customer relationships are essential for our business. Possible risks here include challenges to price realization, loss of market share, alliances between customers, increased consumer price transparency, and potential financial difficulties of key customers. As a globally active corporation, Henkel is exposed to potential damage to the reputation of its corporate brand – Henkel – or that of our product brands, particularly in the consumer goods sector, in the event of negative reports in the media, including social media. These could lead to a negative impact on sales or the pace of growth.

Measures: Our focus is on continuously monitoring the market environment to enable flexible adjustment of our portfolio and our cost structures to dynamic trends. Due to our long-standing relationships with customers from various industries, we are able to quickly identify changes in the market environment and offer products that meet the needs of our customers. In addition, we concentrate on strengthening our brands and on consistently driving the development of further innovations. We consider innovative products and processes to be a significant success factor for our Company, enabling us to differentiate ourselves from the competition. We also pursue specific marketing and sales initiatives, for example advertising and promotional activities. Another central aspect is the advancement of digitalization, for example through the targeted marketing of our products via a dedicated e-commerce platform for our industrial customers. In addition, we have the capability to react quickly to potential sales declines through flexible production control. We respond to the emergence of new business models or new competitors, or changing demand behavior, by taking strategic measures such as adapting our structures and portfolio, for example, through acquisitions and divestments.

We minimize potential reputation risks through the measures described under legal and regulatory risks (see pages 140 to 142). In addition, our active communication activities strengthen the reputation of the company brand and our product brands. These measures are supported by a global communication network and international and local crisis management systems with regular training sessions.

Financial risks (including macroeconomic risks)

Credit risks

Description of risk: Credit risk is the risk of a debtor failing to meet interest and redemption payment obligations in full and on time. The Henkel Group is exposed in particular to the risk of default by its customers in the course of its operating activities and to the risk of non-performance by a contracting party in the context of financial investments. Furthermore, depending on economic developments, defaults may become more frequent, particularly in the case of trade accounts receivable.

Measures: In order to reduce the credit risk resulting from the operating activities of the Henkel Group, the default risks that our customers might represent are permanently monitored by our credit risk management team, which operates on the basis of a globally valid Customer Credit Management Standard. In addition to minimizing losses on receivables through the application of fixed credit limits, use of customer creditworthiness analyses, risk classifications, and continuous monitoring of risks associated with the receivables concerned, we also implement risk-mitigating measures both globally and selectively on a country- and customer-specific basis. They include credit insurance cover such as global excess-of-loss policies, letters of credit for the export business, plus for example sureties, guarantees and cover notes.

Default risks from financial investments are mitigated by selecting counterparties with good credit ratings and by limiting investment amounts. Credit ratings and investment limits are continuously monitored so as to enable intervention in the event that fixed thresholds for ratings and credit default swaps (CDS) are exceeded. Our financial investments are broadly diversified across various counterparties and various financial assets. In addition, netting arrangements are in place to offset bilateral receivables and obligations, and collateral agreements are entered into with key banking partners.

Liquidity risks

Description of risk: Liquidity risk is defined as the risk of an entity failing to meet its financial obligations at any given time.

Measures: We mitigate this risk through our long-term management strategy of using financing instruments in the form of bonds issued with variously staggered terms and in different currencies. This is also possible in the short term and flexibly with the help of our existing debt issuance program. Our credit rating is regularly assessed by the rating agencies S&P, Moody's and Scope Ratings. We intend to maintain our financial strategy within a "single A" target corridor. We predominantly invest cash in financial assets traded in a liquid market in order to ensure that they can be sold at any time to receive liquid funds or to manage liquidity in the short term. We also use our US dollar and euro commercial paper programs for short-term liquidity management. In order to ensure the financial flexibility of Henkel at any time, the liquidity within the Group is largely centralized in cash pools and managed across the Group using a liquidity reserve approach. In addition, the Henkel Group has at its disposal confirmed credit lines.

Currency risks

Description of risk: Because of the global nature of our business, we are exposed to two types of currency risk. Transaction risks arise from possible exchange rate fluctuations causing changes in the value of future foreign currency cash flows. Translation risks arise from changes caused by foreign exchange fluctuations to items on the statement of financial position and the income statement of a subsidiary, and the effect these changes have on the translation of individual company financial statements into Group currency. We anticipate continued high volatility in the currency markets in 2026.

Measures: Transaction risks arising from our operating business are partially avoided by the fact that we manufacture our products in those countries in which they are sold. Residual transaction risks on the operating side are proactively managed by Group Treasury. This includes the overall assessment of the currency risk and the development of appropriate hedging strategies. The objective of currency hedging is to reduce volatility while taking hedging costs into account. Because we limit our potential losses, any negative impact on profits is restricted. The transaction risk from significant operating receivables and liabilities recognized in the financial statements and from financial receivables and liabilities is extensively hedged. In order to manage these risks, we primarily utilize currency forwards and cross-currency interest rate swaps. The risks arising from the translation of the earnings results of subsidiaries in foreign currencies and from net investments in foreign operations are only hedged in exceptional cases.

Interest rate risks

Description of risk: Interest rate risk encompasses all potentially negative influences on profits, equity or cash flow in current or future reporting periods arising from changes in interest rates. The financing and cash investment activities of the Henkel Group mainly take place on international money and capital markets. The resultant financial liabilities and cash deposits are exposed to the risk of changing interest rates.

Measures: The aim of our centralized interest rate management is to reduce the risk by choosing fixed or floating interest rate contracts and by using interest rate derivatives. Henkel's interest management strategy is essentially aligned to optimizing the net interest result for the Group. The decisions made in interest management relate to the bonds, liabilities to banks, and commercial paper put in place to secure Group liquidity, the securities and time deposits used for cash investments, and other interest-bearing financial instruments. Depending on forecasts with respect to interest rate developments, Henkel issues fixed- or floating-rate notes or enters into derivative financial instruments, primarily interest rate swaps, in order to optimize the interest rate lock-down structure.

Risks from pension obligations

Description of risk: Our pension obligations are exposed to various market risks. The risks relate primarily to changes in market interest rates, inflation, and life expectancy. The risks to which the plan assets are exposed are general market price risks.

Measures: We counteract these risks by managing the funding level and the structure of pension commitments. Our internal pension risk management function monitors the risks of all material pension plans Group-wide in compliance with local legal regulations. As part of the monitoring process, guidelines on the control and management of risks are adopted and continuously developed; these guidelines mainly govern funding levels, portfolio structure and actuarial assumptions. We also take into account sustainability criteria. The funds earmarked for covering pension obligations are invested in line with an asset-liability study based on the respective expected cash flows of the country-specific pension obligations. The objective of the financing strategy within the Group is to ensure that plan assets cover 90 to 100 percent of the present value of the funded pension obligations.

Digital risks (IT and cyber risks)

Digital risks arise, in particular, from increasing digitalization.

Description of risk: Information technology (IT) has strategic significance for Henkel. Our business processes rely to a great extent on internal and external IT services, applications, networks, and infrastructure systems. The failure or disruption of key IT services and the manipulation or loss of data – as a result of unauthorized access, for example – constitute material risks for Henkel. These risks also exist in our plants and warehouses (operational technology). We analyze different potential in-house and external perpetrators and types of threat, such as intent, error or natural phenomena. The failure or disruption of important IT services can impair critical business processes. The loss of confidential data, for example formulations, customer information or price lists, could put us at a disadvantage with our competitors or give rise to legal consequences. Henkel's reputation could also be damaged by such loss.

Measures: The technical and organizational safeguards for assuring information and cyber security at Henkel are based on the international standards ISO 27001 and 27002. Henkel has put technical and organizational measures in place to prevent, discover and defeat cyber attacks. Henkel maintains regular contact with other major corporations, associations and specialized service providers in order to enable the early detection of threats and implementation of effective countermeasures.

Our critical business processes operate through redundantly configured systems designed for high availability. Our data backup procedures reflect best engineering practice. We regularly review our restore and disaster recovery processes.

Access rights to our information systems are kept to a minimum. For critical business processes, the required segregation of duties is enforced by technological means.

Our IT services are protected against unauthorized external access and are consistently kept up to date. We develop our systems using proven project management and program modification procedures.

We instruct and train our employees in the proper and secure use and operation of information systems as part of their regular duties. We require our IT service providers to maintain a comparable level of cyber security. We are constantly working to improve our security measures for our operational technology.

The implementation of our security measures is continually reviewed by our Corporate Audit function, other internal departments, and independent third parties.

Environmental, social and governance risks

The risks listed in this section relating to the areas of environmental, social and governance represent Henkel's various individual financial risks in these domains at an aggregate level, while our sustainability statement reports on individual risks in the value chain that were assessed as being material in the context of the double materiality analysis. The sustainability statement also provides insights into our sustainability strategies, measures, and key metrics and indicators we use to monitor our progress.

Environmental risks

Description of risk: In terms of global sustainability topics and developments, climate change is one of the greatest challenges humanity is facing today. Climate-related physical risks, such as extreme weather events, can cause physical damage to our goods, production facilities and value chains, which can lead to business interruption and increased costs for Henkel. In addition, transition risks, such as an increase in CO₂ prices through taxation or emissions trading systems, can lead to higher procurement costs and product prices, which can potentially have a negative impact on our operating result.

In addition to climate change, other environmental issues pose risks for Henkel. Water scarcity could threaten the continuation of our business activities in arid regions, leading to a temporary suspension of business activities and a loss of revenue. In the area of biodiversity and the circular economy, the availability and prices of raw materials (in particular bio-based/renewable ingredients), as well as additional legal regulations can lead to rising costs or, in the latter case, to fines. Potential rules on substances of concern and substances of very high concern could adversely affect the sale of products containing these substances and lead to increased costs for adaptation measures. Soil contamination can lead to remediation costs, and water pollution regulations can lead to increased costs for measuring and/or reducing emissions.

Measures: Henkel proactively deals with environmental issues and risks and monitors developments in these areas in a holistic manner. The implementation of mitigation measures reduces the risk burden and ensures resilience.

We have established comprehensive monitoring systems and a holistic, global crisis management system to manage extreme weather incidents or other crises, with defined protection strategies in place at all our sites and for all employees. We manage climate risks with our net-zero strategy and our transition plan for climate protection. Our measures include improvements in water efficiency, circular water use, and cooperation with suppliers and consumers to promote sustainable water management. Clear specifications in our standards for safety, health and the environment, as well as comprehensive programs in the business units, serve to improve the environmental compatibility of our products. With a comprehensive packaging strategy, we promote the circular economy, in particular by improving the recyclability of our packaging, increasing the use of recycled plastics and developing new packaging concepts. By focusing our research and product development on the key challenges of sustainable development, we are laying an important foundation for the future viability of our company.

Social risks (personnel risks)

Description of risk: The social risks referred to in this opportunities and risk report mainly relate to our own employees.

Risks related to our own workforce mainly include, in the short term, the risk of business interruptions or reduced productivity in the event of the unavailability of personnel. This could be caused by health problems, such as illness and accidents, but also by general labor unrest or cultural dissatisfaction, which can vary depending on the region. Included in this list of threats is the potential occurrence of new global pandemics similar to COVID-19, which also poses a risk to the availability of the workforce and thus to business continuity and sales.

The motivation and the qualification of our employees are key drivers of Henkel's business success. Therefore, it is strategically important to attract highly qualified professionals and executives and ensure they stay with the Company. When it comes to selecting and recruiting talent, we are facing increased global competition for the best candidates – especially over the long term – and we are noticing the effects of demographic change in many of our markets. These developments expose us to the risk of losing employees or of being unable to recruit relevant qualified professionals and executives. Over the long term, these risks could adversely affect our ability to compete and thus the business performance at Henkel.

Measures: We assign the highest priority to the health and safety of our employees, the creation of good working conditions, and the promotion of equal treatment and equal opportunities. This includes improving employee well-being, increasing productivity and job satisfaction, and promoting health.

Protecting the physical and mental health of our employees is integral to securing our workflows. We achieve a high level of acceptance through extensive communication, information and support programs. To proactively address health risks, we rely on global health standards, guidelines, support and assistance from health services, psychosocial support programs (Employee Assistance Program – EAP/Social Services), vaccination programs and campaigns integrated within a digital health management platform and accessible to all employees.

We combat the risk of losing valuable employees through specifically devised personnel development programs and incentive systems. Supporting this is an established, thorough feedback process from which we derive individually tailored and future-viable qualification and upskilling programs, as well as performance-related remuneration. Henkel's Leadership Commitments form the focal point of our efforts to advance our leadership culture and to drive our cultural change.

Further areas of our personnel management focus include support for flexible work models to ensure better work-life flexibility. We create a positive and supportive work environment where our employees feel appreciated and respected. All these aspects are united in our Smart Work approach.

In addition to an appreciative corporate culture, the principles of diversity, equity and inclusion (DEI) are firmly anchored in Henkel's corporate strategy. Striving for enhanced gender diversity is a key element in a holistic DEI strategy that also incorporates further dimensions such as internationality and ethnicity, sexual orientation, people with disability and inter-generational collaboration. The Company has established a Group-wide DEI network to anchor and implement these efforts in all business units and regions.

Henkel reduces the risk of not being able to recruit qualified professionals and executives by promoting a strong employer brand, partnering with universities and global student organizations, and through enhanced, target-oriented communication and focus on promoting young talent and specialized development programs.

Governance risks

Description of risk: Henkel's reputation and brands are valuable assets, and the way we work, contribute to society and interact with our environment is constantly under scrutiny, both internally and externally. Henkel is committed to ensuring that all business transactions are conducted in an ethical and legally compliant manner.

Despite all these measures, there is a risk that our corporate values and our ethical, compliance and sustainability requirements will not be sufficiently recognized by our contractual partners. Even if there are appropriate requirements placed on our partners in the value chain, violations that lead to claims by third parties or damage to reputation cannot be ruled out.

Measures: Inseparable from our commitment to conducting all business in an ethically and legally impeccable manner is a value-oriented corporate culture based on respect, trust and appreciation, which consistently combats discrimination and provides access to equal development opportunities.

We are committed to corporate governance and corporate compliance. The codes, standards and processes we have established give our employees, customers, suppliers, investors and the social environment in which we operate a clear idea of the ethical and social values we stand for. All stakeholders can report potential misconduct via the whistleblower system. We have clear due diligence and compliance processes in place to identify and assess potential negative impacts of our business operations.

Legal and regulatory risks

Description of risk: As a globally active corporation, we are exposed, in the course of our ordinary business activities, to a range of risks relating to litigations and other actions, including government agency proceedings in which we are currently involved or may become involved in the future. These risks arise, in particular, in the fields of product liability, product deficiency, competition and cartel law, infringement of proprietary rights, data protection, artificial intelligence, information security, patent law, tax law, environmental protection and legacy remediation. We also have a portfolio of industrial property rights, patents and trademarks that can be the target of attacks and infringements. We cannot exclude the likelihood of negative rulings on current litigations and further litigations being initiated in the future. Even in the case of completed proceedings, it cannot be ruled out that we will still be confronted with claims by third parties on the basis of the same facts due to long or, in some cases, absent statutory limitation periods. In addition, uncertainty in the legal environment in some regions could cause us to lose our rights with or without adequate compensation, or limit our ability to assert our rights.

As a corporation with global operations, we are particularly exposed to various environmental, health or product-/safety-related regulations, laws and guidelines that affect our business activities and processes. Our business is subject to various national rules and regulations and – within the EU – increasingly to harmonized laws applicable throughout the EU. These regulations change constantly due to political requirements and can also be tightened. The risk in these cases is that our products do not (yet) comply with these regulations and as a result are no longer marketable, or these regulations are not yet (adequately) reflected in the relevant internal systems and processes, which may impair business activities or necessitate manual remedial measures. In addition, some of our activities are subject to rules and regulations derived from approvals, licenses, certificates or permits. Our manufacturing operations are bound by rules and regulations with respect to the registration, evaluation, usage, storage, transportation and handling of certain substances and also in relation to emissions, wastewater, effluent and other waste. The construction and operation of production facilities and other plant and infrastructure are governed by framework rules and regulations, including those relating to legacy remediation. Product-specific regulations of relevance to us relate in particular to ingredients and input materials, safety in manufacturing, in the handling of products and their contents, and in the packaging and marketing of these items. The control mechanisms include statutory material-related regulations, usage prohibitions or restrictions, procedural requirements (test and inspection, identification marking, provision of warning labels, etc.), and product liability law. Violation of such regulations may lead to legal proceedings or compromise our future business activities. Consequently, major losses may also result from litigations and proceedings that exceed the insurance amounts or are not covered by our insurance policies or provisions. Potential damage to our reputation is not covered by insurance, nor is there any guarantee that Henkel will acquire adequate insurance cover at economically reasonable terms and conditions in the future.

Amendments to the aforementioned regulations and further changes to the regulatory environment in our relevant markets could influence our business activities or require adjustment of our operations. Such changes might involve import and export controls, tariffs or other trade regulations – including sanctions – or pricing and foreign exchange restrictions. In particular, the uncertain geopolitical situation may lead to unpredictable and potentially contradictory extraterritorial regulations, restrictions and sanctions, with the risk that it is then difficult to fulfill all relevant legal requirements at the same time for certain transactions. In addition, complex multi-disciplinary regulations may vary from country to country. This harbors the risk that a global standard cannot be implemented effectively and consistently, potentially rendering it necessary to implement multiple country-specific or regional standards. Although we monitor the political and regulatory situation in all our key markets so that we can promptly adapt potential problem areas and our business activities and processes to changes in conditions, amendments to regulations, laws and policies can have a negative impact on our business activities and processes and thus adversely affect our net assets, financial position and results of operations.

Equally, as a globally active corporation, we maintain business relations with customers in countries that are subject to export control legislation, embargoes, economic sanctions, exclusion policies or other forms of trade restriction. Changes to these regulations, new or extended sanctions, or corresponding initiatives by institutional investors or non-governmental organizations may result in restrictions being imposed on our business activities in these countries or, indirectly, in other countries, or may prevent us from acquiring or keeping customers and suppliers.

We see long-term risks, for example, in tax law developments and new requirements arising from data security-related legislation.

Measures: Our internal standards, guidelines, codes of conduct, and training measures are geared to ensuring compliance with the aforementioned statutory requirements and, for example, safeguarding our manufacturing facilities and products. These precepts have also been incorporated into our management systems and are regularly reviewed. This includes the early monitoring and evaluation of relevant statutory and regulatory requirements and changes.

Ensuring compliance with laws and regulations is an integral component of our business processes. This includes the early monitoring and evaluation of relevant statutory and regulatory requirements and changes. Henkel has further established a Group-wide compliance organization with locally and regionally responsible compliance officers led by a globally responsible General Counsel & Chief Compliance Officer, which carries out appropriate risk analyses and risk-mitigating measures, such as training courses, or initiates internal audits. Current proceedings and pending litigations are continuously recorded and monitored in a separate reporting system. Our Corporate Legal department maintains constant contact with local counsel for this purpose. Regular reports are submitted to the Management Board and oversight bodies. We conduct our own analysis and assessments – or obtain external legal opinions, if necessary – to assess risks and determine any need for provisions. This risk assessment is based predominantly on

estimating the probability of occurrence and bandwidths of the potentially ensuing claims for damages. This risk assessment and potential accrual of provisions is conducted in collaboration between the business units with operational responsibility and the legal and finance departments. Appropriate provisions are accrued based on probability of occurrence. For certain legal risks, we have concluded insurance policies with coverage that we consider to be appropriate and standard for the industry. However, predicting the outcome of proceedings is fraught with considerable uncertainty, especially if a claimant is seeking substantial or unspecified damages. In view of this, we are unable to predict what obligations may arise from such litigations.

With our comprehensive approach to responsible procurement, we already promote sustainable practices and respect for human rights in our supply chain. A central element of our strategic risk management and compliance approach is our six-step Responsible Sourcing Process, which is an integral part of our procurement activities and includes pre-checks and risk assessment, review, analysis and continuous improvement both when we start collaborating with our suppliers and in a recurring cycle.

Major opportunity categories

Entrepreneurial opportunities are identified and evaluated at Group level and in the individual business units, and duly incorporated into the strategy and planning processes. We understand the opportunities presented in the following as potential future developments or events that could lead to a positive deviation from our guidance. We also assess the probabilities of price-related procurement market and financial opportunities.

Procurement market opportunities

Description of opportunities: Countervailing the procurement market risks listed on page 133, opportunities may also arise in which the influencing factors described in this section develop in a direction that is advantageous to Henkel, resulting in lower-than-expected prices for direct and indirect materials.

Impact: Very low probability rating, possible significant impact on our earnings guidance.

Market, competition, customer and channel opportunities

Description of opportunities: Additional business opportunities would arise if the uncertain macroeconomic situation in some regions, or the economic conditions in individual sectors, develop substantially better than expected.

Impact: The opportunities described could have a medium impact on our earnings guidance.

Financial opportunities

Description of opportunities: Countervailing the currency and interest rate risks indicated under financial risks, and the risks arising from pension obligations as described on pages 135 to 137, opportunities may also arise in which the influencing factors described in this section develop in a direction that is advantageous to Henkel.

Impact: We classify financial opportunities as follows:

- Currency opportunities with a medium probability of a high impact on our earnings guidance
- Interest rate opportunities with a medium probability of a low impact on our earnings guidance
- Opportunities arising from our pension obligations with a medium probability of a high impact on our equity

Acquisition opportunities

Description of opportunities: Acquisitions are a key component of our strategy. They allow us to grow more strongly in promising markets or to gain access to new markets and technologies. In the process, we reap the benefits of both earnings and cost synergies in most cases.

Impact: Large acquisitions could have a high impact on our earnings guidance.

Research and development opportunities

Description of opportunities: Opportunities arising from our extensive, continuous innovation process are a key component of our strategy and are already accounted for in our guidance. There are additional opportunities in the event of product launches that exceed our expectations of market acceptance, and in the development of exceptional innovations that have not yet been taken into account. They include key areas of action for sustainable development, such as climate protection and circular economy. Here, we see particular long-term opportunities arising from higher demand for low-carbon and carbon-neutral products, products made from recyclable raw materials, and innovative products in the circular economy sector.

Impact: Innovations arising from future research and development could have a high impact on our earnings guidance.

Internal accounting control system

The internal control system comprises all of Henkel's systematically defined controls and monitoring activities. It extends beyond the internal accounting control system (for a discussion of the internal control system, please refer to the corporate governance statement on pages 46 to 50). The following describes the main features of the internal control and risk management system in relation to our accounting processes, in accordance with Section 315 (4) German Commercial Code [HGB]. The internal control system's function is to implement relevant principles, procedures and controls so as to ensure the financial statement closing process is regulatory compliant. Henkel's internal control system is designed in reference to the COSO framework (Committee of Sponsoring Organizations of the Treadway Commission) for internal controls. Within the organization of the internal control system, the Management Board assumes overall responsibility at Group level. The duly coordinated subsystems of the internal accounting control system lie within the responsibility of the Corporate Accounting, Controlling, Group Treasury, Compliance, and Regional Finance functions. Within these functions, there are a number of integrated monitoring and control levels. These are assessed by regular and comprehensive effectiveness tests performed by our Corporate Audit function and by our Corporate unit Internal Control System. Of the multifaceted control processes incorporated into the accounting process, several are important to highlight.

The basis for all our accounting processes is provided by our corporate standard "Accounting," which contains detailed accounting and reporting instructions covering all material circumstances, including clear procedures for inventory valuation or how transfer prices applicable for intragroup transactions should be determined. This corporate standard is binding on the entire Group and is regularly updated and approved by the CFO. The local Presidents and Heads of Finance of all consolidated subsidiaries must confirm their compliance with this corporate standard on an annual basis.

Further globally binding procedural instructions affecting our accounting practice are contained in our corporate standards "Treasury" and "Investments." Through appropriate organizational measures in conjunction with restrictive access to our information systems, we ensure the segregation of duties in our accounting systems between transaction entry on the one hand, and checking and approval on the other. Documentation relating to the operational accounting and closing processes ensures that important tasks – such as the reconciliation of receivables and payables on the basis of account balance confirmations – are clearly assigned. Additionally, binding authorization regulations exist governing the approval of contracts, credit notes and the like, and the principle of dual control is a mandatory requirement for all material transactions. This is also stipulated in Group-wide corporate standards. To prevent possible data losses and system failures, we regularly back up our relevant IT systems. Our security concept also includes technical system checks, manual spot checks by experienced employees, and individually aligned authorizations and access restrictions. The significant risks for Henkel and the corresponding controls with respect to the regulatory preparation of our annual and consolidated financial statements are collated in a central documentation pack. This documentation is reviewed and updated annually by the respective process owners. The established systems are also regularly reviewed to determine their improvement and optimization potential. We consider these systems to be appropriate and effective.

The accounting activities for subsidiaries included in the consolidated financial statements are performed locally by the subsidiary or through a Shared Service Center, taking the aforementioned corporate standards into account. The individual subsidiaries' financial statements are transferred to our central consolidation system and checked at corporate level for correctness. After all consolidation steps have been completed, the consolidated financial statements are prepared by Corporate Accounting in consultation with the specialist departments. Preparation of the combined management report is coordinated by Investor Relations in cooperation with each business unit and corporate function. The Management Board then draws up the consolidated financial statements and the annual financial statements of Henkel AG & Co. KGaA, and the combined management report for Henkel AG & Co. KGaA and the Group, including the sustainability statement, and subsequently presents these documents to the Supervisory Board for approval.

Risks and opportunities in summary

At the time this report was prepared, there were no identifiable risks related to future developments that – separately or in combination – could endanger the existence either of Henkel AG & Co. KGaA, or a material subsidiary included in the consolidation, or the Group, as a going concern.

In the short term, we expect moderate growth in global economic output. In the coming year, global economic development is again likely to be characterized by persistent geopolitical uncertainties and an overall high price level. We expect the trade policy situation to remain volatile, but believe that the direct impact on our business will remain manageable thanks to our “In the region, for the region” strategy, while the indirect impact on our business remains uncertain.

Although the assessment of some risks may have changed somewhat, there has been no fundamental change to the overall risk and opportunities situation. The system of risk categorization adopted by Henkel continues to indicate that the most significant exposure currently relates to the impact of geopolitical, procurement market, market, competition, customer, and channel risks, to which we are responding with the countermeasures described above.

Equally, none of the identified long-term risks within the ten-year risk horizon is classified as posing a threat to the continued existence of Henkel as a going concern. Even in the unlikely event of several of these risks occurring simultaneously, the Henkel Group's solid risk profile, geographical and portfolio diversification, and store of appropriate countermeasures mean that it is not exposed to any risks that could jeopardize its continued existence as a going concern.

The Management Board remains confident that the earning power of the Group forms a solid foundation for our future business development and provides the necessary resources to leverage our opportunities.

FORECAST

Macroeconomic development

The assessment of future global economic development is based on data provided by S&P Global Market Intelligence.

Overview:

Gross domestic product growth of around 2.5 percent

Following the moderate growth momentum over the past fiscal year, continued modest growth of around 2.5 percent is again forecasted for global economic output in 2026. In the coming year, global economic development is also likely to be characterized by persistent geopolitical uncertainties and an overall high price level. We expect the situation in global trade policy to remain volatile.

Gross domestic product is expected to grow by around 1.5 percent in Europe. An increase of around 2 percent is forecasted for both North America and Latin America. Economic output is expected to expand by around 5 percent in the IMEA region and around 3.5 percent in the Asia-Pacific region.

Inflation:

Persistent global inflationary pressure

According to S&P Global Market Intelligence, global inflation is expected to be around 3 percent in 2026. This is below the level of the previous year, but remains elevated overall. In Europe and North America, inflation is forecasted to be around 2.5 percent. Prices in the IMEA region are expected to increase by around 7.5 percent. Inflation is forecasted to be around 6 percent in Latin America. In the Asia-Pacific region, prices are expected to increase by around 1 percent.

Direct materials:

Ongoing elevated price level

We expect prices for direct materials (raw materials, packaging, purchased goods and services) to increase overall in 2026 by a low single-digit percentage compared to the previous year's average.

Currencies:

Continued high volatility

We anticipate continued high volatility in the currency markets. On average for 2026, we anticipate a largely negative trend in the major emerging market currencies of relevance for Henkel compared to 2025. For the US dollar, we expect a negative development against the euro.

Development by sector

Consumption and retail:

Growth of around 2.5 percent

S&P Global Market Intelligence forecasts that global private consumption will increase by around 2.5 percent in 2026. Private spending is expected to grow by around 1.5 percent in Europe and by around 2.5 percent in North America. Private consumption is forecasted to increase by around 5 percent in the IMEA region and by around 2 percent in Latin America. Growth of around 3.5 percent is expected in the Asia-Pacific region.

Industrial production index:

Growth of around 2 percent

S&P Global Market Intelligence expects the industrial production index (IPX) to increase moderately by around 2 percent worldwide. In Europe, marginal growth of around 1 percent is expected, while North America is forecasted to decline by around -0.5 percent. An increase of around 4.5 percent and around 3.5 percent is expected in the IMEA and Asia-Pacific regions respectively. Industrial production is expected to increase by around 1.5 percent in Latin America.

Outlook for the Henkel Group in 2026

Following moderate growth momentum over the past fiscal year, global economic output is expected to continue to grow at a subdued pace in 2026. Global economic development is also expected to remain shaped by persistent geopolitical uncertainties together with an overall elevated price level. In this context, only a moderate increase in industrial demand and in consumer demand across business areas relevant to Henkel's consumer goods activities is anticipated.

With regard to global trade policy, we expect the situation to remain volatile. For many years, Henkel has pursued a strategy of strengthening resilience through regional diversification. Our geographical footprint remains well balanced, without strong dependencies on individual markets or countries. With our "In the region, for the region" strategy, we are able to mitigate the direct effects of tariffs. As a result, we expect the direct impact of global trade policy on our business to remain manageable in 2026. In contrast, the indirect effects of global trade policy on the global economy, and therefore also on our business, remain uncertain.

We expect prices for direct materials to increase in the low single-digit percentage range versus the annual average for 2025. As in previous years, we will counter these headwinds in both business units through innovations and selective price increases combined with strict cost discipline.

From acquisitions and divestments, we expect a neutral to slightly negative effect on the growth of the Henkel Group's nominal sales.¹

We expect the translation of sales in foreign currencies to have a negative impact in the low single-digit percentage range.

In light of these factors, we issue the following guidance for the business performance of the Henkel Group and the two business units in fiscal 2026:

Guidance 2026

	Guidance 2026
Organic sales growth	
Henkel Group:	1.0 to 3.0 percent
Adhesive Technologies:	1.0 to 3.0 percent
Consumer Brands:	0.5 to 2.5 percent
Adjusted² return on sales (adjusted EBIT margin)	
Henkel Group:	14.5 to 16.0 percent
Adhesive Technologies:	16.5 to 18.0 percent
Consumer Brands:	14.0 to 15.5 percent
Development of adjusted² earnings per preferred share at constant exchange rates	
	Increase in the low to high single-digit percentage range

² Adjusted for one-time expenses and income, and for restructuring expenses.

Furthermore, we have the following expectations for 2026:

- Restructuring expenses of 150 to 200 million euros
- Cash outflows for investments in property, plant and equipment and intangible assets of between 650 and 750 million euros

Dividend

In accordance with our dividend policy and depending on the Company's asset and profit positions and its financial requirements, we expect a dividend payout by Henkel AG & Co. KGaA for fiscal 2025 in the range of 30 to 40 percent of net income after non-controlling interests and adjusted for exceptional items.

¹ The intended acquisitions of ATP Adhesive Systems and Stahl Group have not yet been taken into account, as certain transaction conditions are still outstanding.

Sustainability statement

150 Scope and reference framework

151 General disclosures (ESRS 2)

- 151 Basis for preparation
- 153 Governance
- 165 Strategy
- 174 Impact, risk and opportunity management

186 Environmental information

- 186 Climate change (ESRS E1)
- 217 Pollution (ESRS E2)
- 222 Water and marine resources (ESRS E3)
- 230 Biodiversity and ecosystems (ESRS E4)
- 248 Resource use and circular economy (ESRS E5)
- 264 Disclosures pursuant to Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation)

268 Social information

- 268 Own workforce (ESRS S1)
- 288 Workers in the value chain (ESRS S2)
- 300 Affected communities (ESRS S3)
- 306 Consumers and end-users (ESRS S4)

316 Governance information

- 316 Business conduct (ESRS G1)

320 Explanatory information on the non-financial statement of Henkel AG & Co. KGaA in accordance with Sections 289b and 315c of the German Commercial Code [HGB]

321 Appendix to the Sustainability Statement

Scope and reference framework

Combined non-financial statement with application of the European Sustainability Reporting Standards (ESRS)

Our Sustainability Statement 2025 serves as the combined non-financial group report for the Henkel Group and Henkel AG & Co. KGaA for fiscal 2025 within the meaning of Sections 315b and 315c, in conjunction with 289b to 289e of the German Commercial Code [HGB], as well as the EU Taxonomy Regulation. The Sustainability Statement is made available to the public by publication in the Company Register.

In preparing this statement, we used the European Sustainability Reporting Standards (ESRS) as the framework in accordance with Section 315c (3) in conjunction with Section 289d HGB and followed their content requirements. The ESRS are being used as a framework due to the importance of the ESRS as reporting standards for sustainability reporting adopted by the European Commission.

The information presented has been selected on the basis of the material sustainability topics identified in the materiality assessment and the list of data points published by European Financial Reporting Advisory Group (EFRAG) (EFRAG Implementation Guidance – IG 3 List of ESRS data points). Data points that fall under voluntary reporting or phased transition provisions will not be considered by Henkel in the 2025 reporting year.

Henkel reports in accordance with the general standard “General Disclosures” (ESRS 2) and each of the ten topic-specific ESRS standards. For the reporting of topic-specific standards, we have adopted a consistent chapter structure, with each section starting with an introduction that meets the disclosure requirement for SBM-3 “Material impacts, risks, and opportunities and their interaction with strategy and business model” and subsequently follows the structure of the topic-related ESRS standards.

The combined non-financial statement for the Henkel Group and Henkel AG & Co. KGaA for fiscal 2025 was audited on behalf of the Supervisory Board by Pricewaterhouse Coopers GmbH WPG, in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised): “Assurance Engagements other than Audits or Reviews of Historical Financial Information,” issued by the International Auditing and Assurance Standards Board (IAASB), with the aim of obtaining limited assurance regarding the legally required disclosures pursuant to Sections 315b and 315c in conjunction with Sections 289b to 289e HGB and the EU Taxonomy Regulation.

General disclosures (ESRS 2)

Basis for preparation

General basis for preparation (BP-1) *ESRS 2.5*

This non-financial statement in accordance with Section 289b, 315c HGB (hereinafter referred to as "Sustainability Statement") was prepared on a consolidated basis.

The scope of consolidation for this Sustainability Statement is, in principle, the same as that of the consolidated financial statements. Accordingly, references to Henkel's own business activities in this Sustainability Statement include all subsidiaries that have been fully consolidated in the consolidated financial statements based on the concept of control. For further information, please refer to the consolidated financial statements, section "Scope of consolidation."

None of the subsidiaries of Henkel AG & Co KGaA based in the European Union is considered a public-interest entity. Accordingly, for the 2025 reporting, all subsidiaries of Henkel AG & Co KGaA domiciled in the European Union are exempt from individual or consolidated sustainability reporting in accordance with Section 289b HGB, which transposes Articles 19a (9) and 29a (8) of Directive 2013/34/EU into German law.

This Sustainability Statement covers Henkel's own operations and those in its upstream and downstream value chains. The materiality assessment of the impacts, risks and opportunities was carried out for the entire upstream and downstream value chain. The policies, actions and targets related to material impacts, risks and opportunities generally cover the entire value chain. Furthermore, the option has been exercised to apply the provisions for the phased-in disclosure requirements or data points, thereby deferring the reporting of these mandatory disclosures to future years.

We have not omitted any information related to intellectual property, know-how or the results of innovations.

Henkel also does not make use of the exemption allowing the omission of unfavorable information as provided under Section 289e HGB.

Disclosures in relation to specific circumstances (BP-2) *ESRS 2.9*

The time horizons used by Henkel for preparing the information in this Sustainability Statement are in line with the recommendation for time horizons as described in ESRS 1.77. Accordingly, "short-term" covers the reporting period following the current reporting period (that is the year 2026 for the 2025 Sustainability Statement), "medium-term" refers to the period from the end of the short-term reporting period up to the fifth reporting period (that is from 2027 to the end of 2030 for the 2025 Sustainability Statement) and "long-term" covers the reporting period of more than five years up to the tenth year after the current reporting period (that is from 2031 to the end of 2035 for the 2025 Sustainability Statement).

The limit of up to ten years following the current reporting period was chosen to ensure that the quality of the forecasts and projections is sufficient. In addition, the long-term time frame matches the definition of the long-term time horizon used in Henkel's risk reporting.

Value chain estimations and outcome uncertainty *ESRS 2.10, ESRS 2.11, ESRS 2.77b*

Several metrics disclosed in this sustainability statement include upstream and downstream value chain data estimated using indirect sources, such as sector-average data or other proxies. Correspondingly some metrics are subject to a high degree of measurement uncertainty. Information on these estimations and outcome uncertainty is disclosed alongside the methodological information for calculating the datapoints in the respective topic chapters.

The key performance indicators disclosed in this Sustainability Statement were reviewed by our statutory auditor as part of a limited assurance engagement.

Changes of sustainability information, reporting of errors and disclosures stemming from other legislation *ESRS 2.13, ESRS 2.14, ESRS 2.15*

Any changes in preparation or presentation of sustainability information compared to the 2024 report are explained and disclosed together with the respective metric.

If applicable, significant prior period errors are also disclosed with the respective metric and corrected to the extent practicable.

Disclosures have been included in this Sustainability Statement due to the reporting requirements of the German Commercial Code [HGB]. This Sustainability Statement also includes the disclosures required under Article 8 of Regulation 2020/852 (EU Taxonomy Regulation), which are presented in the EU Taxonomy chapter following all environmental chapters.

Compared to the previous year, the report has been structurally revised to achieve a more fluid narrative. Paragraphs have been merged or rearranged, and any duplications have been reduced. The layout has also been optimized to save space. This has resulted in a significantly shorter report, without reducing the essential information compared to the previous year.

Incorporation of information by reference *ESRS 2.16*

This Sustainability Statement has been prepared without using the option of incorporating information by reference to another section of the management report or any other corporate report.

Governance

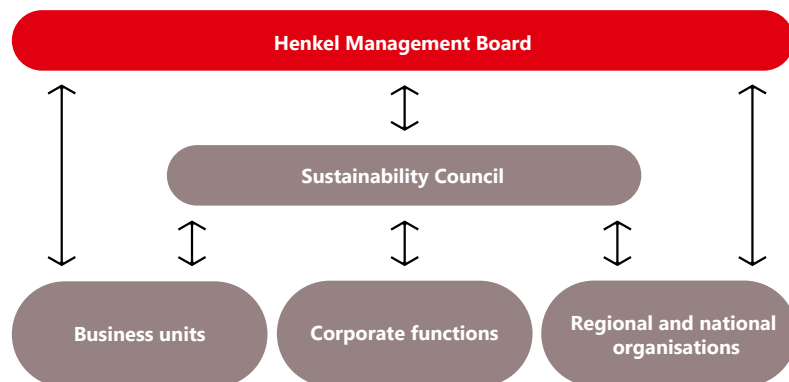
The role of the administrative, management and supervisory bodies (GOV-1)

Embedding sustainability in governance *ESRS 2.22c, d*

Sustainability management – including managing and monitoring impacts, risks and opportunities, that is, the Company’s material sustainability topics – is vertically, horizontally and cross-functionally integrated into Henkel’s organizational structure.

The Henkel Management Board bears overall responsibility for our sustainability strategy and for the Compliance organization, which ensures that the applicable laws and internal guidelines are adhered to. The Management Board is supervised by the Supervisory Board and the Shareholders’ Committee.

Responsible corporate governance



On behalf of the Management Board, the Sustainability Council steers Henkel’s sustainability strategy and activities. The Council is chaired by the Management Board member responsible for Human Resources, Infrastructure and Sustainability. Other Management Board members and their respective

business units or functions are represented in the Council by at least one senior manager. Key topics on the Sustainability Council’s agenda are regularly addressed in the Executive Committees (ExComs) of the business units and functions. The Management Board approves the Company’s sustainability strategy, goals and governance. It also regularly reviews progress. The Sustainability Council agrees on common positions and presents these to the Management Board for approval. They include new strategic priorities, external targets, risks and opportunities related to material topics such as climate change and its impacts, water, biodiversity, human rights, sustainable products and technologies, packaging, circular economy and product safety.

The Sustainability Council develops topic-specific concepts and establishes dedicated project groups to oversee the implementation of action plans, ensure compliance with common standards and processes, facilitate the exchange of best practices, and monitor results. It oversees cross-departmental projects and continuously reviews the achievement of sustainability goals.

The business units and functions are responsible for the practical implementation of the sustainability strategy and for providing the necessary resources for its execution.

The central Corporate Sustainability function, led by the Chief Sustainability Officer and reporting to the Management Board member responsible for Human Resources, Infrastructure and Sustainability, plays a key governance role in overseeing the Company’s sustainability standards, strategy and concepts, as well as supporting the role of the Sustainability Council as described above.

In addition, we use processes and controls for the impacts, risks and opportunities identified as material, which will continue to be further developed in the coming years as part of sustainability reporting. For more information, please refer to the section “Risk management and internal controls over sustainability reporting” (GOV-5) in this chapter.

The interdisciplinary Compliance & Risk Committee promotes the development and continuous improvement of Henkel's compliance culture through a compliance system within the Henkel Group, including risk assessment, management and reporting, as well as the development of corresponding strategies. The committee initiates and supports the development and implementation of preventive actions against compliance risks and violations, as well as reactive actions in response to identified risks and compliance breaches.

The Management Board informs the Supervisory Board and the Shareholders' Committee about all relevant issues, including strategy. It discusses the status of strategy implementation and establishes new targets as necessary.

Governance structure and diversity *ESRS 2.21a, b, c, d*

Henkel AG & Co. KGaA is a partnership limited by shares (KGaA). The sole Personally Liable Partner of the Company is Henkel Management AG (MAG). The Management Board of MAG (Management Board) is responsible for managing the Company's operations. The Management Board consists of five members. Four Management Board members are male and one is female.

The Company's Supervisory Board consists of sixteen members: eight shareholder representatives (four men and four women) and eight workers' representatives (five men and three women). The Company's Articles of Association (Article 27) provide for the establishment of a Shareholders' Committee. It currently has ten members (eight men and two women).

Among the eight members of the Supervisory Board of the KGaA who serve as workers' representatives, six are employed by the Company and its domestic subsidiaries, while the remaining two represent trade unions. Other workers who are not employees of the Company or its domestic subsidiaries are not represented on the Supervisory Board.

Management Board

Statutory gender quota for the Management Board

In a publicly listed company subject to the Co-Determination Act, if the Management Board has more than three members, the Management Board must include at least one woman and one man (participation requirement pursuant to section 76 (3a) for the German Stock Corporation Act (AktG)).

In accordance with this rule, the Management Board of Henkel Management AG, the sole Personally Liable Partner of Henkel AG & Co. KGaA as a publicly listed company subject to the Co-Determination Act, must include at least one woman and one man if it consists of more than three members.

This participation requirement was consistently met during the reporting year. As of December 31, 2025, the Management Board consisted of four men and one woman, corresponding to a representation ratio of 80 percent male and 20 percent female.

Diversity considerations regarding the composition of the Management Board

While qualifications, competence and professional excellence are decisive for filling Management Board positions, the Supervisory Board of Henkel Management AG has adopted the following criteria, following discussions within the Shareholders' Committee and its Personnel Committee, to ensure a broad range of knowledge, skills and professional experience (diversity) on the Management Board:

- Educational/professional background:
The Management Board members, as a whole, should possess knowledge, skills and professional experience, particularly in the following areas:
 - Leadership experience: Managing international units, engaging with employee representatives, leading and motivating employees and succession planning.
 - Business understanding: Knowledge/experience in the industrial/consumer business and key markets, taking into account the social and societal environment in which Henkel operates, as well as knowledge/experience in the areas of marketing/sales and digitalization/e-commerce. Expertise in research and development, production/technology and sustainable business practices, particularly in integrating sustainability topics into business processes, is also required.
 - Strategic expertise: Developing future perspectives and strategies and implementing them.
 - Financial expertise: Experience in accounting, auditing, financing and capital market issues.
 - Controlling/Risk management: Experience in internal control systems, risk management systems and internal audit systems.
 - Governance/Compliance/Ethics: Experience in the interaction of corporate bodies (governance), compliance with legal and internal requirements (compliance) and a modern understanding of corporate ethics and its implementation.
- Internationality:
The Company's international activities in emerging and mature markets should be adequately reflected in the composition of the Management Board. It is therefore intended that the Management Board should include members of different nationalities or with an international background, such as significant professional experience abroad or management of foreign business activities.

- Gender:
Both genders should be adequately represented on the Management Board. The Management Board must include at least one woman and at least one man.
- Seniority:
The composition of the Management Board should appropriately balance "change" and "continuity." It is intended that the Management Board should include members with varying levels of seniority. In general, Management Board members should not be older than 63 years.

We believe that the aforementioned objectives were fully achieved during the reporting year. The Management Board collectively possesses the knowledge, skills and professional experience required to properly perform its tasks. Several members also have international business experience in emerging and mature markets. No member of the Management Board exceeds the targeted maximum age.

Supervisory Board

Statutory gender quota for the Supervisory Board

For Henkel AG & Co. KGaA, as a publicly listed company subject to the Co-Determination Act of 1976, at least 30 percent of the Supervisory Board must consist of women and at least 30 percent of men (Section 96 paragraph 2 AktG).

Throughout the reporting year, shareholder and workers' representatives consistently met the statutory minimum requirements for gender representation. As of December 31, 2025, the Supervisory Board consisted of nine men and seven women, including four men and four women on the shareholder representatives' side and five men and three women on the workers' representatives' side. This corresponds to approximately 56 percent men and 44 percent women.

Diversity considerations regarding the composition of the Supervisory Board
Taking into account statutory requirements, the recommendations of the German Corporate Governance Code (DCGK), the specific situation and the global reach of the Company's activities in industrial and consumer goods sectors, the Supervisory Board has established the following objectives for its composition. These objectives are considered in the Supervisory Board's proposals for elections at the Annual General Meeting for regular re-elections and replacements. For workers' representatives, the special provisions of the Co-Determination Act of 1976 must be observed.

- Education/professional experience:
The Supervisory Board must collectively have knowledge, skills and professional experience in areas such as:
 - Understanding of the business: Experience in research and development, production/engineering, marketing, sales and distribution, digitalization/e-commerce and knowledge of industrial or consumer goods sectors and key markets where Henkel operates.
 - Sustainability: Experience in sustainable business practices, particularly in integrating sustainability topics into business processes.
- Independence and integrity:
To ensure the independence of its advisory and supervisory functions, shareholder representatives on the Supervisory Board must include a number of independent members that it considers to be appropriate, taking into account the Company's ownership structure.

- Internationality:
The Company's international activities should be adequately reflected in the composition of the Supervisory Board. Henkel aims to have several members with an international background, such as extensive work experience abroad or the management of foreign business activities.
- Gender:
The Supervisory Board should include an adequate proportion of women. The statutory minimum requirement of 30 percent is considered appropriate. Henkel aims to increase the proportion of women in new or replacement appointments.
- Age and length of service:
The Supervisory Board should appropriately include representatives from different generations and age groups. Henkel therefore aims to have members from different generations and age groups on the Supervisory Board.

Shareholders' Committee

Diversity considerations regarding the composition of the Shareholders' Committee

In view of the Shareholders' Committee's responsibilities, its members should collectively have knowledge, skills and experience in areas such as:

- Understanding of the business: Experience in industrial and/or consumer-oriented business fields and Henkel's key markets, as well as expertise in marketing, sales and distribution, digitalization/e-commerce, research and development and production/technology.

- Sustainability: Experience in sustainable management, particularly in integrating sustainability topics into business processes.

Ensuring independent and effective oversight *ESRS 2.21e; ESRS 2.22a, b*

As of December 31, 2025, four of the eight (50 percent) shareholder representatives on the Supervisory Board of the Company were not members of the Henkel family shareholder agreement and were therefore considered independent from the controlling shareholder under recommendation C.9 of the German Corporate Governance Code (DCGK). For further information on the Henkel family share-pooling agreement, please refer to the consolidated financial statements, section "Related party disclosures".

As of December 31, 2025, five of the ten members (50 percent) of the Shareholders' Committee were not members to the Henkel family share-pooling agreement and are therefore independent from the majority shareholder in the corresponding application of the recommendation of C.9 of the German Corporate Governance Code (DCGK).

The following bodies are responsible for overseeing impacts, risks and opportunities related to sustainability:

- Management Board
- Sustainability Council
- Supervisory Board
- Audit Committee of the Supervisory Board
- Sustainability Committee of the Supervisory Board
- Shareholders' Committee
- Compliance & Risk Committee

Management Board

The Management Board is responsible for managing the Company as a whole. Its primary responsibilities include defining the organizational structure, objectives and strategic direction of the Company, including its sustainability strategy. The Management Board systematically identifies and assesses social and environmental risks and opportunities for the Company, as well as the

environmental and social impacts of its business activities. Within the Management Board, there is a department dedicated to Human Resources, Infrastructure and Sustainability.

The Management Board has established various committees, some of which are led by a Management Board member, to advise on and decide specific issues, particularly regarding acquisitions, divestments, investments, HR policies and sustainability matters. These committees, such as the Sustainability Council, which is chaired by the Management Board member responsible for sustainability and reports to the full Management Board, review planned actions, evaluate risks and opportunities. They either communicate their decisions to the Management Board or submit proposals for decision-making by the Management Board.

Supervisory Board

The Supervisory Board is responsible for advising and monitoring the Management Board in the performance of its management duties, including with regard to sustainability aspects. The Supervisory Board and the Management Board regularly discuss progress in implementing the business and sustainability strategy, business policy, business development and planning, the risk situation, risk management and the internal control system, as well as compliance issues.

Given the importance of Environment, Social, Governance (ESG) issues to the Company and the expanded requirements for sustainability reporting, the Supervisory Board has established a Sustainability Committee. This committee monitors and advises on the sustainability strategy of the Management Board and its further development. It also addresses non-mandatory sustainability reporting, including communication and external disclosures beyond this Sustainability Statement. The Sustainability Committee further reviews such disclosures where applicable, unless the Audit Committee is responsible, which on the other hand oversees the sustainability-related internal control and risk management system.

The Audit Committee of the Supervisory Board prepares the Supervisory Board's discussions and resolutions on the approval of the annual financial statements and consolidated financial statements and the combined management report which includes this Sustainability Statement. The Audit Committee monitors financial reporting and the financial reporting process, and assesses the effectiveness of the internal control system, the risk management system and the internal audit systems. It also addresses matters related to compliance, sustainability reporting and audit quality.

Shareholders' Committee

The Shareholders' Committee participates in defining the Company's strategy and policies, objectives and long-term planning. It regularly advises and oversees Henkel Management AG and its Management Board in managing the Company. The committee is involved in major corporate decisions and provides suggestions for the Company's development, including on sustainability matters.

Skills and expertise across governance bodies *ESRS 2.23; G1.5*

Sustainability

Henkel has stipulated that a reasonable number of the members of the Management Board, Supervisory Board and Shareholders' Committee possess knowledge, skills and experience in the field of sustainability, including areas such as climate change, environment, water, biodiversity, circular economy, social issues and corporate governance.

For the Management Board: While qualifications, competence and professional excellence are decisive for filling Management Board positions, the Supervisory Board of Henkel Management AG, following discussions in the Shareholders' Committee and its Personnel Committee, has adopted criteria requiring consideration when appointing Management Board members to ensure the broadest possible range of knowledge, skills and professional experience (diversity) within the board. This also includes the ability to engage in entrepreneurial and forward-looking strategic decision-making within the given regulatory environment, particularly with regard to ESG requirements.

Newly elected members of the Supervisory Board and the Shareholders' Committee undergo an onboarding process to familiarize themselves with our corporate values, applicable codes and standards, the Company's organizational structure, strategy (including sustainability and associated primary initiatives), operational developments and other current topics. This process also covers the rights and responsibilities of members, taking into account the specific requirements of our legal form and Articles of Association. Members are also encouraged to independently strive to acquire the additional training needed to fulfill their responsibilities, such as when changes in legal frameworks occur. The Company provides appropriate support for these efforts. Internal informational events are offered as needed to provide targeted training, including training on implementing sustainability initiatives.

Several shareholder representatives on the Supervisory Board and members of the Shareholders' Committee have served or currently serve as members of the management boards of relevant companies, bringing experience and expertise in managing globally operating companies and leading employees. Other shareholder representatives on the Supervisory Board and members of the Shareholders' Committee have advanced knowledge in the areas of research and development, production, marketing, sales, digitalization/e-commerce and sustainable business practices. In addition, several shareholder representatives on the Supervisory Board and in the Shareholders' Committee bring international business experience in emerging or mature markets, teach sustainability at academic institutions or contribute expertise through memberships in expert groups on sustainable chemical strategy or scientific backgrounds in natural sciences.

Overall, the Supervisory Board and the Shareholders' Committee possess the necessary knowledge, skills and professional experience to properly and effectively fulfill their responsibilities.

The majority of the members of the Supervisory Board and the Shareholders' Committee possess expertise in the field of sustainability. This includes thematic specializations and familiarity with sustainability topics such as climate change, environmental protection, water, biodiversity, circular economy, social responsibility and corporate governance, which align with our material impacts, risks and opportunities. This applies accordingly to the members of the Management Board. The Supervisory Board and the Shareholders' Committee are therefore well equipped to engage with the Management Board on sustainability-related topics such as strategy, processes and reporting obligations.

Business conduct

The Management Board ensures that the Company systematically identifies and evaluates its environmental and social risks and opportunities, as well as the environmental and social impacts of its business activities.

The Supervisory Board is responsible for advising and monitoring the Management Board in the performance of its management duties, including with regard to sustainability aspects. The Supervisory Board and the Management Board regularly discuss progress in implementing the business and sustainability strategy, business policy, business development and planning, the risk situation, risk management and the internal control system, as well as compliance issues.

The Shareholders' Committee participates in defining the Company's policies, objectives and long-term planning. It regularly advises and oversees Henkel Management AG and its Management Board in managing the Company. The committee is involved in major corporate decisions, provides suggestions for the Company's development and oversees adherence to budgets.

Henkel has stipulated that a reasonable number of members of the Management Board, Supervisory Board and Shareholders' Committee possess knowledge, skills and experience in governance and compliance, particularly regarding the interaction between corporate bodies (Governance) and adherence to legal and internal corporate requirements.

Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies (GOV-2)

Information for the administrative, management and supervisory bodies *ESRS 2.26*

Each year, a schedule is prepared for meetings of all relevant bodies. The usual meeting frequency is as follows:

Frequency of committee meetings

Management body	Frequency of meetings
Management Board	approximately every two weeks
Sustainability Council	approximately every two months, with additional meetings as needed
Shareholders' Committee	approximately every two months
Supervisory Board	quarterly
Audit Committee	quarterly
Sustainability Committee	quarterly

Sustainability topics are integrated into the regular meeting schedule. In special circumstances, extraordinary meetings are convened.

The following table shows the frequency with which the Sustainability Council informed management and supervisory bodies about material impacts, risks and opportunities, the implementation of due diligence and the outcomes and effectiveness of strategies, actions, metrics and targets designed to address these during 2025. It also shows the number of meetings held by the Sustainability Council.

Number of committee meetings on sustainability matters

	2024	2025
Management Board	11	7
Sustainability Council	6, plus 5 special sessions related to the CSRD implementation program	6
Shareholders' Committee	2	3
Supervisory Board	1	3
Audit Committee	3	2
Sustainability Committee	2	4

The Management Board, the Supervisory Board and the Shareholders' Committee regularly address sustainability topics as part of their oversight of the Company's strategy. This includes reviewing and weighing impacts, risks and opportunities, as well as potential trade-offs in decisions concerning significant transactions.

The results of the materiality assessment, including the associated material impacts, risks and opportunities, were presented to and reviewed by the Sustainability Council, the Management Board and the Audit Committee of the Supervisory Board. For further information on the material impacts, risks and opportunities, please refer to the respective tables in the topic chapters.

Integration of sustainability-related performance in incentive schemes (GOV-3)

Sustainability-related performance in incentive schemes *ESRS 2.29*

In 2023, the remuneration system for members of the Management Board was adjusted and approved by the Annual General Meeting of Henkel AG & Co. KGaA. The objective of this adjustment was to better support our Company strategy and the sustainable development of the Company. The performance parameters for the annual variable remuneration (Short Term Incentive, STI) are the financial targets achieved during the fiscal year (organic sales growth and adjusted earnings per preferred share, each weighted at 50 percent), as well as the individual performance and goals (focus topics) of the Management Board members, which also include ESG aspects. The performance parameters of the Long Term Incentive Plan (LTI Plan) – a virtual stock plan with a three-year measurement period for target achievement and a subsequent one-year lock-up period – include financial goals (adjusted return on capital employed, weighted at 60 percent and relative total shareholder return, weighted at 20 percent) and ESG targets (weighted at 20 percent).

The 2023 LTI tranche includes the following two ESG targets:

1. Reduction of CO₂ emissions per metric ton of product at our production sites compared to the base year 2017 (weighting: 10 percent); and
2. Significant progress toward Henkel's ambition to achieve gener parity by 2025 (weighting: 10 percent).

The 2024 LTI tranche includes the following three ESG targets:

1. Reduction of CO₂ emissions per metric ton of product at our production sites compared to the base year 2017 (weighting: 6 percent);
2. Increasing the share of recycled plastic for all packaging of our consumer products (weighting: 6 percent), and
3. Significant progress towards the goal of achieving gender parity by 2025 (weighting: 8 percent).

The 2025 LTI tranche includes the following three ESG targets:

1. Absolute reduction of Scope 1 and 2 CO₂ emissions compared to the base year 2021 (weighting: 6 percent);
2. Increasing the share of recycled plastic for all packaging of our consumer products (weighting: 6 percent); and
3. Demonstrate commitment to belonging, inclusion and equal opportunities for all (weighting: 8 percent).

For further details, such as specified increase and reduction targets including their concrete quantification, please refer to the remuneration report for fiscal year 2025. For further information on the targets, please refer to the topic-specific chapters "Climate Change" (ESRS E1), "Resource Use and Circular Economy" (ESRS E5), and "Own Workforce" (ESRS S1).

The Personnel Committee of the Shareholders' Committee and the Supervisory Board of Henkel Management AG decide on the remuneration of the Management Board, including incentive systems and their further development. The Annual General Meeting of Henkel AG & Co. KGaA decides on the approval of the remuneration system for Management Board members in the event of any significant changes, but at least every four years. The remuneration of Management Board members is determined in accordance with a remuneration policy submitted to the Annual General Meeting for

approval. The remuneration of the Supervisory Board and the Shareholders' Committee is determined by the Annual General Meeting based on provisions in the Articles of Association. The remuneration policies are submitted to the Annual General Meeting of Henkel AG & Co. KGaA for approval at least every four years.

Share of compensation related to sustainability performance *E1.13*

Remuneration systems for the Management Board: ESG-related goals account for 20 percent of the targets in the Management Board's long-term incentive system. Alongside other ESG targets (see above the sections "Sustainability-related performance in incentive schemes", climate-related considerations are also factored into the incentive system. For instance, the achievement of Henkel's targets for reducing Scope 1 and 2 CO₂ emissions, which the Science Based Targets initiative (SBTi) confirmed in 2020, was included in the long-term incentive (LTI) of the Management Board.

The LTI tranche 2023 includes the following climate-related target: Reduction of CO₂ emissions per metric ton of product at our production sites (compared to the base year 2017). LTI tranche 2024 also includes the same climate-related target. In addition, our target of increasing the share of recycled plastic for all packaging of our consumer products contributes to avoiding greenhouse gas emissions (GHG) in our value chain. In the 2023 LTI tranche, this corresponds to 10 percent of the LTI tranche and in the 2024 LTI tranche – due to the inclusion of the additional ESG targets – 12 percent of the LTI tranche. In LTI tranche 2025 the target of CO₂ reduction per ton of product was changed to an absolute reduction CO₂ target (base year 2021). The share of climate related targets in the LTI tranche 2025 remained unchanged at 12 percent. Henkel's approach aligns with the growing expectations of investors and regulators for companies to integrate climate-related risks and sustainability into corporate governance and executive compensation.

The performance parameters for the annual variable remuneration (Short Term Incentive, STI) are the financial targets achieved during the fiscal year, as well as the individual performance and goals (focus topics) of the Management Board members, which also include ESG aspects such as climate.

The remuneration systems for the Supervisory Board and the Shareholders' Committee are structured as fixed compensation.

Further information is available on the website at www.henkel.com/corporate-governance.

Statement on due diligence (GOV-4)

Overview of due diligence process *ESRS 2.32*

The requirements for due diligence in the field of sustainability are considered when assessing material impacts. In human rights, for example, we consider the risks for the rights holders. This risk analysis is the basis for our human rights due diligence approach, which covers human rights and environmental risks. At the same time, we closely track global and national developments on the understanding of terms, on the assessment of risks, opportunities and impacts, and on the design of appropriate due diligence procedures.

Our implementation of due diligence obligations is guided by the UN Guiding Principles on Business and Human Rights. In addition, the OECD Due Diligence Guidance for Responsible Business Conduct acts as a benchmark for our approach, which we continuously review and develop as necessary. To identify, prevent or mitigate human rights and environmental risks, Henkel has established a company-wide risk management and due diligence process.

The following table outlines the core elements of due diligence and their references in the Sustainability Statement:

Overview of the statement of due diligence

Core elements of due diligence		Paragraphs in the Sustainability Statement
a)	Embedding due diligence in governance, strategy and business model	General information: ESRS 2 GOV-2, GOV-3, SBM-3
b)	Engaging with affected stakeholders in all key steps of the due diligence	General information: ESRS 2 GOV-2, SBM-2, IRO-1, MDR-P Environmental information: ESRS E1, E2, E3, E4, E5 Social information: ESRS S1, S2, S3, S4
c)	Identifying and assessing adverse impacts	General information: ESRS 2 IRO-1, SBM-3 Environmental information: ESRS E1, E2, E3, E4, E5 Social information: ESRS S1, S2, S3, S4
d)	Taking action to address those adverse impacts	Environmental information: ESRS E1, E2, E3, E4, E5; MDR-A in the respective topic chapters Social information: ESRS S1, S2, S3, S4; MDR-A in the respective topic chapters
e)	Tracking the effectiveness of these efforts and communication	General information: ESRS 2 MDR-T; MDR-M in the respective topic chapters Environmental information: ESRS E1, E2, E3, E4, E5 Social information: ESRS S1, S2, S3, S4

Further information can be found on our website, such as in our policy statement on human rights under: **Human Rights and Social Standards**.

Risk management and internal controls over sustainability reporting (GOV-5)

Risk management and internal controls over sustainability reporting

ESRS 2.36

Responsible handling of risks and opportunities is firmly anchored in Henkel's corporate governance. Coordinated risk management and internal control systems enable early identification and assessment, taking into account business-specific risks. Both systems incorporate sustainability matters.

Henkel reports annually on sustainability. We published our first Environmental Report as early as 1992 and then gradually developed it into a broader Sustainability Report building up extensive expertise in relevant topics such as circularity, climate, nature and social issues. Regulations, rules and processes ensure reliable reporting. A significant portion of location-based data is systematically collected and verified. Global data is collected through centrally controlled processes, each verified for plausibility by involving experts in the assessment. This ensures that, in the data collection and reporting process, the completeness and integrity of the data, as well as the accuracy of estimation results, are taken into account for the upstream and downstream value chain.

We assess impacts, risks and opportunities as part of our global sustainability management approach. This includes the materiality assessment along our value chain. Subject-specific risk perspectives are considered. The expert reviews to validate results, and the processes for assessing and prioritizing risks, will become increasingly formalized in future reporting years as the internal control system for sustainability reporting is further developed.

Main risks identified and mitigation strategies

The key risks identified in sustainability reporting are:

1. Identifying report content through materiality assessment.
2. Interpreting regulatory requirements for report content.
3. Collecting and reporting report content.

Interdisciplinary collaboration between expert departments and a central reporting management function ensures alignment on the materiality assessment, reporting requirements and content to mitigate potential risks. Close collaboration between the Sustainability and Finance departments integrates existing reporting and risk management expertise.

As described above, the data underlying the sustainability statement is validated to ensure completeness, correctness, and estimation accuracy. This validation takes place within the broader context of internal annual assessment of inherent risks. In some cases, controls are already in place. In addition, selected location-based data is systematically collected and verified using the four-eyes principle.

As part of the further development of the internal control system for sustainability reporting, important reporting processes are analyzed, existing validations and controls are reviewed, and new controls are defined, implemented and tested to ensure reliable reporting. The existing internal control system for financial reporting is being constantly extended to include critical sustainability reporting processes. Integration into the existing policy framework aims to ensure that material risks of sustainability reporting are addressed.

The risk situation is reported to the Compliance & Risk Committee, the Management Board and the oversight bodies. Unforeseen significant changes are immediately reported to the CFO and the Compliance & Risk Committee. The coordination of the entire risk reporting process and the analysis of inventoried risks fall under the responsibility of Corporate Accounting.

As part of the non-financial reporting, a risk analysis was carried out taking into account the concepts and processes for risk mitigation described in this report. In accordance with Sections 289c (2) and (3) and 315c HGB, no “material risks” were identified – neither with respect to our own business activities nor with respect to our business relationships, products, and services – that are “very likely to have severe negative impacts” now or in the future.

Strategy

Strategy, business model and value chain (SBM-1)

Henkel's business model and products *ESRS 2.40a*

Sustainability, innovation and digitalization form essential parts of our strategic framework for purposeful growth, the Purposeful Growth Agenda. In our strategy, we understand sustainability as a competitive edge that enables business growth and creates value for our business and industrial customers, consumers and all other stakeholders. Our corporate strategy is also embedded in the strategies of our business units. Additionally, our 2030+ Sustainability Ambition Framework addresses further topics that align with our aspiration to create a transformational impact for the good of generations. This aspiration also guides our approach to individual current and future topics. We continue to follow best practice in Environmental, Social and Governance (ESG) issues, integrating independent opinions and expert advice and regularly incorporating these ideas into our strategic framework and publications. Further information is available on the website at www.henkel.com/sustainability.

Henkel's business is organized into two business units: Adhesive Technologies and Consumer Brands. Our Adhesive Technologies business unit offers technologies for adhesives, sealants and coatings – for industrial applications and for consumers and craftsmen. Based on our technology portfolio, we provide customer-centric solutions in our Mobility & Electronics, Packaging & Consumer Goods, and Craftsmen, Construction & Professional business areas. The distribution channels include direct sales to our customers in industry and trade, as well as brick-and-mortar retail, among others. In the Consumer Brands business unit, we focus on the two global business areas Laundry & Home Care and Hair, and are also active in the Other Consumer Businesses area with its operations in selective markets. Our portfolio features laundry detergents and household cleaners, hair styling, hair colorants and hair care products for the Consumer and Professional businesses, as well as body care products. In all business areas, we offer consumer-relevant innovations that create added value for our customers and consumers, as well as end-users.

We distribute our products through brick-and-mortar stores, hair salons and digital channels.

Consolidated sales in fiscal year 2025 amounted to 20.5 billion euros. Henkel operates in the Europe, IMEA (India, Middle East, Africa), North America, Latin America and Asia-Pacific regions. Europe, North America and Asia-Pacific represent key markets, as they accounted for 81.6 percent of our sales in the 2025 fiscal year.

Our main customer groups include retail and industrial customers, distributors, consumers and end-users in the craft and industrial sectors.

- Retail customers and distributors: These companies serve the needs of private consumers, craftsmen and small industrial customers. They provide access to Henkel's product portfolio, including adhesives, sealants, coatings, laundry and home care products, as well as hair and body care products.
- Consumers: These are individuals who use Henkel products, such as laundry and home care products and hair and body care products, from our Consumer Brands business unit.
- End-users: Professional users such as craftsmen, employees in manufacturing industries, automotive repair businesses, cleaning services, the construction sector and freelance service providers, as well as salon professionals, use our products and services. Industrial end-users use Henkel products for specific needs and requirements, such as adhesives, sealants and coatings for industrial applications.

At the end of 2025, Henkel employed around 47,200 people worldwide. The following table shows the distribution of employees by region.

Employees¹ by region

	Unit	2024	2025
Europe	Number of employees	20,450	20,500
	%	43.4	43.5
IMEA	Number of employees	5,000	5,300
	%	10.6	11.2
North America	Number of employees	7,850	7,250
	%	16.6	15.4
Latin America	Number of employees	5,400	5,450
	%	11.5	11.6
Asia-Pacific	Number of employees	8,500	8,650
	%	18.0	18.4
Total²	Number of employees	47,150	47,200

¹ Basis: permanent employees excluding apprentices; figures rounded (at December 31).

² The segregated numbers of employees by region may not add up to the total number of employees due to the effect of rounding.

Our value chain *ESRS 2.42*

With innovative products and solutions, we aim to create value for our stakeholders across all stages of the value chain in our business segments. We operate production sites worldwide, invest in research and development, maintain close cooperation with our suppliers and contribute to economic development in our target markets. As an employer, we create jobs and purchasing power through wages and salaries. The taxes and levies we pay help to finance communities and support public infrastructure.

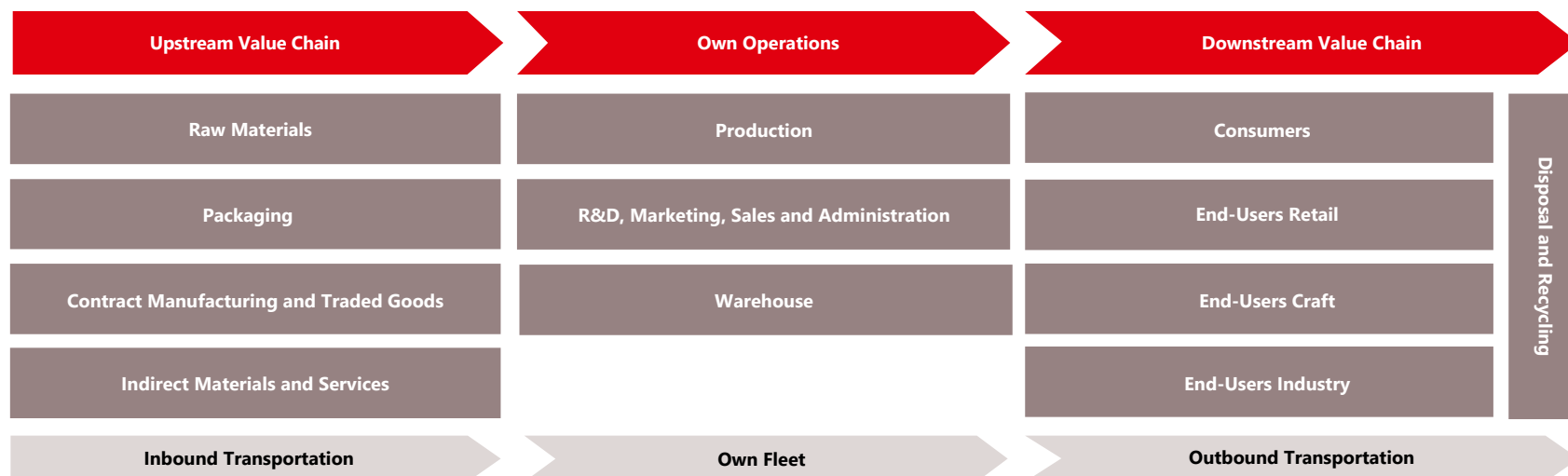
We use externally sourced materials, categorized as direct materials, to manufacture our finished products. These include raw materials, packaging and purchased goods and services.

We continuously optimize our value chain to further improve our level of quality and efficiency and to secure material supplies. In addition to negotiating new, competitive contract terms and conditions, our ongoing measures to reduce total procurement expenditures are a major factor in the success of our global procurement strategy. Sustainability plays a major role in our procurement strategy. A key element of our strategic risk management and compliance approach is our six-step Responsible Sourcing Process, which focuses on risk identification and defining appropriate measures to minimize risk. Based on an assessment of our suppliers' sustainability performance, we use the resulting transparency to support our procurement organization in working with suppliers. This approach contributes to continuous improvement in our value chain.

We strive to continuously provide better solutions, products and services that simultaneously contribute to improving environmental conditions and society. Our outputs, expected to provide benefits to customers, investors and other stakeholders, are based on the understanding that global growth and quality of life must be decoupled from resource consumption and emissions. We aim to support our customers, consumers and end-users with our innovations and expertise as a trusted partner in strengthening their contribution to sustainability. This includes reducing energy consumption and greenhouse gas emissions. Our packaging is designed to provide the performance expected by consumers using the least possible amount of material and the most sustainable materials. It should also be recyclable after product use. In our innovation process, new products are systematically analyzed, measured and evaluated using various tools. Life cycle analyses, profiles of potential raw materials, ingredients and packaging materials, along with our extensive expertise in sustainability, enable us to identify and implement improvement potential during product development.

The following diagram illustrates Henkel's value chain, categorized into the upstream value chain, our own operations and the downstream value chain:

Value chain



Upstream value chain

To manufacture our finished products, we use direct materials, that are externally sourced such as raw materials, packaging materials, purchased goods and services. The five most important categories of direct materials are: hotmelt adhesives, washing-active substances (surfactants), polyurethanes, inorganic materials and surface treatment chemicals. For further information please refer to our Economic Report, in the section Procurement.

Our own operations

In 2025, Henkel manufactured products in 53 countries at 165 sites, covering solutions in adhesives, sealants and coatings and consumer goods (laundry and home care, hair and body care).

Downstream value chain

Our Adhesive Technologies business unit offers a broad and world-leading portfolio of adhesives, sealants and coatings. It is structured into three business areas: Mobility & Electronics, Packaging & Consumer Goods, and Craftsmen, Construction & Professional. We maintain direct contact with our industrial customers. Our technical experts foster long-term relationships with customers and partners across more than 800 manufacturing and

processing industry segments. For consumers, craftsmen and smaller industrial customers, we rely on retail customers and distributors.

Our Consumer Brands business unit operates worldwide in the Laundry & Home Care and Hair business areas. Both business areas have focused brand portfolios and offer consumer-relevant innovations. In our Other Consumer Businesses area, Henkel is represented in selective markets primarily in body care products. Our branded products are offered to consumers through various distribution channels: in brick-and-mortar stores, for example, such as supermarkets, discount stores, drugstores and hypermarkets, but also on e-commerce channels and in hair salons. Data-based understanding of our customers and consumers that we gain through surveys and data compilation enables us to craft customized solutions and to create shared value-adding potential for our partners across all distribution channels.

Strategic elements relating to sustainability *ESRS 2.40g*

When it comes to global sustainability topics and developments, climate change is one of the greatest challenges humanity is facing today, requiring comprehensive action. It is also essential to protect and regenerate our resources and life-support systems like forests, water and biodiversity, for present and future generations. Additionally, we must address societal polarization driven by growing social inequality, which in turn jeopardizes human rights and the basis of social coexistence. We acknowledge that companies like Henkel play a role in meeting these challenges and bringing about transformational change. In line with this, sustainability is closely integrated into our corporate strategy.

Our vision of sustainability and our corporate strategy incorporate the three dimensions of environment, social issues and governance. We cover a broad range of topics, as reflected in the various topics presented in this Sustainability Statement. In addition, we focus on key areas relevant to our business. Our business units align their operations, brands and technologies with the specific challenges of their product portfolios in the context of sustainable development, placing particular emphasis on these topics. Key focus areas include climate, circular economy and safety, along with providing relevant information to customers and end-users. The challenges faced are specific to each context, and solutions can be developed through dialog with stakeholders.

Henkel's sustainability strategy and goals *ESRS 2.40e, f*

In both business units, the importance of sustainability topics in our relationships with customers, consumers, and end-users has continued to grow in recent years. We aim to meet these expectations and understand sustainability as a competitive edge in our corporate strategy, which we want to leverage through sustainability-related goals. For further information about our targets and commitments, please refer to the section "Our main sustainability-related targets in Henkel" (MDR-T).

Our focus areas are based on the global priorities of our two business units and the goals we pursue concerning specific regions, markets, and customer groups, including consumers and end-users.

With our extensive experience, we strive to position ourselves as a leading partner in sustainability for our industrial and retail customers, offering future-oriented solutions that help them achieve their own sustainability goals.

Adhesive Technologies

For instance, our Adhesive Technologies business unit is developing solutions that enable customers across various industries to make a greater contribution to sustainability through a combination of material and technology know-how and science-based innovations. With these customized solutions, we want to help reduce emissions, increase energy and material efficiency, recycle valuable resources and improve safety. With our products and solutions, we help our customers reduce greenhouse gas (GHG) emissions by enabling them to use less energy in their production processes when applying our products. We also ensure that valuable resources are kept in the economic cycle. For example, our debonding solutions make it possible to repair, reuse and recycle products and product parts, and to separate materials that are not suitable for collective recycling. This enables the reuse of precious materials, like rare earths in a cell phone or battery cells. We also attach great importance to continuously optimizing the safety and environmental compatibility of our products. We adhere to all relevant legal requirements and are committed to avoiding substances of concern.

Consumer Brands

Our Consumer Brands business unit focuses on creating added value for customers and consumers with high-performing products. Key areas of emphasis include climate, circular economy and transparent product information for consumers and end-users, including safety information. Our vision is to provide our customers, end-users and consumers with a sustainable choice from our range of innovative, high-performing brands for laundry and home care, and hair and body care by integrating sustainability into our portfolio. This also includes our commitment to promoting a circular economy by advancing the use of more sustainable packaging solutions across our brands. We achieve this by increasing the share of recycled plastics and incorporating more renewable ingredients into our products. To ensure that transparent product information reaches our consumers, we leverage various communication channels such as product labels, websites, social networks and customer service hotlines. We also collaborate with industry

associations on sector-wide campaigns aimed at promoting the safe use of products. In addition, we use targeted communication with end-users and consumers to raise awareness about energy savings when using our products.

Our guiding commitments

We have defined three commitments in terms of our products and services, as well as engagement with customers, consumers and stakeholders:

- We commit to involve our customers and consumers to enable sustainable choices in terms of product selection and use.
- We commit to report and disclose transparently and actively engage with our stakeholders on our strategy and performance.
- We commit to drive the transformation of our portfolio to increase the sustainability contribution of our products.

Sustainability is fundamental for creating a competitive edge, enabling business growth and generating value for our business and industry customers, consumers and all our stakeholders. In addition to our customers, partners and consumers, who are increasingly interested in sustainability-oriented products and solutions and expect transparent and reliable information, there are other stakeholders, such as ESG-orientated investors, employees, suppliers, and business partners.

Our portfolio assessment approach

We are also working on measuring the sustainable transformation of our product portfolio ("Sustainability Portfolio Assessment") and are continuously increasing the share of Henkel products that make a positive contribution to sustainability.

Internally, we assess the sustainability contribution of our portfolio through a structured process in which products are categorized based on their impacts across the entire value chain.

This portfolio management approach is equally applied in both business units, Adhesive Technologies and Consumer Brands.

Interests and views of stakeholders (SBM-2)

Stakeholder engagement *ESRS 2.45*

The following list shows our key stakeholders and the expectations considered in shaping our strategy and business model.

- Customers and consumers are increasingly interested in sustainable products and are seeking to understand their impact along the value chain.
- Suppliers and business partners expect a fair and reliable business relationship that fosters intensive dialog and close cooperation.
- Employees seek fair working conditions and opportunities to be encouraged, challenged and empowered to contribute to sustainable development.
- Neighbors and local communities expect us to promote general welfare and contribute to social development, and environmental and climate protection.

- Associations and non-governmental organizations (NGOs) expect us to actively drive sustainable development. We are therefore involved in numerous initiatives.
- Scientists expect us to address issues of sustainable development within and beyond our direct sphere of influence.
- Policymakers and authorities require us to comply with legal regulations; beyond that, we give access to our practical expertise to support political decision-making processes.
- Shareholders and investors expect an appropriate return on their invested capital, while investors with an ESG focus have an identifiable interest in sustainability-related investments.

Incorporating stakeholder interests is an integral part of our sustainability management approach, allowing us to understand and address the expectations of diverse groups. Internal stakeholders such as employees and external stakeholders such as customers and suppliers, are considered. We also hold numerous memberships in industry associations, are part of global organizations, such as the World Business Council for Sustainable Development (WBCSD) and the World Economic Forum (WEF), and engage in political and social dialog, for example, with organizations at the European level. Henkel has also been a signatory to the UN Global Compact since 2003 and is committed to doing business responsibly and in line with the 10 Principles on human rights, labor, environment and anti-corruption.

Open engagement with stakeholders helps us understand their expectations and perspectives and enables solution-oriented dialog. This dialog fosters mutual understanding between stakeholders and Henkel, building societal acceptance for our corporate decisions. It also serves as a source of new ideas, contributes to innovation and risk management and underpins the development of our sustainability strategy and reporting.

To better understand the stakeholders' expectations and perspectives and to engage in dialog, we continuously monitor opinions at several levels. This includes surveys, direct dialog, multi-stakeholder initiatives and dialog platforms.

The views of various stakeholders are taken into consideration during the materiality assessment process. In addition, insights relevant to the decision-making process are continuously incorporated into the appropriate committees by company representatives. This is achieved, for example, by presenting topic-specific matters such as climate, circular economy and product safety to the committees. Furthermore, matters that impact the overall direction of sustainability and are strategically relevant are included and decided upon in the committees' discussions.

Alignment with the strategy and business model

The interests and perspectives of our key stakeholders in relation to our strategy and business model can be captured, understood and reflected through the actions mentioned. For instance, during the materiality assessment, stakeholder perspectives were represented by proxies to ensure diverse representation. For further information, please refer to the section "Disclosures on the materiality assessment process" (IRO-1) in this chapter. This process included various stakeholder representatives and ensured the diversity of topics concerning environment, social and governance issues was addressed.

There were no significant amendments to our strategy and/or business model during the 2025 fiscal year.

The administrative, management and supervisory bodies are informed about the results of the materiality assessment, which reflects the views and interests of the affected stakeholders regarding the Company's impacts.

Incorporating interests of own workforce into the strategy and business model

Own workforce (ESRS S1) S1.12

Our employees shape our Company through their dedication, knowledge and skills. They are crucial to our long-term success. By fostering a strong corporate culture, shared values and collaboration as strong teams, we drive our growth agenda. We build on our corporate purpose, "Pioneers at heart for the good of generations," and our Leadership Commitments, which unite employees worldwide. We view cultural transformation within the organization as an ongoing process, focusing on collaboration and empowerment, while promoting the development of our employees. We are convinced that a diversified workforce, as well as an open and appreciative corporate culture, are important success factors in a globalized world.

We maintain continuous and extensive dialog with our workforce and their representatives to understand and fulfill their expectations. We conduct the Henkel Pulse Check as a global employee surveys to uncover strengths and areas for improvement in our corporate culture.

Trust-based cooperation with employee representative bodies is also a key element of our corporate culture. An in-depth exchange of views and consultations with the employer takes place at the operational level, for example with the local Works Councils, as well as across companies with the Works Council and the trade union.

Alternative mechanisms are in place to ensure dialog and exchange about working conditions in countries where employee representation is not provided for or established, or for employees who are not covered by a collective bargaining agreement. Some examples of this are town halls, employee committees or an open door policy. These serve as voluntary, informal instruments that facilitate a close exchange with the management in each country.

Workers in the value chain (ESRS S2) S2.9

Henkel manages its upstream value chain, which involves the procurement of materials and services for its operations, in a way that aims to prevent potential negative impacts within supply chains.

As a matter of principle, we maintain extensive dialog with our suppliers to promote sustainable practices and respect for human rights along the value chain.

Our supplier base is one of our most important resources. It consists of a global workforce and is of great importance, as intensive dialog and close collaboration with our suppliers are essential for implementing sustainable business, process and production practices. With our comprehensive approach to responsible sourcing, we are already promoting sustainable practices and respect for human rights within our supply chain. We also work closely with stakeholders along the value chain, from our suppliers to the Roundtable on Sustainable Palm Oil (RSPO), and NGOs, to promote sustainable practices and respect for human rights.

Affected communities (ESRS S3) S3.7

Our commitment to respecting internationally recognized human rights throughout the entire value chain is linked to protecting the environment and preserving and improving the livelihoods of communities along the value chain. We engage in dialog on these key topics with NGOs that represent the interests of communities. Collaborating with NGOs and opinion leaders provides us with insights into global challenges and enables us to respond to issues at an early stage. Building on previous projects, such as the Social Impact Assessment, we strive to address stakeholder needs even more effectively and ultimately strengthen our social influence across the entire value chain.

In addition, our sustainability management approach includes understanding and reflecting the demands of various social stakeholders on the Company, such as neighbors, local communities and local authorities. Since our corporate activities are such that we need to take into account our own business operations and the value chain, stakeholder dialog is a key element of our due diligence efforts, helping us to continuously refine our strategy and reporting.

Consumers and end-users (ESRS S4) S4.8

Consumers and end-users expect products and solutions to meet high standards for safety, functionality and sustainability in addition to quality and performance. We align our strategy with these expectations.

We assess how our strategy and business model affect the safety of our products and the well-being of consumers and end-users, with whom we engage directly, for example, through websites, marketing and social media campaigns. Our processes are designed to ensure our products meet our safety standards throughout their life cycle. By prioritizing these aspects, we address potential health and safety risks and their possible impacts. In this way, we contribute to the overall trust and satisfaction of our consumers and end-users.

Material impacts, risks and opportunities and their interaction with strategy and business model (SBM-3)

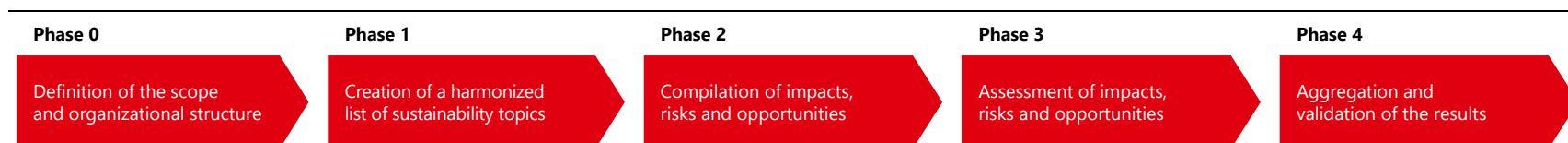
The material impacts, risks, and opportunities, as well as their interactions with Henkel's strategy and business model are outlined in the following chapter, "Management of impacts, risks, and opportunities" (IRO-1, IRO-2).

Impact, risk and opportunity management

Processes to identify and assess material impacts, risks and opportunities (IRO-1)

Our materiality assessment process ESRS 2.53a, b, c, d, g; ESRS 2.59

Our materiality assessment process follows a five-phase approach:



In 2025 we updated the materiality assessment following the same five-phase approach as in the previous year.

The following departments and parties at Henkel were involved in the update of our materiality assessment:

- The chief sustainability officers and topic experts from the Henkel Global Sustainability department
- Sustainability Finance
- Other topic experts from business units and corporate functions
- The Sustainability Council, the Management Board and the Audit Committee

The topic experts represent the “impact materiality” perspective in their respective areas of expertise, working closely with other experts from corporate functions and business units. At the same time, the Sustainability Finance team represented the “financial materiality” perspective, facilitating exchanges with the Financial Controlling teams of the business units and risk management. There were iterative exchanges between the groups representing

each perspective ensuring that the relationships between impacts, risks and opportunities were accounted for.

Phase 0: Definition of scope and organizational structure

Henkel defined its operational boundaries for the materiality assessment by determining the scope of consolidation and the underlying value chain.

Phase 1: Creation of a harmonized list of sustainability topics

The ESRS 1 list of sustainability topics serves as the starting point to determine material sustainability topics for Henkel. In addition, a range of external frameworks and standards were reviewed, including those of the Sustainability Accounting Standards Board (SASB), the International Sustainability Standards Board (ISSB), the Global Reporting Initiative (GRI), and the United Nations Sustainable Development Goals (SDGs). Further input is drawn from publicly available sources on CSRD reporting, as well as benchmarks, sustainability ratings and disclosures, such as those from EcoVadis and the Carbon Disclosure Project (CDP). We also take input from other references including

the Sustainability Finance Disclosure Regulation (SFDR) and the Company's strategic business priorities.

All the above-described sources are considered as input parameters. The resulting list of topics and sub-topics, is then validated through feedback from topic experts. Compared to prior year, no entity-specific topics were added.

Phase 2: Compilation of impacts, risks and opportunities

Impacts, risks, and opportunities along the value chain are reviewed based on the findings from Phase 1. For each ESRS topic, consultations are held with relevant internal stakeholders to refine the descriptions.

In 2025, the descriptions of opportunities were reviewed using the updated Sustainability Portfolio Assessments of the two business units, with the involvement of the corresponding subject-matter experts. Contextual information is also considered, including details about Henkel's business model, the underlying value chain, direct and indirect business relationships and local conditions. In addition, insights from the due diligence process are incorporated into the analysis.

Phase 3: Assessment of impacts, risks and opportunities

A heatmap approach, using matrices is used to evaluate the materiality of impacts and the financial materiality. The evaluation of impacts is based on a gross assessment from Henkel's perspective and follows a sector approach. The gross assessment approach assumes that no company-specific actions to prevent, minimize, mitigate or remediate impacts are taken into account in the evaluation of impacts, while industry and sector standards are treated as given. The gross approach evaluation of impacts establishes a link to internationally recognized frameworks, including the OECD Guidelines for Multinational Enterprises and the United Nations Guiding Principles on Business and Human Rights. This approach is critical for Henkel in identifying and prioritizing impacts based on their inherent severity.

Impacts are evaluated using a qualitative severity scoring system that consider all three attributes: scale, scope and irremediability of impacts, as well as likelihood. Risks and opportunities are assessed based on financial magnitude and likelihood. For each of these criteria Henkel applies a standardized scale from 0 to 5. Each evaluation of impacts, risks and opportunities is supplemented by written justifications.

For each topic-specific ESRS standard, the topic experts are responsible for evaluating impacts. For the evaluation of risks and opportunities, the topic experts provide qualitative aspects, while the Sustainability Finance department, in collaboration with the business unit Financial Controlling teams, contributes quantitative aspects regarding risks and coordinates the alignment between them. The Sustainability Portfolio Assessments of the two business units are used for the evaluation of opportunities.

Phase 4: Aggregation and validation of results

The assessments of impacts, risks and opportunities related to the individual topic-specific ESRS standards are consolidated by presenting the results separately for the impact materiality and financial materiality.

Additionally, interim and final results of the materiality assessment are presented to the Sustainability Council, the Management Board and the Audit Committee of the Supervisory Board in dedicated meetings for review and approval.

Thresholds to determine materiality

To review the materiality of impacts and financial materiality, Henkel follows the heatmap approach.

For the determination of impact materiality, the impacts are classified in a matrix on a six-point scale (scales 0-5) according to their assessment in the two dimensions “severity” and “likelihood”. All impacts at Henkel that are assessed at least “severe” (severity scale: 3 to 5) and at least “more likely than not” (likelihood scale: 3 to 5) are classified as material. In addition, impacts with a higher degree of severity (severity scale: 4 and 5) and a lower likelihood (likelihood scale: 2) are also classified as material. Similarly, impacts with the highest severity level (severity scale: 5), which are unlikely to occur (likelihood scale: 1), are classified as material.

Regarding the determination of financial materiality for risks and opportunities, Henkel also uses a matrix where the two dimensions of “financial magnitude” – measured as the annual impact on operating profit – and “likelihood” are classified on a six-point scale. All risks and opportunities that Henkel assesses as having a financial magnitude of at least a “high” annual EBIT impact (scale of financial magnitude: 3 to 5) and as at least “more likely than not” (scale of likelihood: 3 to 5) are classified as material. In addition, risks and opportunities with a higher financial magnitude (scale of financial magnitude: 4 and 5) and lower likelihood (scale of likelihood: 2) are also classified as material. Substantial risks and opportunities (scale of financial magnitude: 5) that are unlikely to materialize (scale of likelihood: 1) are likewise classified as material.

Integration with risk management and overall management process

ESRS 2.53c, e, f

The sustainability-related risks identified as part of the materiality assessment are integrated into the risk management and enterprise-wide risk reporting process. The financial threshold used within the framework of the double materiality assessment are aligned with the thresholds used in the risk management process.

We assess risks as part of our global sustainability management within our Company and along our value chain. For further information, please refer to the section “Risk management and internal controls over sustainability reporting” (GOV-5) in this chapter.

The Sustainability Portfolio Assessments of the two business units are used for the evaluation of opportunities. The opportunities identified in the materiality assessment related to sustainability topics are thus an inherent part of the management of our product portfolio.

Consultations with affected stakeholders *ESRS 2.53b, h*

As in the previous year, Henkel incorporated diverse perspectives into the materiality assessment by involving stakeholders or their representatives. For the various stakeholder groups, appropriate representatives are identified from within the Company and are primarily involved in Phases 1 through 4. The varying degrees of stakeholder involvement are also considered when evaluating the scope of positive and negative impacts, for example, in Phase 2.

Henkel considers different perspectives when involving stakeholders. The following table shows the categorization of stakeholders and their representatives:

Stakeholder categorization

Stakeholders	Representatives	Type of stakeholder
Customers and consumers	Marketing and Sales	Affected
Suppliers	Procurement	Affected
Business partners	R&D, Procurement	Affected
Employees	Human Resources Department, employee representatives	Affected
Shareholders	Finance (including Investor Relations), Internal Audit	Users of sustainability statements
Financial institutions and ESG rating agencies	Treasury, Sustainability Department	Users of sustainability statements
Neighbors and local communities	Corporate Citizenship, Corporate Infrastructure	Affected
Associations and non-governmental organizations	Corporate Communications, Public Affairs	Users of sustainability statements/Representatives of affected stakeholders
Policy-makers and government authorities	Public Affairs	Users of sustainability statements

Henkel's material impacts, risks and opportunities

Our material impacts, risks and opportunities *ESRS 2.48a, b, c*

The following table provides a summary of our material impacts, risks and opportunities and their location in the value chain. Detailed descriptions of impacts, risks and opportunities can be found within the introduction of each topic chapter.

Materiality assessment

Environmental topics		Results of materiality assessment			
European Sustainability Reporting Standards (ESRS)		Impact materiality		Financial materiality	
Topics	Sub-topics	Positive Impacts	Negative Impacts	Risks	Opportunities
Climate change (ESRS E1)	Climate change adaptation	□	□	□	□
	Climate change mitigation	■	■	■	■
	Energy	□	■	□	□
Pollution (ESRS E2)	Pollution of air	□	□	□	□
	Pollution of water	□	□	□	□
	Pollution of soil	□	□	□	□
	Pollution of living organisms and food resources	□	□	□	□
	Substances of concern	□	□	□	□
	Substances of very high concern	□	□	■	□
	Microplastics	□	□	□	□
Water and marine resources (ESRS E3)	Water	□	■	■	□
	Marine resources	□	□	□	□
Biodiversity and ecosystems (ESRS E4)	Direct impact drivers of biodiversity loss	□	■	□	□
	Impacts on the state of species	□	□	□	□
	Impacts on the extent and condition of ecosystems	□	■	□	□
	Impacts and dependencies on ecosystem services	□	□	□	□
Circular economy (ESRS E5)	Resource inflows, including resource use	□	■	□	■
	Resource outflows related to products and services	□	■	■	□
	Waste	■	■	□	□

■ = material; □ = not material

TABLE CONTINUED ON NEXT PAGE

Materiality assessment

Social and governance topics		Results of materiality assessment			
European Sustainability Reporting Standards (ESRS)		Impact materiality		Financial materiality	
Topics	Sub-topics	Positive Impacts	Negative Impacts	Risks	Opportunities
Own workforce (ESRS S1)	Working conditions	■	■	□	□
	Equal treatment and equal opportunities for all	■	■	□	□
	Other work-related rights	□	□	□	□
Workers in the value chain (ESRS S2)	Working conditions	□	■	□	□
	Equal treatment and equal opportunities for all	□	□	□	□
	Other work-related rights	□	■	□	□
Affected communities (ESRS S3)	Communities' economic, social and cultural rights	□	□	□	□
	Communities' civil and political rights	□	□	□	□
	Rights of indigenous peoples	□	■	□	□
Consumers and end-users (ESRS S4)	Impacts for consumers and/or end-users	■	□	□	□
	Personal safety of consumers and/or end-users	□	■	□	□
	Social inclusion of consumers and/or end-users	□	□	□	□
Business conduct (ESRS G1)	Corporate culture	■	■	□	□
	Protection of whistle-blowers	■	■	□	□
	Animal welfare	□	□	□	□
	Political engagement	□	□	□	□
	Management of relationships with suppliers including payment practices	□	□	□	□
	Corruption and bribery	□	□	□	□

■ = material; □ = not material

Each topic chapter includes a summary table outlining Henkel's respective material impacts, risks and opportunities. Impacts are categorized as medium- or long-term if they differ significantly from short-term impacts. Otherwise, they are considered short-term.

Potential material impacts have been identified across environmental and social topics. On the one hand, the topics climate change, water and marine resources, biodiversity and ecosystems, and circular economy are associated with potential impacts on the environment. On the other hand, the topics own workforce, workers in the value chain, affected communities, consumers

and end-users, and business conduct are identified as topics with potential impacts on people.

The majority of these potential impacts are connected to Henkel's strategy and business model, while some originate from it.

Henkel is involved with the identified material impacts through its own activities and its business relationships across the value chain. The Company's own activities, particularly our production facilities, are linked to material impacts in topics such as climate change, water and marine resources, biodiversity and ecosystems, circular economy, own workforce and business conduct. In addition, business relationships in the downstream value chain are related to impacts in climate change, water and marine resources, biodiversity and ecosystems, circular economy, workers in the value chain and consumers and end-users. Similarly, upstream business relationships are associated with impacts in climate change, water and marine resources, circular economy, workers in the value chain and affected communities.

We assess the effects of our material impacts, risks and opportunities and strive to mitigate negative impacts, enhance positive impacts, reduce risks and leverage opportunities. All material impacts, risks and opportunities, including their current and expected effects, are strategically included because we understand sustainability as a competitive edge. Accordingly, we also consider the connections to our business model, value chain, decision-making processes and our responses to these effects.

How this is achieved with regard to the various impacts, risks and opportunities is explained in more detail in the topic-specific chapters.

Financial effects *ESRS 2.11; ESRS 2.48d, e*

The material risks and opportunities from Henkel are primarily considered relevant over the medium- to long-term time horizon. While those risks might have also affected the financial performance and cash flow in 2025, the financial effects of each of those risks and opportunities are not considered material. In addition, the current financial effects of many risks are not reliably measurable. One example is the cost for CO₂-related carbon taxes in the upstream value chain. Those carbon taxes can be part of the price Henkel pays for its raw and packaging materials. However, the actual share of carbon taxes included in the purchasing spend and therefore its financial impact,

cannot be reliably measured since the final purchase price paid for each material depends on various factors and is eventually the result of a procurement and negotiation process with each supplier.

For more detailed information on estimates regarding the expected OpEx and CapEx amounts allocated to the Climate Transition Plan, please refer to the section "Sources of Estimates and Outcome Uncertainties" in the chapter "Climate Change" (ESRS E1).

Resilience of the strategy and business model *ESRS 2.48f*

To support a qualitative analysis of the resilience of the Company's strategy and business model, long-term risks over a period of ten years are identified annually, subjected to qualitative assessment and reviewed by selected in-house experts. This risk assessment also covers social and environmental risks. The risks are analyzed as a whole and assessed against our long-term risk-bearing capacity, taking into account the risk environment that is specific to Henkel.

The analysis takes into account our extensive knowledge and experience gained from our many years of intensive work on a wide range of sustainability topics, including impacts, risks and opportunities, as well as from our diversified product portfolio and presence in various markets. Furthermore, we have been reporting on sustainability for more than 30 years, aligning our targets with medium- and long-term perspectives. Recognized ESG ratings and rankings provide important feedback about how effectively we are implementing sustainability. We are also aware that the world around us, the expectations of our stakeholders and the opportunities to advance sustainability are constantly changing. We are committed to tackling these challenges proactively by implementing our strategy in an informed and agile manner, further underscored by our commitment to driving positive change. By pursuing this comprehensive approach, while recognizing the significant developments in a dynamic environment, we aim to strengthen our resilience.

Changes compared to the previous reporting period and entity-specific disclosures *ESRS 2.48g, h*

Following our update of the materiality analysis, two potential impacts in the downstream value chain under the topic *S3 Affected Communities* were reassessed as non-material. This has no implications on the overall outcome, as the topic remains material in the aggregated view. As a consequence, the results of the materiality assessment 2025 correspond with the 2024 results.

Henkel is not reporting any additional entity-specific topics for 2025.

Description of the processes to identify and assess material impacts, risks and opportunities per topic

Climate change *E1.20a*

Henkel's materiality assessment includes the evaluation of impacts, risks and opportunities with respect to climate change. Specifically, for the assessment of impacts related to GHG emissions, the following applies: The global total emissions of our sector are compared to the global total emissions across all sectors for each stage of the value chain and assessed based on the criteria of scale, scope, irremediability and likelihood. We identify material negative impacts from GHG emissions along the value chain and within our own operations. Regarding positive impacts, Henkel focuses on indirect emission reductions under Scope 3.11 GHG emissions during the use phase, as well as avoided emissions. Additionally, in many industries supplied by Henkel, our products and technologies demonstrate positive impacts on emissions during the use phase and in terms of avoided emissions.

Further details regarding the climate-related physical risks in our own operations and along the upstream and downstream value chain are described under "Climate-related resilience analysis" in the chapter "Climate Change" (ESRS E1).

Pollution *E2.11*

The materiality assessment related to pollution addresses Henkel's own operations, potential pollution within upstream supply chains and pollution caused by Henkel products. The impact assessment uses an environmental risk analysis method. It assumes no material impacts if the expected environmental concentration remains below safety thresholds. The evaluation of risks and opportunities is based on estimates of the financial extent of business losses or gains, as well as on the likelihood of their occurrence. Examples of assumed reasons for business losses include increased expenditures for reducing pollution at Henkel sites, higher procurement costs or decreased revenues due to regulatory restrictions or reduced product acceptance among customers.

The relationships with affected communities are indirect, and consultations with these communities are conducted through designated representatives from within the Company.

Water and marine resources E3.8

To assess the impacts, risks and opportunities associated with water and marine resources, information from external studies and publicly accessible risk assessment tools (for example, the WWF Water Risk Filter) are considered for the analysis of our own business activities and those of our upstream and downstream value chain.

The relationships with affected communities are indirect and consultations with these communities are conducted through designated representatives from within the Company. For further information regarding the designated representatives, please refer to the section “Consultations with affected stakeholders” in this chapter.

Specifically for water and marine resources, this means that: As our relationship with affected communities is indirect in nature, we collaborate with partners such as the civil society organization Solidaridad to take the perspectives of these communities into account. This partnership is ongoing and collaboration occurs regularly. As no material impacts on ecosystem services are identified, no additional avoidance strategy is in place beyond legal requirements and commitments already considered in Henkel’s policies.

Biodiversity and ecosystem E4.17; E4.19

For impacts on biodiversity and ecosystems, a detailed assessment of Henkel sites was carried out to identify “sites with biodiversity relevance” that, in relation to all other sites, exert a larger influence on nearby ecosystems with sensitive biodiversity. The relevant dependencies of the “sites with biodiversity relevance” on ecosystem services were identified using the World Wildlife Fund (WWF) Biodiversity Risk Filter.

Moreover, risks and opportunities related to biodiversity and ecosystems were identified as part of the overall materiality assessment, with no material or systemic risks and opportunities being identified.

The relationships with affected communities are indirect, and consultations with these communities are conducted through designated representatives from within the Company.

Regarding biodiversity and ecosystems, it should be noted that as no material impacts on ecosystem services have been identified, no additional avoidance strategy is in place beyond the legal requirements and commitments outlined in Henkel’s Safety, Health and Environmental Protection (SHE) Standards and the Code of Sustainability.

Henkel has sites with biodiversity relevance that are located in or near biodiversity sensitive areas and that could potentially impact threatened species. For a detailed overview of activities at individual locations, please refer to the table “Impacts of sites relevant to biodiversity on threatened species” in the chapter “Biodiversity and Ecosystems” (ESRS E4).

As a company operating in the consumer goods sectors (laundry and home care, hair and body care), as well as in adhesives, sealants and coatings, Henkel generally has no material impact on threatened species in ecosystems with vulnerable biodiversity. Soil sealing, habitat fragmentation or construction in sensitive ecosystems are not among Henkel’s business activities. The potential impacts of individual sites with biodiversity relevance are described in the chapter “Biodiversity and Ecosystems” (ESRS E4). According to the directives and frameworks or equivalent national or international standards listed below, no specific mitigation measures are required:

- Directive 2009/147/EC of the European Parliament and of the Council on the conservation of wild birds
- Council Directive 92/43/EEC on the conservation of natural habitats and of wild fauna and flora
- Environmental Impact Assessment (EIA) as defined in Article 1 (2), point (g), of Directive 2011/92/EU of the European Parliament and of the Council on the assessment of the effects of certain public and private projects on the environment
- International Finance Corporation (IFC) Performance Standard 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources

Resource use and circular economy *ES.11*

In relation to resource use and the circular economy, Henkel integrates scientific communities and opinion leaders (such as the World Economic Forum [WEF], the World Business Council for Sustainable Development [WBCSD] and the Business Coalition for a Global Plastic Treaty), non-governmental organizations (such as the Ellen MacArthur Foundation [EMF], EUROOPEN) and customers with which the Company collaborates in its materiality assessment.

In 2025, Henkel reviewed the opportunities, risks, and impacts identified in previous analyses in relation to regulatory requirements for circular economy, extended producer responsibility obligations, and recycling infrastructure.

The relationships with affected communities are indirect, and consultations with these communities are conducted through designated representatives from within the Company. For further information regarding the designated representatives, please refer to the section “Consultations with affected stakeholders” in this chapter.

Corporate governance *G1.6*

The assessment considers the entire Company, including all locations, as well as upstream and downstream value chains.

Integration of material sustainability matters

Our main sustainability-related policies in Henkel (MDR-P)

ESRS 2.65b, c, e, f

Our policies are a key instrument that provides strategic guidance on how to manage our impacts, risk and opportunities. Our Code of Sustainability is a key document that brings together Henkel’s main policies and principles for environmental, social, and governance topics within the context of this Sustainability Statement. In addition, there are references to our “2030+ Sustainability Ambition Framework”. The structure of the Code of Sustainability follows the contents defined under the European Sustainability Reporting Standards (ESRS) and focuses on the topics identified as material by the materiality assessment. The Code of Sustainability references other central documents, which provide further details about specific topics.

Documents referenced in the Code of Sustainability

		ESRS E1	ESRS E2	ESRS E3	ESRS E4	ESRS E5	ESRS S1	ESRS S2	ESRS S3	ESRS S4	ESRS G1
Topic-specific documents	Code of Conduct						X				X
	Nature Policy	X		X	X						
	Net Zero Deforestation Policy				X						
	Circularity Policy					X					
	Responsible Sourcing Policy		X		X			X	X		
	Diversity, Equity, Inclusion (DEI) Policy						X				
	Social Standards						X		X		
	SHE Standards		X				X	X		X	

The provisions in our Code of Sustainability and the additional documents apply to the Henkel Group worldwide, including all operations and subsidiaries as well as their upstream and downstream value chain. No business units, regions, specific activities or stakeholders are excluded.

The Henkel Management Board bears overall responsibility for our sustainability policies, including topic-specific strategies. The Sustainability Council aligns common positions, priorities and targets, prior to approval by the Management Board. The Sustainability Council also regularly reviews the effectiveness of our policies and progress toward our objectives, as well as the material impacts, risks and opportunities and their changes. The business units (Adhesive Technologies and Consumer Brands) and relevant corporate functions are responsible for the implementation of sustainability policies, the planning of relevant actions, as well as for the provision of necessary resources, in which activities they are advised by dedicated sustainability teams.

In setting policies, we consider the interests of all our relevant stakeholders. Key internal and external stakeholders include retail and industrial customers, end-users, employees, shareholders, suppliers, and producer responsibility organizations.

The Code of Sustainability is made available to all employees and external stakeholders on our website (henkel.com) in the “Downloads & Publications” section.

Our main sustainability-related targets in Henkel (MDR-T)

To achieve our sustainability policy objectives, we have set ourselves clear time-bound and outcome-oriented targets for the material matters of climate change, water and marine resources, biodiversity and ecosystems, circular economy and resource use, as well as for our own workforce. Most of these targets were defined as part of the further development of our strategy in 2020/2021. These targets are detailed in the respective topical chapters.

We know that the world around us, the expectations of our stakeholders and the opportunities for advancing sustainability are in constant transformation. That is why we regularly review and update our strategy with new tangible targets as we go forward. In 2025, we conducted a comprehensive target review process. As a result, we are not only replacing the targets that expire in 2025, but are also setting new targets to enable further progress.

The new targets, which will apply from 2026 onward, will be published in the course of 2026 on our available channels.

Disclosure requirements in ESRS covered by this Sustainability Statement (IRO-2)

List of disclosure requirements *ESRS 2.56*

A list of disclosure requirements followed in the preparation of the Sustainability Statement, is included in the Annex. Likewise, the Annex also contains a list of datapoints in cross-cutting and topical standards that derived from other EU legislation.

Environmental information

Climate Change (ESRS E1)

Strategy

Material impacts, risks and opportunities and their interaction with strategy and business model *ESRS 2.48b; E1.18*

The key impacts, risks and opportunities (IROs) for Henkel related to climate change were identified through the double materiality assessment. These are listed in the table below and linked to the associated policies, actions and targets.

Overview of Impacts, Risks and Opportunities

Sub-topic	Description	IRO	Value chain	Actual/ Potential	Time horizon	Policies	Actions	Targets
Climate change mitigation	In long and complex value chains, greenhouse gas emissions from producing raw materials or from transportation and logistics can contribute to climate change and other sustainability topics.	I-	Up	A	Short-term		Low-emission materials - Supplier engagement - Packaging - Raw materials Eco-design - Format design - Packaging design	1. Reduce the absolute Scope 1 and Scope 2 GHG emissions by 42 percent by 2030 compared to the base year 2021.
	Energy use in operations can lead to GHG emissions that contribute to climate change.	I-	Own	A	Short-term	We want to increase energy efficiency and transition to renewable energies.	Energy use - Energy efficiency - Renewable energy and fuel sourcing - Renewable energy deployment	2. Reduce the absolute Scope 3 GHG emissions by 30 percent by 2030 compared to the base year 2021. 3. Net-zero target: Reduce the absolute GHG emissions of Scopes 1, 2 and 3 by 90 percent by 2045 compared to the base year 2021.

TABLE CONTINUED ON NEXT PAGE

Overview of Impacts, Risks and Opportunities

Sub-topic	Description	IRO	Value chain	Actual/Potential	Time horizon	Policies	Actions	Targets
Climate change mitigation	Direct GHG emissions related to the downstream transportation, use phase (indirect emissions) and end-of-life of products can contribute to climate change.	I-	Down	A	Short-term		Carbon efficient logistics - Logistics optimization - Low-carbon transportation	
	Adhesives, sealants and coatings can contribute to reducing and avoiding CO ₂ emissions in other sectors.	I+	Down	A	Short-term	We want to contribute to reducing our customers and consumers energy consumption and carbon footprint.		1. Reduce the absolute Scope 1 and Scope 2 GHG emissions by 42 percent by 2030 compared to the base year 2021.
	Innovative products can enable consumers to reduce their personal carbon footprint.	I+	Down	A	Short-term	We want to contribute to reducing our customers and consumers energy consumption and carbon footprint.		2. Reduce the absolute Scope 3 GHG emissions by 30 percent by 2030 compared to the base year 2021.
	Policies and legal measures that aim to reduce GHG emissions – like CO ₂ taxes – can raise production and transportation costs, leading to increased prices for and possible shortages of raw materials.	R	Up	P	Medium-term			3. Net-zero target: Reduce the absolute GHG emissions of Scopes 1, 2 and 3 by 90 percent by 2045 compared to the base year 2021.
	Policies and legal measures that aim to reduce GHG emissions – like CO ₂ taxes – can raise production and transportation costs, leading to higher prices that may alter consumer or customer behavior and erode market competitiveness by reducing sales.	R	Down	P	Long-term			

TABLE CONTINUED ON NEXT PAGE

Overview of Impacts, Risks and Opportunities

Sub-topic	Description	IRO	Value chain	Actual/Potential	Time horizon	Policies	Actions	Targets
Climate change mitigation	Business opportunity arises from provision of low carbon intensity and carbon neutral products since customers demand for such products is observed to be growing, especially in the European market.	O	Down	P	Long-term	We want to contribute to reducing our customers and consumers energy consumption and carbon footprint.		1. Reduce the absolute Scope 1 and Scope 2 GHG emissions by 42 percent by 2030 compared to the base year 2021.
Energy	Energy use related to the downstream transportation, use phase (indirect emissions) and end-of-life of products can lead to greenhouse gas emissions that contribute to climate change.	I-	Down	A	Short-term	We want to contribute to reducing our customers and consumers energy consumption and carbon footprint.	Eco-design ■ Format design	2. Reduce the absolute Scope 3 GHG emissions by 30 percent by 2030 compared to the base year 2021. 3. Net-zero target: Reduce the absolute GHG emissions of Scopes 1, 2 and 3 by 90 percent by 2045 compared to the base year 2021.

I- = Negative Impact, I+ = Positive Impact, R = Risk, O = Opportunity,
Up = Upstream Value Chain, Own = Own Operations, Down = Downstream Value Chain
A = Actual, P = Potential

Climate change is one of the major global challenges of our time. Henkel considers climate change to be a factor that causes various risks, but that also offers opportunities at the same time. Climate change mitigation and energy are material topics for Henkel. Negative impacts on climate change are linked to Henkel's business model as a company for consumer goods (laundry and home care, hair and body care) and adhesives, sealants and coatings. Energy is used and greenhouse gases are omitted in the Company's production processes, and in the upstream and downstream value chain. Moreover, Henkel identified CO₂ taxation affecting its upstream and downstream value chain as a potential financially material climate-related transition risk. However, there are also potentially material climate-related transition opportunities in marketing products with a reduced carbon footprint. For

adhesives, sealants and coatings, the substitution of existing technologies with energy-efficient and carbon-friendly alternatives is an opportunity and has positive impacts on many sectors that make a material contribution to climate change.

Henkel assumes responsibility for reducing its impacts on climate change. For this reason, the Company aligns its climate strategy with the 1.5-degree target of the Paris Climate Agreement with efforts to mitigate climate change. We consider sustainability to be a competitive advantage. Climate protection became a central pillar of Henkel's Nature Policy in 2024 and is an integral part of our broader sustainability agenda, which is aligned with our Purposeful Growth Strategy and our 2030+ Sustainability Ambition Framework.

Henkel has set a target to achieve net-zero greenhouse gas (GHG) emissions in its entire value chain by 2045. Henkel's Climate Transition Plan is a key component of the climate strategy, which strives for an end-to-end organizational and cultural shift toward net zero. Topics such as energy use, energy efficiency, renewable energies, eco-design of products and packaging, use of low-carbon materials and low-carbon logistics are at the forefront of actions adopted.

The targets for climate change mitigation are a key element in Henkel's strategy and business model covering its own activities as well as the upstream and downstream value chain.

Climate-related resilience analysis *ESRS 2.19; E1.19; E1.20; E1.21*

To anticipate climate-related physical risks and transition risks for Henkel's business activities and for the entire value chain, we continued and further developed our climate scenario analysis in 2025 based on the analysis conducted in 2024. The updated analysis builds on previous assessments and takes into account the evolving insights of internal and external experts and stakeholders, geographic models, and relevant scientific literature.

While the underlying climate scenarios and analyses extend to 2050 and beyond, the long-term time horizon applied for the materiality assessment is fixed to the next 10 years. This is in line with the long-term time horizon used for Henkel's corporate risk management. Nevertheless, climate data and projections beyond 10 years are actively used internally to inform strategic planning and decision-making.

Climate-related physical risks and opportunities E1.20b

The physical climate risk assessment has been guided by the EU Taxonomy for sustainable activities, which defines 28 climate-related hazards as potential risk drivers including e.g. wildfires, storms and heatwaves (EU Taxonomy Annex I, Appendix A of Delegated Regulation (EU) 2021/2139).

By evaluating all parts of the value chain individually, the most relevant causal chains leading to potential asset damage, risks to business continuity or increased costs can be identified. Risks were therefore separately assessed qualitatively across all segments of Henkel's value chain:

- Upstream value chain: Given the potential for climate hazards to disrupt or limit raw material supply, the assessment focused on identifying vulnerabilities in key feedstocks, supplier networks and logistical services.
- Own operations: Henkel's production sites were evaluated for their exposure to physical climate risks, with particular attention to potential impacts on operational business continuity.
- Downstream value chain: The analysis examined how climate change could affect customer and consumer behavior, market dynamics and logistics, highlighting possible implications for revenue and distribution reliability.

The analysis was conducted using three future climate scenarios from the Shared Socioeconomic Pathways (SSP), as defined by the Intergovernmental Panel on Climate Change (IPCC):

- SSP5-8.5 (3.2–5.4°C): High-emission scenario where emissions continue to rise throughout the 21st century. This pathway is associated with severe climate impacts such as extreme heatwaves, widespread habitat loss, rising sea levels and increased frequency of severe storms.

- SSP2-4.5 (1.7–3.2°C): Intermediate scenario where emissions peak around 2040 before declining. While less extreme than SSP5-8.5, it still results in stressed ecosystems, more frequent extreme weather events, and challenges to food and water security.
- SSP1-2.6 (0.9–2.3°C): Low-emission scenario based on immediate and deep decarbonization efforts aligned with the Paris Agreement. This pathway would mitigate many severe impacts, helping preserve ecosystems, limit sea level rise and reduce the frequency of extreme weather events. However, some residual impacts would remain but they would be easier to cope with.

These scenarios were used to assess physical risks over the defined time horizons, with SSP5-8.5 serving as the basis for modeling highest possible physical risks to the Company based on scientific evidence. Additionally, we assessed the likelihood, scale and duration of hazards based on internal expert opinions on past events and known or anticipated risks, as well as global and regional trends from climate research and literature.

Regarding the risks and opportunities for Henkel's own operations, factors such as geographic coordinates were considered, while other parts of the value chain were evaluated at a regional level.

Based on the analyses conducted, climate-related physical risks and opportunities were classified as not material.

Climate-related transition risks and opportunities E1.20c

Transition risks, defined as risks associated with the shift toward a low-carbon economy, including potential downside risks, were analyzed with the classifications provided by the Task Force on Climate-related Financial Disclosures (TCFD) in 2024. As part of this analysis, we examined potential developments in regulatory frameworks, technological innovation, market and reputational changes across all elements of Henkel's value chain. The relevant risks identified were confirmed again as part of the double materiality analysis for 2025.

For assessing the transition risk, the IPCC Scenario SSP1-2.6 was used as the basis for modeling the highest possible transition risks to Henkel. Risks were assessed qualitatively at the strategic level, drawing on expert insights and scenario-based assumptions.

In the context of regulatory risks, we have analyzed the potential future financial impact of significant increases in the price of CO₂, for example, through taxation or emissions trading systems. In the upstream value chain, the increase in CO₂ prices can lead to higher procurement costs. The potential indirect impacts of CO₂ price increases were analyzed and estimated quantitatively by assigning a CO₂ price to the respective GHG emissions in the upstream value chain. We used the forecasts of CO₂ prices from the World Energy Outlook (WEO) "Net Zero Emissions by 2050" scenario of the International Energy Agency (IEA) and applied those on the Scope 3.1 emissions of 2024 (gross risk assessment), i.e. not reflecting the targeted reductions in CO₂ emissions outlined in Henkel's climate strategy and Climate Transition Plan. Under the given assumptions, the potential increase in CO₂ prices would have a potentially material financial impact due to the resulting increases of raw material and packaging material prices.

Increased CO₂ prices or other regulatory measures may, however, not only affect procurement costs for raw and packaging materials but could also lead to higher transportation costs. In combination, those cost increases could negatively impact Henkel's competitiveness and lead to revenue losses. Such developments could therefore also result in a material financial risk for Henkel's downstream value chain in the long term.

Henkel proactively addresses environmental issues, which helps to mitigate risks and even unlock climate-related transition opportunities. The Company actively leverages business opportunities related to climate change, for example, by offering products with low carbon intensity and climate-neutral products. The anticipated increase in demand for such products is expected to result in a material financial impact over the long term.

Results and limitations

Our methodology and comprehensive scenario analysis of climate risks and opportunities, and the possible financial impacts, are based on the latest climate projections, as well as the latest available assumptions and scientific literature. Accordingly, future results depend on a number of uncertainties and may therefore differ substantially from the results of the forward-looking materiality assessment.

The resulting material risks and opportunities are linked to the transition to a low-carbon economy and relate to the upstream and downstream value chain. It can be assumed that changes to legal requirements will have a financial impact on the Company, through increasing carbon taxes or market changes. However, these changes also offer opportunities based on changing customer and consumer demand and the marketing of low-carbon and climate-neutral products. To mitigate the identified gross risks, **Henkel's Climate Transition Plan** serves as a strategic element. It defines the Company's net-zero targets, outlines our emission reduction activities to achieve these goals and establishes our governance and delivery mechanisms for implementing the net-zero transformation. Certain risks that are addressed in other standards, such as risks associated with replacing petrochemical raw

materials with renewable resources in the topic-specific chapter "Resource Use and Circular Economy" (ESRS E5), are also related to climate-relevant transition risks.

The analysis shows that Henkel must consider the anticipated changes to the surrounding macro-economic trends and prepare itself for regulatory changes and for the usage of appropriate technologies. Climate-related transition risks and opportunities are an inherent part of Henkel's corporate strategy for reducing emissions. The strategic focus shows that the Company is dedicated to adapting itself to the anticipated changes to minimize short-, medium- and long-term climate-related risks and to make use of opportunities. No significant negative effects on the financing of our activities are expected.

Transition plan for climate change mitigation (E1-1) *E1.14*

Henkel recognizes the transition to a low-carbon economy as essential for securing long-term competitiveness and for minimizing the impact on society and Henkel's stakeholders. At the same time, this transition presents opportunities to create meaningful value for all stakeholders. As part of its broader climate strategy, Henkel has developed a Climate Transition Plan that outlines how its business model and climate related strategic priorities will align with the goal of limiting global warming to 1.5 degrees Celsius. This plan serves as a roadmap for responsible growth and climate resilience. In 2024, we developed and published the Climate Transition Plan that serves as our roadmap to our climate targets and sets us on the path to net-zero emissions by 2045. The actions of this plan are detailed under "Actions and resources related to climate change mitigation (E1-3)" in this chapter. Our science-based climate targets are set out in detail in the sections "Targets related to climate change mitigation (E1-4)" in this chapter.

The Climate Transition Plan and corresponding actions were approved by the Sustainability Council.

Impact, risk and opportunity management

Policies related to climate change mitigation and adaptation (E1-2)

Setting the paths toward net zero *ESRS2.65; E1.25*

As a globally operating company, Henkel acknowledges its responsibility to reduce its impact on climate change and to adapt to climate change to ensure a long-term sustainable business model. To achieve this, the Company aligns its climate strategy with the 1.5-degree target of the Paris Climate Agreement. In this context, Henkel pursues the target of reaching net-zero GHG emissions across the value chain by 2045 and of neutralizing any residual GHG emissions released into the atmosphere after 2045. This includes a stepwise reduction of our absolute direct and indirect GHG emissions (including biogenic emissions resulting from land-use changes and the extraction of biological raw materials to produce bioenergy), followed by counterbalancing the impact of any remaining emissions in line with the SBTi Corporate Net Zero Standard. Along with this net-zero target, we follow a clear commitment:

- We commit to reducing the carbon intensity of our business.

To achieve these emission reduction targets and meet our commitment, Henkel plans to continuously increase its energy efficiency over time and to transition to renewable energies while avoiding investing in the expansion of fossil fuel usage where possible. We also want our products and technologies to contribute to reducing or, depending on the application, avoiding the generation of GHG emissions. In terms of our brands and technologies, we manufacture products that are associated with consumption of energy when they are used, such as detergents, shower gels and hot-melt adhesives. Here, we want to contribute to reducing our customers' and consumers' energy consumption and the associated GHG footprint through innovations for greater energy efficiency.

As such, our Code of Sustainability covers the sub-topics of climate change mitigation and energy. Energy efficiency, use of renewable energy and other levers to mitigate climate change are primarily addressed in our Climate Transition Plan.

Henkel also supports several third-party standards or initiatives like the global net-zero imperative to limit global warming to 1.5 degrees Celsius as defined in the Intergovernmental Panel on Climate Change's (IPCC) Special Report on Global Warming. In addition, we also support the guidance and ambitions of the Kyoto Protocol and the Paris Climate Agreement. With our actions, we aim to contribute to the nationally determined contributions (NDC) of the countries in which we operate.

Henkel recognizes the Sustainable Development Goals (SDGs) of the United Nations as crucial toward climate change mitigation, especially SDG 7 “Clean and Affordable Energy”, SDG 11 “Sustainable Cities and Communities” and SDG 13 “Climate Action.” Henkel also follows the GHG Protocol Corporate Accounting and Reporting Standard, the GHG Protocol Policy and Action Standard (for politically aligned measures and strategies) and the GHG Protocol for Project Accounting (for projects), as the basis of our GHG emission accounting.

Further information on the scope of our sustainability policies, the accountability for implementation, consideration of stakeholders and publication can be found in the section “Our policies to manage material sustainability matters” in the chapter “General Disclosures” (ESRS 2).

Actions and resources in relation to climate change policies (E1-3)

Our Climate Transition Plan *ESRS 2.68a, b, e; E1.16b, i, j; E1.29a*

To support the transition to a low-carbon economy and to limit global warming, Henkel integrates climate change mitigation into its corporate strategy and business activities. On the one hand, developing a roadmap to net-zero emissions based on science-based targets is of critical importance. On the other hand, the implementation of the Climate Transition Plan involves adaptations to the product portfolio and the introduction of new technologies and solutions at Henkel and in the upstream and downstream value chain.

To achieve the SBTi climate targets for 2030 and net-zero target by 2045, Henkel has carried out comprehensive cross-functional investigations into the possibilities of emissions reduction along the entire value chain. We defined several levers for emission reductions on this basis, which focus on our own operations and the upstream and downstream value chain. These levers are summarized in our Climate Transition Plan, which serves as a long-term action plan for Henkel. It encompasses the following actions.

- Energy use: Energy efficiency, Renewable energy deployment, Renewable energy and fuel sourcing
- Eco-design: Format design, Packaging design
- Low-emission materials: Supplier engagement, Packaging, Raw materials
- Carbon-efficient logistics: Logistics optimization, Low-carbon transportation

Key levers in our own operations

Emissions from Henkel’s own operations are a key focus of Henkel’s climate change mitigation actions as here a direct influence on the various actions can be brought to bear. The portion of emissions from Henkel’s operations (Scopes 1 and 2), however, only accounts for a low percentage of total GHG emissions.

Energy use

In general, the following energy-related mitigation levers can be applied for Henkel’s own operations. These levers apply globally to Henkel’s own operations and include owned, leased and managed sites.

- Energy efficiency
To improve energy efficiency in its own operations, Henkel is investing in energy-efficient technologies and processes to reduce energy consumption in production sites and office buildings, as well as research and development, and training and logistics facilities. Examples encompass redesigning manufacturing processes, energy recovery and renewal of technical equipment.

In 2024 we installed a closed loop cooling system in our manufacturing site in Maribor (Slovenia), our European Center of Excellence for Hair Coloration. With this installation we have avoided the need for using river water for cooling and have implemented a smart solution to connect heating and cooling demands across the factory, leveraging heat pump technology to achieve increased energy efficiency and reduce relative energy consumption. The system started operations in 2025. With the reduction in gas demand, the overall energy efficiency of the site is improved.

Furthermore, our global mobility initiative with flexible and sustainable mobility solutions remains in place, to reduce the GHG emissions from Henkel's vehicle fleets.

- Renewable energy deployment

The installation of, for example, solar panels and biomass boilers, contributes to the achievement of Henkel's absolute Scope 1 and Scope 2 GHG emission reduction targets by avoiding burning fossil fuels, aligned with our policy objectives.

In 2025, we made progress against this key lever via the installation of on-site solar panels. For example, solar panels were installed at various production sites, including the biggest solar installation at Henkel in Kruševac (Serbia).

- Renewable energy and fuel sourcing

For the energy required in our operational processes, we aim to transition to 100-percent renewable energy sources. To do so, Henkel is following the Scope 2 quality criteria of the GHG Protocol Scope 2 Guidance for energy procurement. Electricity is one of Henkel's main energy sources. In heat generation, Henkel focuses on efficiency, electrification and the switch to renewable fuels, such as biomethane. The anticipated result of all these activities is the reduction of absolute Scope 1 and Scope 2 GHG emissions by avoiding burning fossil fuels, aligned with our policy objectives.

In 2025, we made progress against this key lever by confirming Power Purchase Agreements (PPA) and the procurement of energy via eco tariffs and "International Renewable Energy Certificates" (I-RECs), an international certification system for renewable energies. Furthermore, we launched power-to-heat projects and secured the coverage with a biomethane Guarantee of Origin to support the achievement of our renewable energy goals. For example, in Europe we increased our virtual biogas sourcing. We also incorporate electric vehicles into the internal fleet to replace

conventional vehicles with internal combustion engines and build a corresponding infrastructure with charging stations. This supports the reduction of our Scope 2 GHG emissions.

Key levers in the upstream and downstream value chain

With regards to the upstream and downstream value chain, activities for GHG emission reduction can be summarized in the key categories ecodesign, low-emission materials and carbon-efficient logistics.

Ecodesign

Henkel's Climate Transition Plan requires the development of a low-emission product portfolio through optimizing the properties and composition of products. Two ecodesign levers were identified to achieve GHG reductions: Format design and packaging design.

- Format design

The optimization of product formats is a key driver in building a low-emission product portfolio. Actions such as compaction, transitioning to more concentrated formulations, and introducing innovative product formats can lead to lower GHG emissions across the upstream supply chain, transportation, and downstream end-of-life stages. Additionally, innovative format design can help to reduce packaging material use. Consequently, initiatives under "format design" lever contribute to reductions in the Scope 3 categories 3.1, 3.4, 3.5, 3.9 and 3.12, fully aligned with our policy objectives.

In 2025, we advanced the use of this key lever by reformulating key products without compromising performance. An initiative within our liquid laundry portfolio, started in 2025, delivered additional environmental benefits through the phasing out of non-biodegradable ingredients.

■ Packaging design

Innovative packaging designs that enable circularity play a critical role in Henkel's efforts to reduce greenhouse gas (GHG) emissions. Our sustainable packaging strategy focuses on minimizing material use, increasing the share of recycled and renewable materials, and developing reusable and refillable packaging solutions that extend packaging lifecycle. Central to this approach is the creation of intelligent designs that reduce material consumption without compromising functionality or product protection.

Henkel's packaging experts actively design and implement solutions that prioritize material efficiency, recyclability, and the integration of bio-based or recycled content. The climate impact of these activities is reflected in reductions in packaging material volumes and associated GHG emissions, primarily within Scope 3.1 (Purchased Goods and Services) and Scope 3.12 (End-of-Life Treatment of Sold Products), as well as transport-related emissions (Scope 3.4, 3.9) through optimized packaging for better logistics - all aligned with Henkel's policy objectives.

In 2025, Henkel launched several initiatives to advance sustainable packaging. One example for the European market involved replacing a non-recyclable plastic-paper blister with a paper box for the toilet rimblocks of the brand Blue Star in Austria. The innovative packaging is fully recyclable in paper waste streams.

Low-emission materials

The materials and packaging procured for Henkel products represent a significant share of our overall GHG emissions footprint. Engaging suppliers, transitioning to low-emission and alternative materials, and building climate-resilient supply chains are key levers in Henkel's net-zero transformation. These actions primarily impact Scope 3.1 (Purchased Goods and Services) and Scope 3.12 (End-of-Life Treatment of Sold Products), while also contributing to reductions in transport-related emissions (Scope 3.4 and 3.9).

To achieve this, Henkel has defined three critical levers for low-emission materials: Supplier engagement; Alternative raw materials; and Alternative packaging materials. These actions relate to the upstream and downstream value chain.

■ Supplier engagement

Henkel considers close collaboration with suppliers a fundamental prerequisite for advancing a comprehensive net-zero transformation. Supplier engagement is essential for improving transparency and enhancing the accuracy of greenhouse gas (GHG) emissions data related to raw materials and packaging. It also enables suppliers to actively participate in Henkel's decarbonization efforts, forming the strategic foundation for implementing effective emission reduction measures, and guiding supplier selection processes in line with Henkel's policy objectives.

In 2025, Henkel continued its global supplier engagement program “Henkel Climate Connect” as part of the comprehensive climate strategy. The program is designed to intensify collaboration with suppliers and is tailored to their respective maturity levels in sustainability. Through this targeted engagement, Henkel aims to encourage suppliers to implement climate and decarbonization initiatives and to enable suppliers to quantify relevant greenhouse gas emissions associated with Henkel’s products and services. This effort currently impacts the data quality (increase of primary data share) of Scope 3.1 (Purchased Goods and Services) emissions, aligning with our policy objectives.

■ Packaging

Henkel applies two primary levers to reduce emissions associated with packaging materials: the substitution of conventional, fossil-based packaging materials with sustainable alternatives, and the further decarbonization of upstream supply chains. Reducing emissions in upstream supply chains involves the increased usage of renewable electricity and fuels, Carbon Capture and Storage (CCS) technology, energy-efficiency, but also the increased use of recycled packaging materials. These efforts directly impact Scope 3.1 (Purchased Goods and Services) emissions. The increased usage of bio-based packaging materials can also have an effect on Scope 3.12 (End-of-Life Treatment of Sold Products) emissions.

In 2025, Henkel continued the efforts to replace fossil-based packaging materials with recycled and bio-based alternatives. Examples of our ambitious initiatives on increased recycled content – and especially post-consumer recycled material (PCR) – include projects in North America, in Europe, and in Australia and New Zealand.

■ Raw materials

Henkel’s raw materials are a critical driver of the Company’s Scope 3 emissions and form the cornerstone of our net-zero strategy. Two key levers enable emission reductions in this area: substituting conventional raw materials with low-emission alternatives – including bio-based, recycled, or CO₂-based materials and further decarbonizing upstream supply chains for both existing and new raw materials.

As with packaging, reducing emissions in upstream supply chains involves increasing the use of renewable electricity and renewable fuels – such as green hydrogen or biofuels – particularly in heat generation and energy-intensive processes like steam cracking. Additionally, Carbon Capture and Storage (CCS) is emerging as a complementary solution to further mitigate upstream emissions. These efforts directly impact Scope 3.1 (Purchased Goods and Services) and Scope 3.12 (End-of-Life Treatment of Sold Products) emissions, aligning with our policy objectives.

In 2025, Henkel partnered with key suppliers to transition conventional raw material portfolios to low-emission alternatives. One example is our hotmelt portfolio, where collaborations with partners such as Dow and Synthomer focus on renewable energy adoption.

Carbon-efficient logistics

Henkel's logistics emissions originate from the upstream transportation of materials and from the downstream transportation and distribution of products. To reduce the associated emissions, we use the following two levers for emissions reduction:

■ Logistics optimization

Optimizing logistics and distribution networks makes a key contribution to reducing fuel consumption and the associated emissions. Key measures include the use of digital tools, the maximization of load efficiency and the minimization of transportation distances. In addition, nearshoring and local procurement are also promoted to further optimize the logistics network. The anticipated result of these activities is a reduction of absolute Scope 3 GHG emissions from categories 3.4 and 3.9, aligned with our policy objectives.

In 2025, we made progress for this key lever by conducting logistics optimization projects with a focus on lightweighting, bundling and maximizing the use of transport load factors. For example, in our Adhesive Technologies business unit we relocated the production of several products from Europe to Los Angeles, USA, and swapped transportation from air to sea.

■ Low-carbon transportation

Henkel uses two approaches to effectively reduce emissions within the transportation system. Firstly, we optimize the transportation mode in terms of GHG emissions. In this regard, we replace air freight wherever possible with sea freight. Moreover, we switch from road haulage to rail haulage wherever possible. Secondly, we replace traditional drivetrains with more sustainable alternatives. This includes the strategic evaluation and application of electric vehicles, biobased fuel alternatives and green hydrogen for transporting Henkel raw materials and goods. The anticipated result of these activities is a reduction of absolute Scope 3 GHG emissions from categories 3.4 and 3.9, aligned with our policy objectives.

In 2025, we made progress for this key lever by driving the optimization of plant and equipment at the sites operated by out service-providers, leveraging low-emission trucks and ships, as well as fostering education about optimal driving behavior. In sea freight, we have continued to promote the use of low CO₂e marine fuels in both business units, Adhesive Technologies and Consumer Brands.

Achieved and expected GHG emissions reductions *E1.29b, E1.34f*

The annual contribution of each of the actions described in the Climate Transition Plan is stated below as an estimated proportion of the entire reduction of the GHG emissions.

Contributions of the Scope 1 and 2 levers to achieving emission reduction targets

Levers (in percent)	Base year 2021	Target 2030
GHG emissions	100	58.0
Energy use/Energy efficiency		-9.1
Energy use/Renewable energy deployment		-0.6
Energy use/Renewable energy and fuel sourcing		-32.2

Contributions of the Scope 3 levers to achieving emission reduction targets

Levers (in percent)	Base year 2021	Target 2030
GHG emissions	100	70.0
Ecodesign/Format design		-1.5
Ecodesign/Packaging design		-0.5
Low-emission materials/Supplier engagement		-9.8
Low-emission materials/Packaging		-0.5
Low-emission materials/Raw materials		-15.6
Carbon-efficient logistics/Logistics optimization		-0.5
Carbon-efficient logistics/Low-carbon transportation		-1.5

Methodological and technical information on actions *ESRS 2.68c, d*

Henkel worked on all actions in the reporting year 2025 and plans to continue to do so in the short, medium and long term.

The impacts identified by Henkel as material arise in complex ways. Since the extent of Henkel's contribution to such impacts cannot usually be determined with certainty, the actions taken should not be understood as remedial actions for those who have been harmed by material impacts. Rather, the actions taken by Henkel represent a contribution to mitigating or avoiding impacts. Such actions, including preventive measures, encompass, for example, technical and managerial instruments, including process instructions, implementation of codes, standards and guidelines, as well as accompanying training.

Financial resources for the Climate Transition Plan

ESRS 2.69; E1.16c, e, f, g, h; E1.29c

The Climate Transition Plan serves as a long-term action plan for Henkel. Specific GHG emission reduction targets for Scopes 1, 2 and 3 were formulated as milestones for the period up to 2030. The financial resources assigned to the Climate Transition Plan cover operating expenditures (OpEx) and capital expenditures (CapEx) for the current reporting period and for the short- and medium-term future until the planned achievement of the milestones in 2030.

While the additional operating expenditures compared to fiscal year 2024, which are expected to be spent annually to meet the targets for reducing GHG emissions by 2030, are considered financially significant, the necessary capital expenditures are considered not significant from a financial perspective. Henkel's ability to implement the Climate Transition Plan does not depend on specific prerequisites.

The accumulated operating expenditures for the Climate Transition Plan in 2025 for achieving the GHG emissions reduction targets of Scopes 1, 2 and 3 amounted to around 100 million euros.

The additional operating expenditures compared to fiscal year 2025, which are expected to be spent annually to meet the GHG emissions reductions targets by 2030, are provided in the table below.

Resources relating to the Climate Transition Plan

Climate Transition Plan	Unit	2026 (short-term)	2027–2030 (medium-term)	>2031 (long-term)
Additional operating expenditures (OpEx) vs. 2025 p.a.	EUR m	30–50	75–400 p.a.	>400 p.a.

The OpEx relates to the following items of the consolidated income statement:

- Costs of sales
- Marketing, selling and distribution expenses
- Research and development expenses
- Administrative expenses

The EU Taxonomy Regulation uses a narrower definition of operating expenditures (OpEx), which deviates from the traditional understanding of the term in standard accounting practice. In particular, the definition of the operating expenditures according to the EU Taxonomy excludes certain elements such as cost of sales. For this reason, no correlation can be made with the operating expenditures used for the transition plan. The operating expenditures defined according to the EU Taxonomy Regulation are insignificant to Henkel's business model and, therefore, are not reported. For further information, please refer to the chapter on the EU Taxonomy Regulation.

Henkel's revenue-generating economic activities are not covered by the EU Taxonomy Regulation. For this reason, assets or processes that relate to revenue-generating economic activities or are part of a capital expenditure plan are currently not relevant according to section 1.1.2.2 a) and b) of Annex I of the Delegated Regulation on reporting requirements. Only capital expenditures relating to the purchase of output from Taxonomy-aligned economic activities and individual measures enabling the target activities to become low-carbon or to lead to greenhouse gas reductions are reported in accordance with section 1.1.2.2. c) of Annex I of the Delegated Regulation on reporting requirements.

Since the necessary capital expenditures are not considered significant for the transition plan from a financial perspective, no connection can be established to the corresponding performance indicators of the EU Taxonomy.

During the reporting period, no material capital expenditure was invested in coal-, oil- and gas-related economic activities.

Henkel is excluded from the EU Paris-aligned benchmarks.

The Climate Transition Plan is in line with our general business strategy and resilience analysis. It serves as a strategic key element in achieving the agreed net-zero targets and demonstrates the direction of Henkel's corporate strategy toward a low-carbon economy. The Climate Transition Plan is incorporated into our financial planning through corresponding operating and capital expenditure plans for key actions to achieve our net-zero targets.

Sources of estimation and outcome uncertainty *ESRS 2.11*

All expected OpEx and/or CapEx amounts allocated to the Climate Transition Plan are based on estimates, approximations and expert assessments derived from currently available information. The information was drawn from the respective plans to achieve the self-set targets for reducing GHG emissions. Forecasts of future investments and financial resources allocated to the Climate Transition Plan are generally based on current internal and external estimates. A significant portion of these estimates pertain to the future price development of relevant raw materials across the upstream value chain.

Metrics and targets

Targets related to climate change mitigation and adaptation (E1-4)

ESRS2.80a, c, h; E1.16a; E1.33; E1.34a, b, c, d

Henkel recognizes its responsibility, as a globally active corporation, to reduce its impact on climate change. For this reason, Henkel undertakes to achieve net-zero GHG emissions throughout the entire value chain by 2045, including a gradual reduction of the absolute direct and indirect GHG emissions. Henkel has set the three targets:

Our target 1: Reduce absolute Scope 1 and 2 GHG emissions by 42% (2030 vs. 2021)¹

Henkel has combined the GHG emissions from the Scope 1 and 2 categories in this climate target 1 for 2030.

Our target 2: Reduce absolute Scope 3 GHG emissions by 30% (2030 vs. 2021)

All Scope 3 emissions except for category 3.11 of the GHG Protocol are combined in this climate target.

Our target 3 (net zero): Reduce absolute Scope 1, Scope 2 and Scope 3 GHG emissions by 90% (2045 vs 2021)¹

All three targets are absolute targets and are measured in percent.

The climate targets apply for all geographical areas and to Henkel's full inventory including all of the relevant GHG-emission Scopes and activities except for emissions from the indirect use phase, which are reported under category 3.11 of the GHG Protocol. In addition, categories 3.8, 3.10, 3.13 and 3.14 are not relevant to Henkel's business model and are therefore not reported.

According to the SBTi definition, net zero is defined as achieving an absolute reduction of emissions of at least 90 percent across the entire value chain, i.e. across the categories of Scopes 1, 2 and 3 (except 3.11) and the permanent neutralization of any residual emissions. Accordingly, Henkel is following the mitigation hierarchy by targeting at least 90 percent absolute emission reduction through abatement across at least 95 percent of all Scope 1 and Scope 2 emissions and 90 percent of all Scope 3 emissions by 2045. To neutralize any residual emissions of a maximum of 10 percent of total emissions, Henkel is following the SBTi guidelines and plans to use permanent carbon removal and storage, relying on high-quality carbon offsets along the value chain and beyond. In the future, Henkel will set milestones for neutralization to prove the integrity of our commitment to neutralizing unabated emissions at net zero.

Henkel's long-term net-zero target correspondingly covers the GHG emissions from Scopes 1, 2 and 3 excluding category 3.11. Biogenic CO₂ emissions from incineration or biodegradation of biomass are reported separately from the GHG emissions of Scopes 1, 2 and 3 but exclude the emissions of other GHG types (especially CH₄ and N₂O). They remain within the Scopes 1, 2 and 3 according to the GHG Protocol. Since Henkel follows the SBTi Corporate Net Zero Standard, the removal of greenhouse gases, CO₂ certificates or the avoidance of emissions will not be considered as ways of achieving the GHG emission reduction targets.

¹ The target boundary includes biogenic land-related emissions and carbon removal from bioenergy feedstock production.

Henkel additionally reports the degree of target achievement regarding its previous SBTi targets from 2020 as entity-specific disclosures in the table “Henkel’s previous intensity climate targets” to meet its reporting obligations for Management Board remuneration and sustainability-linked bonds.

Henkel is in discussion with relevant stakeholders and considers their interests in its target-setting processes. The growing consensus of all interested parties is mirrored in the urgency with which climate change is being addressed. Stakeholders from various sectors are increasingly urging governments, companies and institutions to define net-zero targets to limit global warming and to mitigate the most serious impacts of climate change.

Our target attainment in the reporting year *ESRS 2.80j*

The progress made toward our targets is regularly checked and reported to Henkel’s Sustainability Council and Management Board. The progress toward the SBTi climate targets for 2030 is -49.5 percent for 2025 in respect of Scope 1 and Scope 2, and -28.0 percent in respect of Scope 3.

The reduction in Scope 1 and 2 emissions is particularly a reflection of our commitment to transition to renewable energies as part of our transition plan. The reduction in Henkel’s Scope 3 emissions are led by reductions in purchased volumes due to business transformation, portfolio projects and market effects, while also reflecting our commitment to supplier engagement as part of our transition plan.

Methodological and technical information on targets

ESRS 2.80b, d, e, f, g, i; E1.34e

The base year for our targets 1, 2 and 3 toward net zero is 2021. The baseline values are summarized under the table “GHG emissions” in this chapter.

Henkel has chosen 2021 as the base year because it is representative of our average business activities as seen over an appropriately long period. The suitability of the base year was validated by the SBTi during the target validation process.

The SBTi climate targets for 2030 (targets 1 and 2) serve as milestones on the way to Henkel’s SBTi net-zero climate target for 2045 (target 3). When Henkel reaches the current SBTi climate targets for 2030, we will set new SBTi near-term targets, including a recalculation and adjustment of the base year in line with the SBTi requirements.

Alignment with SBTi

In terms of methodologies and significant assumptions, Henkel’s GHG emissions reduction targets are geared toward the methodologies and climate scenario analysis of SBTi. As such, the emission reduction is defined in pathways that are geared toward a global net-zero target before 2050. This occurs in a way that is compatible with societal climate and sustainability targets, as well as the biophysical limitations of the planet. To achieve a net-zero condition at company level, Henkel must significantly reduce GHG emissions and offset the impacts of the remaining emissions. The SBTi Corporate Net Zero standard defines net-zero emissions at the company level as follows: Emissions reduction from Scopes 1, 2 and 3 to zero or to a residual level that is compatible with achieving net-zero emissions at the global or sectoral level in permissible 1.5-degree Celsius paths. This means that permanent neutralization of all residual GHG emissions in the net-zero target year and all GHG emissions released into the atmosphere afterwards. This is in line with the EU Green Deal and the European targets for 2030, 2040 and 2050, with which the EU aims to achieve climate neutrality.

Leveraging the scientific evidence behind these targets, Henkel uses the SBTi Corporate Net Zero Standard for defining its net-zero targets at company level in line with climate science. The standard contains guidelines, criteria and recommendations that companies need to define science-based net-zero targets that are in line with limiting the global temperature increase to 1.5 degrees Celsius.

At the time of target validation there was no finalized version of the sector-specific guidelines for the chemicals sector, so Henkel used the guidelines of the cross-sectoral pathway of the SBTi. Accordingly, the targets are aimed at the respective base climate and policy scenarios that are considered by the SBTi. The emissions reduction pathways consider the availability of low-carbon energy and low-carbon or reduced GHG emissions materials, packaging and technologies from the various availability scenarios such as materials within the chemicals sector. The transformation of this sector is of particular importance. The availability of green energies and low-carbon raw materials such as renewable or recycled raw materials are of central relevance. The increased demand for low-carbon products and the associated expected revenue increases have been taken into account. This represents a material opportunity for Henkel that was identified in the materiality assessment. Regulatory changes pose a material financial risk, as identified in the materiality assessment, which Henkel mitigates through its net-zero targets. Our product and packaging strategy and the general principles of eco-design, as presented in Henkel's Climate Transition Plan, were considered when developing the expected volume growth.

For the calculation of the expected decarbonization lever and their overall quantitative contributions to achieving the GHG emission reduction targets, we have considered a diverse range of climate scenarios. We calculated the levers based on currently available technologies, without making any assumption about future developments.

SBTi approval and alignment

The Scope 1, Scope 2 and Scope 3 portions of Henkel's long-term combined targets have been independently validated and meet all relevant criteria of the SBTi Corporate Net Zero Standard version 1.2. Henkel's near- and long-term targets to reduce Scope 1 and 2 GHG emissions are aligned with a rate of decarbonization consistent to keep global temperature increase to 1.5 degree compared to pre-industrial temperatures. Absolute long-term reduction targets are as ambitious as the minimum emissions reductions required to align with the SBTi's 1.5 degree temperature pathways. Henkel's absolute Scope 3 targets are more ambitious than the minimum of the approved range of emissions scenarios consistent with the well-below 2 degree goal for its near-term targets and consistent with the 1.5 degree goal for its long-term targets. The near-term GHG reductions between the base year (2021) and the most recent year submitted to the SBTi (2023) are considered by the SBTi to be in line with a 1.5 degree pathway.

Assessment of potential locked-in GHG emissions *E1.16d*

We assessed our potential locked-in GHG emissions and evaluated whether these emissions could jeopardize the achievement of our GHG emission reduction targets. Henkel's product portfolio does not contribute to locked-in emissions. We see our product portfolio and its position in the value chain as an opportunity, as demonstrated in the materiality assessment. Solutions in adhesives, sealants and coatings may, for example, help to replace emission-intensive materials in a wide range of areas and applications.

Henkel's power plant at its headquarters in Düsseldorf-Holthausen was identified as a material asset because of its expected lifetime and potential future emissions. It has the potential to produce larger amounts of locked-in GHG emissions. Achieving the short-term Scope 1 reduction target may be jeopardized if Henkel does not reduce the power plant's GHG emissions in line with an absolute reduction of 42 percent by 2030 (compared to the base year 2021). Since Henkel is actively and successfully addressing the GHG emissions bound in its assets and is doing so by its key climate change mitigation actions, we rate the risk of missing the GHG emission reduction target as low. The transition risk referred to in the section "Material impacts, risks and opportunities and their interaction with strategy and business model" (SBM-3) in the chapter "General Disclosures" (ESRS 2) that is made up of political and legal risks that could have a financial impact on Henkel's own operations was not classified as material since the overall cost contribution of the emission transition risk is low.

For the power plant at the Düsseldorf-Holthausen site, plans have been made to implement the following actions by 2030 that are directly linked with the key actions for emissions reductions listed in the Climate Transition Plan. Firstly, the aim is to consistently increase the energy efficiency of the facility and the energy-consuming installations that it supplies. Secondly, a continuous increase in the share of renewable energies such as biomethane is being pursued. In 2024, the use of coal as an energy source was completely discontinued and the coal combustion infrastructure was dismantled. Plans are also in place to utilize waste heat sources for heat generation.

To date, Henkel has not made any changes to the targets, the corresponding metrics or the base measurement methods, the material assumptions, restrictions, sources or processes.

Energy consumption and mix (E1-5) *ESRS 2.77c; E1.37; E1.38*

The following table summarizes our energy consumption and mix for the reporting year and the previous year.

Energy consumption and energy mix

Energy consumption and energy mix	Unit	2024	2025
Fuel consumption from coal and coal products	MWh	10,078	0.0
	%	0.5	0.0
Fuel consumption from crude oil and petroleum products	MWh	196,205	179,415
	%	9.3	8.6
Fuel consumption from natural gas	MWh	769,423	685,372
	%	36.4	33.0
Fuel consumption from other fossil sources	MWh	152	0.0
	%	0.0	0.0
Consumption of purchased or acquired electricity, heat, steam and cooling from fossil sources	MWh	139,946	90,353
	%	6.6	4.4
Total fossil energy consumption	MWh	1,115,803	955,140
	%	52.8	46.0
Total energy consumption from nuclear sources	MWh	0.0	0.0
	%	0.0	0.0
Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.)	MWh	326,720	356,570
	%	15.5	17.2
Consumption of purchased or acquired electricity, heat, steam and cooling from renewable sources	MWh	652,802	728,710
	%	30.9	35.1
Consumption of self-generated non-fuel renewable energy	MWh	18,934	36,043
	%	0.9	1.7
Total renewable energy consumption	MWh	998,456	1,121,323
	%	47.2	54.0

In line with our climate targets, Henkel uses a market-based approach based on the GHG Protocol to balance its energy mix.

Energy production from non-renewable and renewable sources *E1.39*

In 2025 Henkel also generated its own energy from both fossil sources and renewable sources. Henkel considers two relevant categories when calculating energy generation: its own generation from photovoltaic systems and industrial energy generation, especially from the power plant at the Düsseldorf-Holthausen site that uses fossil fuels and renewable fuels for energy generation for Henkel and third parties. Smaller fossil sources such as combustion engines or heating systems are not classified as relevant as part of this differentiated representation. The following table summarizes our energy production for the reporting year and the previous year.

Own energy generation

	Unit	2024	2025
Own energy generation by Henkel	MWh	935,711	930,585
thereof energy generated from fossil sources	MWh	836,604	793,463
thereof energy generated from renewable sources	MWh	99,107	137,122

Energy intensity based on net revenue *ESRS 2.77d, E1.40; E1.41; E1.42; E1.43*

As a company manufacturing consumer goods (laundry and home care, hair and body care), as well as adhesives, sealants and coatings, Henkel is active in a high climate impact sector, according to the definition of the EU Commission's Delegated Regulation 2022/1288. Accordingly, all activities are considered for the calculation of total energy consumption and net revenue.

The following table summarizes information on energy intensity (total energy consumption per EUR net revenue) for our sector for the reporting year and the previous year.

Energy intensity

	Unit	2024	2025
Energy consumption	MWh	2,114,259	2,076,464
Net revenue from activities in high climate impact sectors used to calculate energy intensity	EUR m	21,586	20,495
Energy intensity based on net revenue (manufacturing sector)	MWh/EUR m	98	101

Henkel discloses its net revenue and its energy consumption in accordance with the EU Commission's Delegated Regulation 2022/1288 definition of a high climate impact sector.

With regard to net sales revenue, please refer to the corresponding item "Sales" of the consolidated statement of income. Since all Henkel activities are assigned to a high climate impact sector in accordance with the EU Commission's Delegated Regulation 2022/1288 definition, the calculation must contain all of Henkel's sales.

Methodological and technical information on energy consumption

ESRS 2.77a, b

Henkel collects the energy consumption data of its production sites, selected R&D facilities, warehouses, offices and tool inventory and vehicle fleet using a centralized data entry software. For the remaining office and R&D locations, the consumption is estimated using reference values.

Gross Scopes 1, 2, 3 and total GHG emissions (E1-6)

E1.34a, b; E1.44; E1.48; E1.49; E1.51; E1.52

The following table summarizes our gross Scopes 1, 2, 3 and total GHG emissions for the reporting year and the previous year.

GHG emissions

Emissions	Base year 2021	N = 2024	N = 2025	Annual % target/ previous year	Reduction compared to base year (%N/base year)	2030	2045	Annual % target/ base year
Scope 1 GHG emissions								
Gross Scope 1 GHG emissions (t CO₂e) excluding biogenic CO₂ emissions¹	618,089	405,621	357,850					
Scope 1 (t CO ₂ e) from steam, heat and electricity, and other used by Henkel ¹	360,792	220,463	188,994					
Scope 1 (t CO ₂ e) from steam, heat and electricity, supplied to third parties	257,298	185,158	168,856					
Percentage of Scope 1 GHG emissions from regulated emission trading schemes	52%	56%	59%					
Scope 2 GHG emissions (t CO₂e)								
Gross location-based Scope 2 GHG emissions (t CO ₂ e)	330,837	320,897	320,779					
Gross market-based Scope 2 GHG emissions (t CO ₂ e)	160,242	55,988	34,824					
Scope 1 and 2 GHG emissions (t CO₂e)								
Scope 1 and 2 GHG emissions SBTi target scope (t CO ₂ e) ¹	778,331	461,609	392,674	-14.9%	-49.5%	451,432		4.7%
Significant Scope 3 GHG emissions								
Total gross indirect (Scope 3) GHG emissions (t CO ₂ e)	n.a. ²	35,002,308	33,455,268					
Scope 3 GHG emissions SBTi target scope (t CO ₂ e)	17,990,115	14,449,486	12,959,361	-10.3%	-28.0%	12,593,080		3.3%
1 Purchased goods and services	14,289,354	11,468,812	10,322,003					
1 Purchased raw materials	8,997,901	6,984,857	6,599,931					
1 Purchased packaging materials ³	2,383,257	1,750,742	1,485,537					
1 Other 3.1 emissions	2,908,196	2,733,213	2,246,536					
2 Capital goods	207,500	259,335	191,635					

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GHG emissions

Emissions	Base year 2021	N = 2024	N = 2025	Annual % target/ previous year	Reduction compared to base year (%N/base year)	2030	2045	Annual % target/ base year
3 Fuel and energy-related activities (not included in Scope1 or Scope 2)	315,895	235,407	202,029					
4 Upstream transportation and distribution	1,096,389	818,920	789,565					
5 Waste generated in operations	72,620	39,111	47,057					
6 Business travel	14,044	56,818	58,559					
7 Employee commuting	47,221	42,003	40,797					
8 Upstream leased assets	n.a.	n.a.	n.a.					
9 Downstream transportation and distribution	66,708	67,170	69,089					
10 Processing of sold products	n.a.	n.a.	n.a.					
11 Use of sold products ⁴	n.a.	20,552,822	20,495,907					
12 End-of-life treatment of sold products ³	1,864,474	1,436,546	1,191,809					
13 Downstream leased assets	n.a.	n.a.	n.a.					
14 Franchises	n.a.	n.a.	n.a.					
15 Investments ⁵	15,909	25,364	36,817					
Total GHG emissions								
Total GHG emissions (location-based) (t CO ₂ e)	n.a. ²	35,728,826	34,133,897					
Total GHG emissions (market-based) (t CO ₂ e)	n.a. ²	35,463,917	33,847,942					
Total GHG emissions (SBTi target scope) (t CO ₂ e)	18,768,446	14,911,095	13,352,035	-10.5%	-28.9%		1,876,845	3.8%
Biogenic emissions								
Biogenic CO ₂ emissions from stationary or mobile combustion (Scope 1) (t CO ₂) ^{1,6}	n.a.	68,681	74,774					

¹ Scope 1 emissions include the application of biogas and biomethane certificates. Certified volumes are treated as biogenic fuel, with related emissions accounted for as biogenic in accordance with ESRS E1.

² Data is not meaningful as the base year representation refers only to the scope of our SBTi targets and does not include the category (3.11) for emissions from the indirect use phase. Details of our SBTi targets can be found in the section "Targets related to climate change mitigation and adaptation" (E1-4).

³ Update of the methodology in 2025. These changes are well below the 5% threshold relevant for Henkel for recalculating Scope 3 GHG emissions for the base year in accordance with Henkel's Net Zero recalculation policy and therefore do not require a restatement to the figures for fiscal years 2021 and 2024.

⁴ Update of the figure for FY2024 (old: 23,163,822 t CO₂e) due to changes in the methodology and to enable a more accurate comparison with FY2025. These updates include the use-phase scenarios for dosage, energy consumption by application, and emission factors according to AR6 to improve the use-phase assumptions for our products.

⁵ Update of the figure for FY2024 (old: 88,127 t CO₂e) due to changes in mapping and consolidation approach and to enable a more accurate comparison with FY2025. The investments taken into account for calculating the emissions for the year 2024 and 2025 relate to the previous year. In the base year 2021, the investments from the same year were used.

⁶ Update of the figure for FY2024 (old: 73,556 t CO₂e) due to improvements in data quality and to enable a more accurate comparison with FY2025. The adjustment is made in accordance with Henkel's relevant 5% threshold for changes.

The emissions are broken down according to Scope 1, 2 and 3 including all sub-categories. Scope 1 emissions have also been additionally broken down to indicate Henkel's production (including electricity and steam generation and process emissions) and energy production for third parties. Scope 3 emissions have been generally further broken down into the 15 categories, while category 3.1 has been further broken down into the categories of raw materials, packaging and other Scope 3.1 emissions. Categories 3.8, 3.10, 3.13 and 3.14 are not shown in the table because they are insignificant for our business model.

Changes in the gross Scopes 1, 2, 3 and total GHG emissions values between 2024 and 2025 are partially due to the effects of the emission reduction levers. Other drivers of change are market and business developments.

Biogenic emissions of Scopes 2 and 3 are not material. We report on the biogenic emissions from Scope 1 because we consider this information to be material for the transparency of our direct energy use. The biogenic emissions of Scope 1 are presented in the table "GHG emissions". Biogenic emissions only include direct CO₂ emissions from the incineration or biodegradation of biomass. Other greenhouse gases (especially N₂O or CH₄) remain in Scope 1.

Methodological and technical information on GHG emissions *ESRS 2.10; ESRS 2.11; ESRS 2.77a; E1.47; E1.48a, b*

The methodology applied to calculate all scopes follows the GHG Protocol Corporate Accounting and Reporting Standard. For energy-related Scope 1 GHG emissions, we use UK DESNZ emissions factors (Department for Energy Security and Net Zero) to convert activity data (such as fuel consumption) to CO₂-equivalent emissions. For Kyoto Protocol gases, the formula for calculating process emissions from non-energy-related sources is used: "GHG = amount of emissions x global warming potential (GWP)". We also use the formula "GHG = amount of emissions (due to refill or leakage) x GWP" for refrigerant emissions.

According to the GHG Protocol Scope 2 Guidance, the Scope 2 emissions are calculated according to a hierarchical approach. The hierarchy orders the emission factors from specific (supplier-specific) to less specific (residual mix or grid mix) factors.

Scope 3 emissions are predominantly calculated with the average-data method and either quantified using primary data or secondary data from recognized life cycle databases (see table "CO₂e emissions – Explanations"). Scope 3 emissions are calculated in compliance with the GHG Protocol Scope 3 Corporate Accounting and Reporting Standard: "GHG emissions = activity data x emission factor x GWP".

The GWP data taken as the basis for Scopes 1, 2 and 3 is based on the IPCC Sixth Assessment Report with a time horizon of 100 years. In a few cases, GWP data from the former IPCC progress reports or alternative sources are used: Scope 3.6 emissions (business travel) uses GWP data from the fifth IPCC report for air travel, in accordance with the United Nations Framework Convention on Climate Change (UNFCCC). For refrigerants (Scope 1), the following applies: If no GWP is recorded in the IPCC report for a substance, reference is made instead to data from the California Air Resources Board.

The calculation methodologies, significant assumptions, value chain estimations and emission factor that were used for calculating the GHG emissions and the reasons why they were chosen, including the calculation tools and external databases used for the calculation, are provided in detail in the table "CO₂e emissions – Explanations".

CO₂e emissions – Explanations

Scope	Methodologies	Significant assumptions	Emission factors	Reason for using emission factors	Calculation tool
1	Emission factors and activity data, converted into CO ₂ equivalent emissions.	If no provider-specific values are available, standardized, globally accepted calorific values and densities from fuels on the basis of the UK DESNZ guidelines are used. The following applies to refrigerants: If no GWP is recorded in the IPCC report for a substance, data of the California Air Resources Board is used.	UK DESNZ emission factors are used for each type of fuel (e.g. natural gas, diesel, gasoline). These factors are updated annually.	The DESNZ factors are known for their consistent and accepted conversion rate that is tailored to company reporting in the United Kingdom and internationally for its compatibility with the Standards of the GHG Protocol.	Sphera site reporting.
2	Hierarchical approach: The hierarchy orders the emission factors from specific (supplier-specific) to less specific (residual mix or grid mix) factors.	Consistency and availability of supplier-specific data. When no data is available, it is assumed that residual mixes, eGrid and IEA factors provide sufficient estimates for Scope 2 emissions.	Supplier-specific emission factors, eGrid, residual factors and IEA.	This hierarchy is in line with the recommendations of the GHG Protocol to prioritize the most accurate emission factors and thus to improve the accuracy of reporting.	Sphera site reporting.
3.1 Purchased goods and services – Chemicals	In light of Henkel's Net Zero ambitions, the hybrid- and supplier-specific methods are used. For materials where no supplier-specific information is available, the average-data method is applied. Primary and secondary emission factors are automatically mapped to the purchased raw material or chemical components based on Henkel EHS systems. Technical relevance and time representativeness are considered. Factors are assessed on a global basis. For materials not (yet) covered in Henkel internal systems, the spend-based method is used (i.e. financial expenditures for goods).	Successfully verified or validated supplier-specific emission factors ("primary data") and specially modeled hybrid values are prioritized. In case not available, chemical- and industry- specific global averages from lifecycle inventory databases are used. In case of non-availability of factors in databases, relevant approximations are applied based on internal calculations. The spend-based emission factors utilize internally calculated Henkel-specific averages over the same reporting period.	Supplier-specific emission factors and hybrid values, industry-specific global averages from life cycle inventory databases Ecoinvent 3.11 and CarbonMinds 2024, approximations based on basket information.	The hierarchy for emission factors is in line with internal guidelines as well as the recommendations of the GHG Protocol.	Internal System BIGFOOT (Data-bricks, Power Apps and Power BI), additional internal tools for the verification and validation of supplier-specific Product Carbon Footprint (PCF) and hybrid values.

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CO₂e emissions – Explanations

Scope	Methodologies	Significant assumptions	Emission factors	Reason for using emission factors	Calculation tool
3.1 Purchased goods and services – Packaging	Predominantly supplier-specific- and average-data methods are currently applied. Primary and secondary emission factors are automatically mapped to the purchased packaging components based on Henkel EHS systems. Technical and time representativeness is considered. Global geographical representativeness is applied. For packaging materials not (yet) covered in Henkel internal systems, the spend-based method is used (i.e. financial expenditures for goods).	Successfully verified supplier-specific information are prioritized over industry-specific global averages. If unavailable, secondary emission factors from life cycle inventory databases are used for specific packaging materials or components. The spend-based emission factors utilize internally calculated Henkel-specific averages of the same reporting time frame.	Supplier-specific emission factors & industry-specific global averages from life cycle inventory databases Ecoinvent 3.11 and CarbonMinds 2024. In case of missing information: internally calculated averages based on basket information or spend-based factors.	The hierarchy for emission factors is in line with internal guidelines as well as the recommendations of the GHG Protocol.	Internal system YETI (Databricks, Power Apps and Power BI), additional internal tools for the verification of supplier-specific PCFs.
3.1 Commissioned production and merchandise	Spend-based methodology is applied. The purchasing expenditure in EUR is automatically multiplied with an internal average monetary emission factor.	Expert-based classification of material types and spend-based approximations per type of material. Material-, packaging- and service-specific factors are applied.	Spend-based internally calculated approximations based on Ecoinvent 3.11 and CarbonMinds 2024.	The hierarchy for emission factors is in line with industry-specific data, internal guidelines as well as the recommendations of the GHG Protocol.	Internal system SAGE (Databricks & Power Automate).
3.1 Purchased goods and services – Services	Spend-based methodology is applied. The purchasing expenditure in EUR is automatically multiplied with secondary spend-based emission factors reflecting different services.	Expert-based classification of service groups. Mapping of latest country- and service-specific Exiobase factors.	Most recent spend-based emissions factors from Exiobase, adjusted for inflation.	The hierarchy for emission factors is in line with industry-specific data, internal guidelines as well as the recommendations of the GHG Protocol.	Internal system SAGE (Databricks & Power Automate).
3.2 Capital goods	Where available, average-data method applied. For majority of capital goods, spend-based data method applied per capital goods group. The CapEx in EUR is multiplied by relevant monetary emission factors.	Expert-based classification of capital goods groups.	Most recent spend-based emission factors per capital goods group from Exiobase, adjusted for inflation.	The hierarchy for emission factors is in line with industry-specific data, internal guidelines as well as the recommendations of the GHG Protocol.	Internal system SAGE (Databricks & Power Automate).

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CO₂e emissions – Explanations

Scope	Methodologies	Significant assumptions	Emission factors	Reason for using emission factors	Calculation tool
3.3 Activities related to fuel and energy (not included in Scope 1 or Scope 2)	Average-data method is applied. Specific energy and fuel data is consumed from the Sphera site reporting tool. The data is categorized based on fuel or electricity type and multiplied with respective secondary emission factors.	For fuels, global averages are used. For electricity, country-specific emissions are calculated.	To calculate fuel-related Well-to-Tank (WTT) emissions, average emission factors per fuel type are based on Ecoinvent 3.11. For electricity Transmission & Distribution (T&D) losses as well as upstream production and transportation, country-specific IEA 2025 factors are applied.	The hierarchy for emission factors is in line with industry-specific data, internal guidelines as well as the recommendations of the GHG Protocol.	Internal system SAGE (Databricks & Power Automate).
3.4 and 3.9 Transportation and distribution	Distance-based method, energy-based bottom-up approach (external calculation by EcoTransIT World ETW based on fuel types by transport mode, distances and sales volumes).	Calculation is based on fuel, distances, distribution amounts and capacity utilization of trucks. Volume estimation is based on business units and product classes. Use of global specific average values for downstream transport and dedicated emission factors per transport mode; energy-based bottom-up approach (ETW).	Global average values based on downstream truck load factors and average transport distances per delivery.	The hierarchy for emission factors is in line with industry-specific, internal guidelines as well as the recommendations of the GHG Protocol.	External calculation (ETW) and internal system SAGE (Databricks & Power Automate).
3.5 Waste generation in operations	Waste-specific method is used. Specific waste data is consumed from the Sphera reporting tool. The data is categorized based on type (hazardous, non-hazardous) and multiplied with global average emission factors for various disposal routes e.g. landfill, incineration.	Recycled content method used for waste sent to recycling or incineration with energy recovery.	Global average values per waste and disposal type from Ecoinvent 3.11.	The hierarchy for emission factors is in line with industry-specific data, internal guidelines as well as the recommendations of the GHG Protocol.	Internal system SAGE (Databricks & Power Automate).

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CO₂e emissions – Explanations

Scope	Methodologies	Significant assumptions	Emission factors	Reason for using emission factors	Calculation tool
3.6 Business travel	For flight emission, fuel-based method is used, using the IATA CO ₂ Connect methodology. The method has 100% coverage of Henkel's global flight bookings. Rail emissions are calculated using a distance-based approach for all cases where booking data is available. In case not available, the spend-based approach is applied.	IATA CO ₂ Connect methodology uses specific flight time-data and a fuel-burn based emission factor to calculate emissions. A factor to reflect the impact of radiative forcing is applied in addition to this approach. It is assumed that the spend based portion of the rail data is similar in composition to the distance-based data.	For flight emissions, the CORSIA fuel-burn-based factor is used in combination with the UK DESNZ radiative forcing factor. For rail emissions, the most recent UK DESNZ rail emission factors are used. For rail activity where booking information is not available, a Henkel-specific spend-based factor based upon the main rail dataset is used.	The hierarchy for emission factors is in line with industry-specific practice, internal guidelines as well as the recommendations of the GHG Protocol.	External calculation (CHOOOSE) and internal system SAGE (Databricks & Power Automate).
3.7 Employee commuting	Average-data method based on specific Henkel activity data (including commuting based on full-time equivalents), as well as assumptions and statistical projections to calculate average emission values that are applied worldwide.	Emissions from commuting based on full-time equivalents. Projection based on average factors according to commuting patterns in Germany.	Use of global specific average values per transportation mode based on UK DESNZ.	The hierarchy for emission factors is in line with the use of the industry-specific data and internal guidelines, as well as the recommendations of the GHG Protocol.	Internal system SAGE (Databricks & Power Automate).
3.11 Use of sold products	Average-data method is applied based on products sold in different countries and regions. Henkel product categories are mapped to different use phase assumptions on dosage, energy and electricity consumption and multiplied with respective emission factors. For products not (yet) covered in Henkel's internal system, the revenue-based method is applied.	Where possible, external literature has been used for use phase scenarios. In cases where external literature is not available, use-phase assumptions are based on expert assessments and include estimations on product application as well as electricity and energy consumption during use phase.	Use of country-specific average emission factors for energy and electricity production based on IEA 2025. For products not (yet) covered in Henkel's internal system, the revenue-based method on the basis of internally calculated average values is applied.	The hierarchy for emission factors is in line with industry-specific data, internal guidelines as well as the recommendations of the GHG Protocol.	Internal system SAGE (Databricks & Power Automate).

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CO₂e emissions – Explanations

Scope	Methodologies	Significant assumptions	Emission factors	Reason for using emission factors	Calculation tool
3.12 End-of-life treatment of sold products	For sold products, the average-data method is applied based on sales across different countries and regions. For sold packaging, the waste-specific method is used, aligned with the respective countries and regions. Henkel product categories are mapped to distinct end-of-life scenarios and automatically processed using region-specific waste statistics and secondary emission factors for the corresponding waste treatment methods. Geographic, technological and temporal representativeness is considered wherever possible. For products not yet recorded, the same procedure applies as under 3.11.	Internal expert judgement for relevant end-of-life scenarios. For products, country- and region-specific waste statistics are based on external literature and not waste-specific. For packaging material, waste-specific emissions are determined. Recycled-content method used for waste sent to recycling or incineration with energy recovery.	Regionalized secondary emission factors per waste and disposal type based on Ecoinvent 3.11. For products not yet covered in Henkel's internal systems, the revenue-based method on the basis of internally calculated average values is applied.	The hierarchy for emission factors is in line with industry-specific practice, internal guidelines as well as the recommendations of the GHG Protocol.	Internal system SAGE (Databricks & Power Automate).
3.15 Investments	Revenue-based method including all companies recognized as investments in the consolidated financial statements. Emissions are calculated based on the prior year's revenue (N-1).	Calculation of indirect GHG emissions on the basis of financial data from affiliated companies that are not already included in Scope 1 or Scope 2. This takes into account all associated companies and investments included in the consolidated financial statements. The reporting period normally follows the financial reporting for fiscal year N-1.	Country-specific averages from Small World Consulting (SWC) with inflation adjustment.	The hierarchy for emission factors is in line with the use of the industry-specific data, and internal guidelines, as well as the recommendations of the GHG Protocol.	Internal system SAGE (Databricks & Power Automate).

Details on Scope 1 and 2 emissions E1.50

In principle, the same scope of consolidation applies for the reporting of gross Scope 1 and Scope 2 GHG emissions as applies for the consolidated financial statements. One exception relates to non-material information regarding a production facility sold during the fiscal year, at which Henkel continued to run contract manufacturing for the buyer over a short period of time and therefore retained operational control. Henkel has neither operational control of the associated companies included in the financial statements nor of the investments reported in the consolidated financial statements.

In 2025, Henkel used contractual instruments for market-related calculation of its Scope 2 GHG emissions. The instruments include virtual agreements relating to the acquisition of electricity, eco tariffs and unbundled energy attribute certificates. In 2025, the share of acquired electricity compared to overall acquired electricity was at a) 55 percent for virtual agreements, b) at 26 percent for eco tariffs and c) at 12 percent for unbundled energy attribute certificates. The remaining 7 percent of our consumption are not assigned an attribute or an attribute relationship cannot be established.

Details on Scope 3 emissions

The accuracy and suitability of Scope 3 emission inventories largely depend on the representativeness of data and methods, as well as the ability to track the effectiveness of Net Zero actions. Henkel is committed to continuously improving the accuracy and reliability of its Scope 3 GHG reporting. A key priority is the increased use of verified or validated supplier-specific data, ensuring that calculations reflect real-world conditions and enable the tracking of suppliers' progress toward Net Zero initiatives. Primary data – through supplier-specific and hybrid methods – is especially foreseen in Scope 3.1 category. In 2025, the overall share of primary data accounted for 14 percent of Scope 3 emissions (SBTi scope).

To provide a higher share of primary data, Henkel is implementing initiatives to move away from spend-based methods toward average-data approaches and to advance regionalization. This shift allows us to better capture local variations in processes and energy mixes while enabling targeted supplier engagement and reduction strategies.

Further key aspects include the continuous improvement of data quality through systematic and methodological refinement, automation and enhanced data sources, as well as the ongoing improvement of internal data processes. Currently, the overall accuracy of reported Scope 3 emissions is assessed as low to medium.

In 2025, the following roadmap projects have been integrated in the CSRD reporting:

- 3.1 Purchased Goods and Services – Packaging: Switch to internal system YETI, that uses further Henkel master data sources and thus, provides increased data granularity and -quality for reporting. Connection between E1 and E5 by accounting Recycled Content initiatives in Scope 3.1 Packs;
- 3.11 Use of sold products: Update of use-phase scenarios for all Henkel Consumer Brands and Henkel Adhesive technologies product categories. Comprehensive projects with application engineers and further internal and external stakeholders;
- 3.12 End-of-Life Treatment of Sold Products: Update of end-of-life scenarios, adaptation of regionalized waste statistics and more granular waste scenarios of Henkel products and packaging;
- Scope 3 Automation and Analytics tool (SAGE): Automation of Scope 3 data collection (from Henkel Data Platform), processing and calculation.

According to the Henkel Net Zero recalculation policy, the changes in the relevant SBTi Scopes 3.1 and 3.12 have been assessed as not significant, as the switch between previous and new methodology leads to emission changes well below the Henkel recalculation threshold. Thus, the SBTi target-relevant Scope 3 results will only be adapted from 2025 onwards. The change in Scope 3.11 (not part of the Henkel Net Zero target) has been evaluated as significant and thus, the respective Scope 3 category has been updated throughout the reporting years.

For the scope of consolidation for Scope 3 GHG emissions, please refer to the section “Details on Scope 1 and 2 emissions” in this chapter. GHG emissions from unconsolidated affiliated companies, other investments and from unconsolidated subsidiaries are mainly included in Scope 3.15.

Details on biogenic CO₂ emissions

Henkel incorporates biogenic emissions from the incineration or the biodegradation of biomass along the entire value chain in its Scope 3 inventory for all types of greenhouse gases except for CO₂ (for example emissions from N₂O or CH₄). Biogenic CO₂ emissions from incineration or the biodegradation of biomass in the upstream and downstream value chain are classified as non-material.

GHG Intensity based on net revenue *E1.53; E1.54; E1.55*

The following table summarizes the GHG emissions intensity for the reporting year and the previous year. It indicates progress against our commitment to reducing the carbon intensity of our business.

GHG intensity

	Unit	2024	2025
Net revenue from activities in high climate impact sectors¹ used to calculate energy intensity EUR m	EUR m	21,586	20,495
Location-based GHG emissions (t CO ₂ e)	t CO ₂ e	35,728,826	34,133,897
Location-based GHG intensity per net revenue	t CO₂e/EUR m	1,655	1,666
Market-based GHG emissions (t CO ₂ e)	t CO ₂ e	35,463,917	33,847,942
Market-based GHG intensity per net revenue	t CO₂e/EUR m	1,643	1,652

¹ The reported net revenue is disclosed under the high climate impact sector of the processing industry.

With regard to net revenue, please refer to the corresponding item “Sales” of the consolidated income statement in the consolidated financial statements. Since all Henkel activities are assigned in accordance with the EU Commission’s Delegated Regulation 2022/1288 definition to a high climate impact sector, the calculation must contain all of Henkel’s revenue.

Henkel’s previous GHG intensity climate targets

The following table summarizes Henkel’s progress against our previous GHG intensity targets for the reporting year and the previous year.

Henkel's previous intensity climate targets

Emissions per production amount	2017 base year intensity	2024 intensity	Progress compared to the base year in %	2025 intensity	Progress compared to the base year in %
Scope 1 and 2 GHG emissions (t CO ₂ /t production volume) ¹	0.0843	0.0304	-63.9	0.0249	-70.5
Scope 3.1 GHG emissions (t CO ₂ e/t production volume) ²	1.5	1.3	-13.3	1.3	-19.1

¹ The emissions metrics used to calculate the metric are net values that were determined by giving consideration to the following assumptions. Emissions from the generation of energy to be sold to third parties, from vehicle fleets, from refrigerant and process emissions, and from non-production locations are not included in these numbers. Emissions are calculated using the market-based method in accordance with the GHG Protocol. The reporting on the intensity targets with base year 2017 considers all Scope-1- and Scope-2-related business activities from 2019, excluding business activities in Russia. This excludes emission sources that were reported in separate lines (vehicle fleets that are reported under business travel, biogenic emissions that are reported in addition to the Scopes) and various emission factors (CO₂, current targets for Scope 1 and 2 use CO₂e).

² Reporting on the 2017 base year intensity target takes into account all Scope-3.1-relevant business activities in 2021, excluding those in Russia, and was extrapolated based on the activities in 2021. This only includes sources of emissions from raw materials and packaging materials purchased in this specific year. This corresponds to the definition of the Sustainable Finance Framework (October 2021).

GHG removals and GHG mitigation projects financed through carbon credits (E1-7) *E1.56a; E1.60; E1.61*

GHG removal and storage are either possible via nature-based solutions or through technical solutions. According to Henkel's current net-zero strategy and Climate Transition Plan, the removal and storage of GHG are not part of Henkel's emissions reduction in the reporting year and are excluded from the target calculation under the application of the SBTi Corporate Net Zero Standard, on which our targets are based.

Henkel has set a net-zero target for itself in conjunction with the SBTi Corporate Net Zero Standard. Hence, actions to neutralize remaining emissions can be considered with an emission reduction of 90 percent in the Scopes 1, 2 and 3. Acceptable measures are high-quality CO₂ compensation for the long-last-ing removal and storage of CO₂, as described in the SBTi Corporate Net Zero Standard.

Henkel has not made any public claims regarding the Company's GHG-neutrality and GHG-neutrality related to the use of CO₂ certificates.

Internal carbon pricing (E1-8) *E1.63*

Internal carbon prices can be an effective instrument to link investments to sustainable solutions. Henkel uses carbon price forecasts for relevant business decisions in order to anticipate and mitigate risks from an increasing carbon price. This strategy goes hand in hand with Henkel's net-zero targets. The Company does not use any internal carbon fees.

Carbon price forecasts are used by us in particular for strategic questions e.g. related to certain investment projects, R&D investments and for corporate planning and risk management purposes.

Different carbon prices per country and region were applied to the respective use cases. As basis for the current CO₂ prices, the latest data from the World Bank was used. The extrapolation of the CO₂ prices was based on the World Energy Outlook and depends on the respective use case. Conservative use cases such as risk management are aligned with the “Net Zero Emissions by 2050” scenario, whereas more probable or operational use cases follow the “Stated Policies Scenario”. The “Stated Policies Scenario” serves as the foundation for Henkel’s corporate planning. Since asset impairment testing is based on these planning assumptions, the same scenario is also applied for this purpose, as reflected in Henkel’s consolidated financial statements. The resulting carbon prices per country vary between 0 and 250 USD per metric ton of CO₂.

The volume potentially relevant for investment and R&D projects comprises Henkel’s GHG emissions in Scope 1 and 2 (392,674 metric tons) and 3.1 (10,332,003 metric tons). The actual share of Scope 1, 2 and 3 GHG emissions covered by carbon prices depends on the number of use cases for which carbon prices are considered financially relevant.

Pollution (ESRS E2)

Strategy

Material impacts, risks and opportunities and their interaction with strategy and business model *ESRS 2.48b*

The key impacts, risks and opportunities (IROs) related to pollution were identified through the double materiality assessment. These are listed in the table below and linked to the associated policies, actions and targets.

Overview of Impacts, Risks and Opportunities

Sub-topic	Description	IRO	Value chain	Actual/ Potential	Time horizon	Policies	Actions	Targets
Substances of very high concern	Potential restrictions on substances of very high concern (SVHC) might affect sales of products containing SVHC and might increase costs for compliance and market retention.	R	Down	P	Medium-term	We replace products containing SVHC with SVHC-free alternatives.	Active portfolio management - Responsible Chemistry approach of Adhesive Technologies. - Reducing and replacing SVHC in Consumer Brands' products.	

I- = Negative Impact, I+ = Positive Impact, R = Risk, O = Opportunity,
Up = Upstream Value Chain, Own = Own Operations, Down = Downstream Value Chain
A = Actual, P = Potential

A small share of Henkel's net revenue is generated by products that contain "Substances of very high concern" (SVHC), mostly in low concentrations of below 2.5 percent. This includes substances that are used in low amounts because of their technical characteristics, such as UV stabilizers and antioxidants. It also includes substances that are contained in our raw materials as by-products or contaminants. Potential statutory restrictions on the use of these substances in the future could negatively influence the sale of products containing SVHC and cause increased costs for adjustment actions. Consequently, potential restrictions of SVHC in the future for Henkel are associated with financial risks in its downstream value chain.

In addition to complying with all statutory requirements on SVHC, we follow our Safety, Health and Environmental Protection (SHE) standards and ensure that Henkel's products can be used without having negative impacts on human health or the environment. This also applies to products that contain SVHC. We also implement policies and actions to minimize the use of SVHC and have set ourselves the goal of replacing SVHC with alternative solutions. To achieve this, Henkel works with relevant stakeholders along the value chain.

Impact, risk and opportunity management

Policies related to pollution (E2-1)

Managing SVHC as an element of our Responsible Chemistry approach

ESRS 2.65; E2.15b, c

Henkel manages SVHC in line with its **Responsible Chemistry** approach and internal standards such as our globally applicable SHE standards. In addition to following the SVHC definition of the ESRS, we also take local definitions into account. By complying with our internal standards, we ensure that negative impacts of SVHC are avoided in the Henkel value chain.

Our Responsible Chemistry approach

As a global company operating in consumer goods (laundry and home care, hair and body care), adhesives, sealants and coatings, and with a complex value chain, Henkel recognizes its responsibility to protect the health, safety and rights of employees, value chain workers, consumers and the environment. This is addressed with a four-fold commitment:

1. We comply with statutory requirements regarding hazardous substances.
2. We actively ensure the safe handling of hazardous substances throughout our upstream value chain and within our own operations.

3. We provide solutions that are safe for consumers, end-users and the environment.

4. We continuously drive innovation to develop products with lower hazard.

We identify and address material impacts, risks and opportunities that influence our strategy and business model. Safety risks related to hazardous substances are an important element. In line with our SHE standards high importance is given to occupational health and safety to protect the well-being of our workforce in our own operations. Providing personal protective equipment and maintaining high safety standards are fundamental in our production operations. The requirements also include controlling the emissions from Henkel's production operations to levels that do not harm the environment.

As part of this Responsible Chemistry approach, Henkel is also committed to upholding the relevant labor and social standards, including internationally acknowledged human rights, throughout its value chain.

Our business and industry customers, as well as consumers and end-users, rightfully expect that our products are safe when they are used as intended. In line with this, trust in Henkel's products is foundational to our reputation and success among customers and consumers. Our products are assessed according to global standards even in countries that do not have clear product safety regulations in place. Ensuring product safety and transparency is essential, especially as millions of people use our products every day.

Our portfolio transformation

We are committed to driving the transformation of our portfolio to increase the sustainability contribution of our products. To that end, we aim to balance resource consumption, climate impact and product safety. Doing so, we do not accept trade-offs for the health and safety of consumers, end-users and the environment.

A major element of the portfolio management approach is the proactive development of products with lower hazards than their predecessor solutions. It is key for those alternatives that the level of quality and efficiency of the product solution for our customers is maintained or even improved. We implement products with lower hazards before they are regulated. We apply this approach globally and do not restrict ourselves to the regions where the substance is regulated or will be regulated.

In addition, Henkel has systematically standardized its methodology for sustainable portfolio assessment. Those employees in the Product Development, Product Safety and Sustainability Management departments who participate in the product development process are trained in the Responsible Chemistry approach to reduce the share of products containing SVHC in the portfolios of both business units. As such, they have the methods and data at their disposal to assess the extent of the presence of SVHC in products.

Due to the different characteristics of the portfolios of the two business units, their respective policies have different priorities. The raw material strategy of our Consumer Brands business takes into account the fact that many of the products pass into wastewater after use – such as detergents and cleaning agents, as well as hair and personal care products. For that reason, their raw material strategy has a focus on (bio)degradable ingredients. The strategy pursued by Adhesive Technologies for the responsible use of chemicals ("Responsible Chemistry") is already embedded in the sustainable portfolio assessment process of this business unit.

Our approach to managing SVHC

Through our Responsible Chemistry approach, we reduce our business risk that is linked to commercializing SVHC-containing products. We proactively develop solutions to replace products containing SVHC without compromising the quality and efficiency of the product solution for our customers. We do this because reducing emissions from the process is less expensive and less demanding from a technical point of view when using products without SVHC. These advantages can also be a benefit for our customers.

Henkel's policy for minimizing the use of SVHC consists of four elements:

- Henkel complies with local laws and regulations that prohibit these substances or restrict their use and concentration in a product.
- In cases where it is not yet possible to eliminate SVHC, Henkel ensures that products containing SVHC can be used safely by providing instructions for the proper use of these products.
- Henkel anticipates future regulations and works with stakeholders to identify the need for alternative solutions for products containing SVHC.
- In cases where alternatives without SVHC are available, Henkel actively engages with stakeholders along the value chain to encourage them to switch to these alternatives.

The policy is in line with the “zero pollution hierarchy” of the EU action plan to prevent pollution of air, water and soil. With all conceptual elements, we introduce measures to minimize the most harmful chemicals, both in consumer products and in products for professional users.

We also aim to ensure sufficient control of incidents and emergency situations along our value chain. Our Responsible Sourcing Policy addresses the safe handling of chemicals at our suppliers. Our SHE standards ensure safe the handling of chemicals in our operations and oblige us to market products that are safe when used as intended. Our product safety data sheets provide the relevant information to our customers. In addition, we have established a Product Crisis and Recall Management Process. These elements act in combination to control and limit the impact of incidents and emergency situations on the environment and/or civil society.

Through portfolio management we monitor the progress of specific initiatives to reduce products containing SVHC in the two business units and report these to the Consumer Brands and Adhesive Technologies Executive Committees.

We ensure that Henkel makes its contribution to achieving the goals of the “Global Framework on Chemicals” of the United Nations Environment Program to avoid SVHC.

The general accountability for the implementation of our sustainability policies is outlined in the section “Our policies to manage material sustainability matters” in the chapter “General Disclosures” (ESRS 2). For SVHC specifically, strategic topic leaders in the management of pollution in the business units are responsible for the development of concepts and policies addressing SVHC. They are responsible for their governance and lead the implementation of relevant measures based on company-wide standards and programs.

Further information on the scope of our sustainability policies, consideration of stakeholders and publication can also be found in the section “Our policies to manage material sustainability matters” in the chapter “General Disclosures” (ESRS 2).

Actions and resources related to pollution (E2-2)

We implement our policy objectives through active portfolio management in both business units. To manage and reduce the risk emanating from Henkel products that contain SVHC, the two following actions have been defined as the most important.

Driving the Responsible Chemistry approach of Adhesive

Technologies *ESRS 2.68a, b, e*

As part of the Responsible Chemistry approach of Adhesive Technologies, we are phasing out certain products as planned and continuing to work on the replacement projects that were launched in 2025 or earlier. We also define new projects leading to the replacement or reduction of SVHC. These actions are implemented globally.

In 2025, for example, we installed a holistic and proactive approach to managing SVHC across the Adhesive Technologies portfolio, addressing both existing and new products. For our existing portfolio, we have identified all products containing SVHC and created transparency for employees who participate in the product development. On this basis, we have defined maximum allowable sales volumes of SVHC-containing products by 2030. Finally, we implemented ongoing product development projects to replace SVHC. We have also amended the governance of the development of new products with a new rule that requires management approval for any new product containing SVHC.

Reducing and replacing SVHC in Consumer Brands' products

ESRS 2.68a, b, e

As part of the portfolio steering in Consumer Brands, the initiative "Reducing and replacing SVHC in Henkel Consumer Brands' products" targets an already defined list of SVHC. This action is implemented globally. In 2025, for example, we reduced the use of the cyclosiloxanes in the products of our hair care portfolio throughout all our markets.

Our key actions contribute to the targets of the policy by reducing the volume of SVHC in Henkel products. They also serve to enhance safety during production and use phases, as well as for end-users.

Methodological and technical information on actions

ESRS 2.68c, d; ESRS 2.69

The initiative "Reduction and substitution of SVHC in products by Consumer Brands" is intended to be completed in the mid-term. The initiative "Responsible Chemistry" in Adhesive Technologies is designed with a long-term perspective. We have not identified any material impacts related to pollution. Accordingly, these actions taken by Henkel should not be understood as remedial actions.

The above-described actions of Henkel in the area of pollution do not represent an action plan as defined in the European Sustainability Reporting Standards. Therefore, Henkel does not report on allocated financial resources.

Metrics and targets

Targets related to pollution (E2-3) *ESRS 2.81*

The sub-topic SVHC is managed through our policies and actions rather than an aggregate target. Our monitoring processes track the effectiveness of our policies and the progress of our actions in relation to the material sustainability impacts, risks and opportunities.

Water and Marine Resources (ESRS E3)

Strategy

Material impacts, risks and opportunities and their interaction with strategy and business model *ESRS 2.48b*

The key impacts, risks and opportunities (IROs) for Henkel related to Water and Marine Resources were identified through the double materiality assessment. These are listed in the table below and linked to the associated policies, actions and targets.

Overview of Impacts, Risks and Opportunities

Sub-sub-topic	Description	IRO	Value chain	Actual/ Potential	Time horizon	Policies	Actions	Targets
Water consumption	Water consumption for producing, transporting and warehousing raw materials and goods can put strain on water availability, with potentially negative impacts for communities and eco-systems.	I-	Up	A	Short-term	We encourage our suppliers to improve their water management practices.		
	Water consumption in production can negatively affect water resources and contribute to local supply depletion in areas with limited water availability.	I-	Own	A	Short-term	We promote sustainable water management in our operational processes.	- Water efficiency. - Circular water usage.	
	Water consumption related to the use of products can negatively affect water resources and, in areas with limited water availability, can impact the environment and the health of communities.	I-	Down	A	Short-term	We innovate our product design to reduce water consumption in the use phase.	Consumer engagement.	

TABLE CONTINUED ON NEXT PAGE

Overview of Impacts, Risks and Opportunities

Sub-sub-topic	Description	IRO	Value chain	Actual/ Potential	Time horizon	Policies	Actions	Targets
Water withdrawals	In the upstream value chain, water withdrawals for the production of procured raw materials can exacerbate water-related issues and have an impact on communities and ecosystems.	I-	Up	A	Short-term	We encourage our suppliers to improve their water management practices.		
	Water withdrawal for production in regions that are already experiencing water stress can further intensify water scarcity and diminish the availability of water for local communities and ecosystems.	I-	Own	A	Short-term	We promote sustainable water management in our operational processes.	- Water efficiency. - Circular water usage.	1. Reduce water withdrawals by 35 percent per metric ton of product (2025 vs. 2010).
	Water withdrawal related to the use of products can strain water resources and in regions that already face water scarcity, can increase physical water risks.	I-	Down	A	Short-term	We innovate our product design to reduce water consumption in the use phase.	Consumer engagement.	
	Water scarcity might threaten operations in water-stressed regions leading to potential temporary cessation of operations and decline in sales.	R	Down	P	Long-term			

I- = Negative Impact, I+ = Positive Impact, R = Risk, O = Opportunity,
 Up = Upstream Value Chain, Own = Own Operations, Down = Downstream Value Chain
 A = Actual, P = Potential

Water plays a crucial role along our value chain. We use water as a part of our production processes and as an ingredient in our products. Many of our products also require water during their use phase. Water consumption and water withdrawal throughout the value chain represent material environmental impacts for Henkel. Negative impacts on nature related to water are linked to Henkel's business model as a consumer goods company (laundry and home care, hair and body care), as well as to its adhesives, sealants and coatings business. In regions that are already affected by water scarcity, water resources may come under additional pressure. A lack of water availability and quality can harm human health and damage ecosystems. For Henkel itself, there is a potential risk that water scarcity may jeopardize ongoing

operations in water-stressed regions, which may lead to temporary business interruptions and revenue losses.

We recognize the critical role water plays in our operations, supply chains and communities. As part of our strategic direction, we are also addressing water-related issues and are aiming for sustainable use of water resources along our value chain. To this end, we have set the target of reducing water withdrawals by 35 percent per metric ton of product by 2025, using 2010 as the base year. This strategic target requires adjustments to Henkel's business model in our operations. Responsible and circular water stewardship became a central pillar of Henkel's Nature Policy in 2024. This means they are also an integral part of our broader sustainability agenda, which is

aligned with our Purposeful Growth Strategy and our 2030+ Sustainability Ambition Framework.

Impact, risk and opportunity management

Policies related to water and marine resources (E3-1)

Holistic water stewardship approach *ESRS 2.65; E3.12*

As a globally operating company, Henkel acknowledges its responsibility for actions on water scarcity and the protection of aquatic ecosystems and marine resources. In this context, Henkel aims for holistic water stewardship that enables responsible water management across the value chain based on collective action. This includes reduction of water consumption, circular water use and engagement in water-replenishment projects. We promote sustainable water management in our operational processes, primarily by reducing water withdrawal and consumption. We apply efficiency measures and the reuse of wastewater wherever possible. We apply wastewater treatment and regularly monitoring the quality of wastewater to avoid water pollution resulting from our operational activities as well as to enable water recycling. If pollutants need to be removed before conventional wastewater treatment, we carry out pre-treatment.

When sourcing water, sustainability and environmental compatibility are our top priorities. We place particular emphasis on the use of renewable and responsibly managed water sources. We strive to avoid over-extraction from vulnerable ecosystems and prefer sources that have a minimal impact on local communities and wildlife. We strive to reduce water consumption in areas at water risk in our own operations and across our value chain. Innovation in product design plays a central role for us. Innovations are aimed at optimizing water requirements in production and reducing the water consumption of our products in the use phase. We also focus on product design innovations that prevent water pollution in the downstream value chain. In doing so, we aim to replace substances that have a negative impact on people or nature without compromising the quality and efficiency of the solutions. To promote the responsible use of water in the upstream value chain, we aim to work more closely with our suppliers. We encourage them to improve their practices in the areas of water conservation, quality monitoring, wastewater treatment and recycling.

With our policy, we also demonstrate commitment to several third-party standards or initiatives, such as the efforts toward a European Blue Deal that is complementary to the EU Green Deal and the UN's Sustainable Development Goals (SDGs). Henkel respects the Planetary Boundary related to Freshwater Change. Freshwater Change is identified as a strategic priority for the whole Company. Since 2021, Henkel has been an endorsing member of the CEO Water Mandate, an initiative of the UN Global Compact. Accordingly, Henkel commits to adopting and implementing a comprehensive approach to water management.

Further information on the scope of our sustainability policies, the accountability for implementation, consideration of stakeholders and publication can be found in the section “Our policies to manage material sustainability matters” in the chapter “General Disclosures” (ESRS 2).

Actions and resources related to water and marine resources (E3-2)

To advance our commitment to sustainable water usage, we implement actions for water efficiency and circular water usage for our own operations. In the downstream value chain, we rely on collaboration with our consumers, for example through awareness campaigns that promote the sustainable use of our products. Actions to address material impacts in the upstream value chain are being considered.

Improving water efficiency and circular water usage *ESRS 2.68a, b, e; E3.19*

The actions for water efficiency and circular water usage aim to reduce the identified material impacts of our operations on water consumption and withdrawal. Both actions align with our policy objectives, which include reducing freshwater withdrawals and consumption in Henkel’s operating model.

The water efficiency actions that we have implemented help to prevent water loss and reduce the total amount of water used in operations. For example, we optimize the changeover sequence to minimize cleaning water. We have also introduced efficient cleaning systems and closed-loop cooling systems in several locations to reduce the amount of cooling water required. Circular water usage actions enable us to recycle and reuse water within the operational boundary. This means that water or wastewater is used more than once (treated or untreated) in the same or in another process in Henkel’s own operations. Examples include reusing and recycling cleaning water in production processes or recycling water in sanitation processes. In addition, our actions for circular water usage for example also include collecting rainwater from the roofs of production facilities in several locations for use in operational processes to reduce water withdrawal.

The actions to increase water efficiency and promote circular water usage apply globally to all Henkel production sites and throughout our own operations and were further advanced in 2025. Stakeholders impacted by these actions include local communities in the vicinity of production facilities. There are several Henkel production locations in areas of high water risk and water stress. Actions to increase water efficiency and circular water use are being implemented at these locations as well. These actions are contributing to reducing water scarcity in these areas.

Broad-based consumer engagement *ESRS 2.68a, b, e*

Consumer engagement actions align with our policy objectives by informing users of Henkel products about sustainable water use and resource conservation. One example is our “It Starts with Us” program, that started in 2023, which provides consumers with practical tips for the sustainable and water-saving use of our products. Consumer engagement actions address the reduction of material impacts on water consumption and water withdrawal in the downstream value chain. Henkel’s consumer engagement efforts also extend to areas with high water risk and stress, as these actions are implemented in affected regions.

In 2025, we continued this consumer education program and enhanced it with further sustainability tips for additional product categories and stronger visualization of sustainable behavior.

Methodological and technical information on actions *ESRS 2.68c, d; ESRS 2.69*
All actions were implemented during the reporting year and will continue in the short-, medium- and long-term future. These actions taken by Henkel represent our contribution to mitigating or avoiding impacts and should not be understood as remedial actions for those who have actually been harmed by material impacts. The above-described actions of Henkel in the area of water and marine resources do not represent an action plan as defined in the European Sustainability Reporting Standards. Therefore Henkel does not report on allocated financial resources.

Metrics and targets

Targets related to water and marine resources (E3-3)

To align with our ambition for sustainable water usage, Henkel has set a target to reduce water withdrawal within its own operations. Targets to address material impacts on the upstream and downstream value chain are being considered.

Our target: 35 percent less water withdrawal by 2025 *ESRS 2.80a, c, e, f, g, h; E3.22; E3.23a, c; E3.25*

Henkel's target is to reduce water withdrawal by 35 percent in m³ per metric ton of product by 2025 compared to 2010. This target is in line with our Nature Policy and the ambition of reducing water withdrawal in operational production processes defined therein. The target for water withdrawal applies to all Henkel production sites worldwide, including those located in areas affected by water risks or high water stress. Water withdrawals covered by the target include water sourced from surface water, groundwater and third-party sources.

Internally, stakeholders involved in the target-setting process included employees from Henkel's operations, sustainability managers from the business units, site managers and the global Sustainability team. An internal steering committee is regularly informed about the process. Targets were developed in 2021 with consideration given to the perspectives of external stakeholders. Steps such as a stakeholder survey helped to ensure this.

We conducted a target review process in the year 2025. New targets will be introduced in 2026.

Target attainment in the reporting year *ESRS 2.80j*

By the end of 2025, water withdrawal per metric ton of product had decreased by 22 percent compared to the 2010 baseline. Thus, the target level of -35 percent has not been achieved in the target year, which is attributable to changes in the product portfolio. For example, in several core markets, a shift from powder to liquid detergents can be observed. To monitor progress against the target, each site reports the metric monthly through a centralized reporting tool. The annual water withdrawal (surface water, groundwater and third-party water) is divided by the total annual production volume to measure progress against the target. The water withdrawal metric applies to production sites owned, rented or managed by Henkel. Facilities operated by suppliers are not included.

Methodological and technical information on targets *ESRS 2.80b, d*

The target is to be understood as a relative one, aiming for a 35-percent reduction in water withdrawal per metric ton of product. The target specifically refers to water withdrawal measured in cubic meters per metric ton of product produced in 2010. Progress toward the target is measured against a 2010 baseline value of 1.23 m³ of water withdrawal per metric ton of product.

The target is based on the United Nations Environment Program's (UNEP) finding that water demand is projected to exceed supply by up to 40 percent by 2030. In addition, it refers to the social relevance of water and sanitation for the world's population in a broader context. The target is also rooted in the scientific insights into planetary boundaries, particularly those related to freshwater systems. This planetary boundary highlights the deviation of surface water conditions from their pre-industrial state. This planetary boundary was already exceeded in 2023, which leads to the conclusion that a target must be set for water withdrawal reduction.

Since the year the target was set, no methodological changes have been made in the calculation or data collection, so as to ensure consistency and comparability.

Water consumption (E3-4)

Transparent data on water use *ESRS 2.77c; E3.28a, b, c, d; E3.29*

Henkel aims to minimize water consumption within its own operations, particularly in areas at water risk or water stress. This aligns with the identified material negative impacts of water withdrawal and consumption within Henkel's operations. The following table summarizes key associated metrics and results for the reporting year and the previous year.

Metrics Water

Metric	Unit	2024	2025
Total water consumption	m ³	3,858,063	3,721,666
Total water withdrawal	m ³	6,727,625	6,568,000
Total water withdrawal intensity ¹ per metric ton of product	m ³ /t	0.96	0.96
Total water consumption intensity per million EUR net revenue	m ³ /EUR m	179	182
Total water recycled and reused ²	m ³	736,380	606,818
Total water stored	m ³	131,779	63,929
Water consumption in areas of water stress	m ³	1,762,678	1,682,870
Water consumption in areas affected by an increased general water risks and/or increased water stress	m ³	1,810,369	1,736,099
Water consumption in areas at water risk	m ³	856,073	788,747
Water consumption in areas affected by an increased general water risk and simultaneous increased water stress	m ³	808,381	735,518
Water consumption in areas of water stress, but no increased overall water risk	m ³	954,297	947,352
Total wastewater ³	m ³	2,869,562	2,846,334

¹ Water withdrawal from surface water, groundwater and water from third parties for own production.

² Update of the figure for FY2024 (old: 778,210 m³) due to improvements in data quality and to enable a more accurate comparison with FY2025. The adjustment is made in accordance with Henkel's relevant 5% threshold for changes.

³ Data newly provided in fiscal 2025 as an additional breakdown of water metrics.

Contextual information on water consumption *ESRS 2.77a; E3.28e*

Our operational sites are located in 112 different river basins, as identified through the World Wildlife Fund (WWF) Water Risk Filter analysis. The physical water risk considers factors such as water scarcity, flood risk, water quality and ecosystem services. All water consumption values are calculated based on measured, estimated and calculated data for water withdrawal and discharge.

The water consumption intensity is calculated using the total water consumption in Henkel's operations in m³ and net revenue. The total recycled and reused water in m³ as well as the total water stored in m³ are metrics reported for each Henkel-operated site.

Methodological and technical information on metrics *ESRS 2.77a*

The analysis of the metrics for total water withdrawal and total water consumption applies to Henkel-operated production sites, offices, research and development, training and logistics facilities that are owned, rented or managed by the Company. For the withdrawal intensity metric from surface water, groundwater and third-party sources in m³ per metric ton of product, only Henkel-operated production sites are considered. Supplier facilities are excluded from all metrics.

Each site reports water withdrawal metrics through a centralized reporting tool on a monthly basis. For the total water withdrawal metric, the following sources are included: surface water, groundwater, seawater, produced water, third-party water and rainwater. For the water intensity metric concerning total water withdrawal, only surface water, groundwater and third-party water are considered. Total water consumption is defined as the difference between total water withdrawal and total water discharge. This metric represents the total volume of water withdrawn by Henkel that is not returned to the environment or third parties. Water consumption also includes water contained in our product formulations. Total water discharge includes releases to surface water, groundwater, seawater and water to third parties.

Areas of water stress

Areas of water stress are regions where the proportion of total water withdrawn from surface water and groundwater is classified as high (40–80 percent) or extremely high (over 80 percent) in relation to the available renewable water. The WWF Water Risk Filter with the respective "Baseline Water Stress" indicator was used to identify locations in water-stressed areas. The underlying data on water stress is derived from the PCR-GLOBWB 2 data model. This model has been evaluated with geographic granularity according to HydroBASINS levels 6 and 7. The data that the data model is based on covers the period from 1960 to 2014, and has been extrapolated within the model to 2021.

Areas at water risk

For areas at water risk, various physical aspects are considered, including water availability, quality, quantity, accessibility and regulatory or reputational risks. The indicators "basin physical risk," "basin reputational risk" and "basin regulatory risk" were used to identify areas with high or very high water risks.

Total amount of recycled and reused water

The total amount of recycled and reused water is defined as the combined volume of water and wastewater that has been reused multiple times within Henkel's operational boundary before being discharged, lost, incorporated into a product formulation, transferred to third parties or otherwise permanently leaving the Company. This may be in the same process (recycled) or in a different process within the same facility or another of the undertaking's facilities (reuse). Treatment of wastewater at internal or third-party treatment facilities before recycling and reuse at the undertaking's facility is allowed, if it can be proven that the treated volumes originate from and are reused/recycled at an undertaking's facility. The amount considers the number of recycles or reuses (volume of water recycled/reused multiplied by the number of cycles) and thus reflects the total amount of water from other sources that was saved by reuse and recycling, thereby reducing the undertaking's water demand. Water used in closed-loop systems is excluded

from this calculation, as such systems are considered single processes rather than multiple processes or process steps that the used water undergoes before discharge. Each site reports this data annually using a centralized reporting tool.

Total water stored

Total water stored is defined as the water reserved for exceptional circumstances at Henkel sites, such as fire water or reserve tanks that are not used in regular production processes. To ensure only tanks of significant size and relevance to exceptional situations are captured, only tanks with a capacity greater than 100 m³ are included in this metric. Each site reports this data annually using a centralized reporting tool.

Water intensity

Water intensity is defined as the ratio of total water consumption within Henkel operations in m³ per million euros to net revenue. In connection with water withdrawal, water intensity per metric ton of product is defined as the ratio of total water withdrawal from surface water, groundwater and third-party sources for Henkel's production in m³ to the annual total production volume (in metric tons).

Biodiversity and ecosystems (ESRS E4)

Strategy

Material impacts, risks and opportunities and their interaction with strategy and business model *ESRS 2.48b; E4.32c*

The key impacts, risks and opportunities (IROs) for Henkel related to biodiversity and ecosystems were identified through the double materiality assessment. These are listed in the table below and linked to the associated policies, actions and targets.

Overview of Impacts, Risks and Opportunities

Sub-sub-topic	Description	IRO	Value chain	Actual/ Potential	Time horizon	Policies	Actions	Targets
Direct impact drivers of biodiversity loss								
Climate change	GHG emissions from producing, transporting and warehousing raw materials and goods can contribute to climate change, which can disturb ecosystems and lead to the loss of biodiversity.	I-	Up	A	Short-term	Please see ESRS E1.	Please see ESRS E1, climate actions.	Please see ESRS E1, climate targets.
	GHG emissions resulting from production processes contribute to climate change, which can disturb ecosystems and lead to the loss of biodiversity.	I-	Own	A	Short-term			
	GHG emissions related to the downstream transportation, use phase (indirect emissions) and end-of-life of products can contribute to climate change, which can have a negative impact on biodiversity and ecosystems.	I-	Down	A	Short-term			

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Overview of Impacts, Risks and Opportunities

Sub-sub-topic	Description	IRO	Value chain	Actual/ Potential	Time horizon	Policies	Actions	Targets
Direct impact drivers of biodiversity loss								
Land-use change, fresh water-use change and sea-use change	Land-use changes and freshwater consumption associated with extracting and manufacturing raw materials can cause habitat destruction and deforestation, and can threaten freshwater ecosystems.	I-	Up	A	Short-term	We are committed to responsible sourcing of raw materials and to zero-net deforestation.	Procurement of sustainable, certified raw materials.	1. 100 percent palm and palm kernel oil responsibly sourced and certified or externally verified by 2025. 2. 100 percent transparency and traceability for palm and palm kernel oil by 2025. 3. 100 percent paper and cardboard materials recycled or sourced from sustainable origins by 2025.
	Land-use changes and freshwater consumption related to the downstream distribution, use phase and end-of-life of products can contribute to deforestation, species loss and pollution of waterways, which affects biodiversity and ecosystems.	I-	Down	A	Short-term	Please see ESRS E3.	Please see ESRS E3, water actions.	
Direct exploitation	Extensive extraction of feedstocks for the production of procured raw materials can cause biodiversity loss, particularly in protected areas or Key Biodiversity Areas.	I-	Up	A	Short-term	We are committed to responsible sourcing of raw materials and to zero-net deforestation.	Procurement of sustainable, certified raw materials.	1. 100 percent palm and palm kernel oil responsibly sourced and certified or externally verified by 2025. 2. 100 percent transparency and traceability for palm and palm kernel oil by 2025. 3. 100 percent paper and cardboard materials recycled or sourced from sustainable origins by 2025.
	Using large volumes of freshwater for production can lead to increased strain on freshwater ecosystems.	I-	Own	A	Short-term	Please see ESRS E3.	Please see ESRS E3, water actions.	Please see ESRS E3, water targets.

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Overview of Impacts, Risks and Opportunities

Sub-sub-topic	Description	IRO	Value chain	Actual/ Potential	Time horizon	Policies	Actions	Targets
Impacts on the extent and condition of ecosystems								
Land degradation	Extracting natural resources in upstream value chains can lead to land degradation resulting from deforestation, forest degradation and soil pollution.	I-	Up	A	Short-term	We are committed to responsible sourcing of raw materials and to zero net deforestation.	Procurement of sustainable, certified raw materials.	1. 100 percent palm and palm kernel oil responsibly sourced and certified or externally verified by 2025. 2. 100 percent transparency and traceability for palm and palm kernel oil by 2025. 3. 100 percent paper and cardboard materials recycled or sourced from sustainable origins by 2025.

I- = Negative Impact, I+ = Positive Impact, R = Risk, O = Opportunity,
Up = Upstream Value Chain, Own = Own Operations, Down = Downstream Value Chain
A = Actual, P = Potential

Human activities have changed nature and ecosystems worldwide, including land surfaces and ocean areas. This has led to a rapid decline of biodiversity on Earth with more than 1 million species facing extinction. The preservation of biodiversity and the protection of intact ecosystems are the main basis for providing resources that are important for life and for the ability to adapt to environmental changes. As part of its materiality analysis, Henkel has identified material impacts on biodiversity and ecosystems. These are categorized into direct drivers of biodiversity loss (climate change, land-use change, freshwater-use change, direct exploitation of resources) and impacts on the scale and condition of ecosystems (land degradation). These material impacts are closely linked to Henkel's business model as a consumer goods company (laundry and home care, hair and body care), as well as to its adhesives, sealants and coatings segments. This includes activities across all phases of the value chain that contribute to greenhouse gas (GHG) emissions and water consumption. In the upstream value chain, activities may lead to land degradation and land use changes, particularly through the use of land-

intensive (biological) raw materials that may contribute to deforestation when they are cultivated.

Henkel acknowledges these impacts and is committed to protecting and restoring biodiversity as part of its strategic orientation, with a particular focus on forests, land and water. Protection of global biodiversity was strengthened as a central pillar of Henkel's Nature Policy in 2024 and is an integral part of our broader sustainability agenda, which is aligned with our Purposeful Growth Strategy and our 2030+ Sustainability Ambition Framework. In addition to applying the underlying principles to the activities at our own sites, we also promote responsible purchasing of raw materials and the use of ingredients based on renewable raw materials. The focus is particularly on the responsible sourcing of palm (kernel) oil, palm (kernel) oil derivatives and timber products, which have been identified as critical raw materials in relation to deforestation.

Our sites with relevance to biodiversity *E4.16a, b*

Henkel has identified sites within its own operations that may negatively impact nearby biodiversity-sensitive areas. These are classified as sites with relevance to biodiversity. The identification of these sites with relevance to biodiversity is based on proximity to biodiversity-sensitive areas and the two direct drivers of biodiversity loss identified as material in Henkel's own operations in Henkel's materiality analysis: climate change and freshwater-use change. Direct exploitation of water is addressed through the assessment of freshwater-use change for sites relevant to biodiversity. The direct exploitation of biological resources, pollution, seawater use change and the introduction of invasive species were not identified as material within Henkel's own operations and were therefore not considered in the identification of sites relevant to biodiversity.

The following sites with relevance to biodiversity were identified.

For details on the criteria which have to be met in order for a site to be classified as relevant to biodiversity, please refer to the section “Methodological and technical information regarding the sites” in this chapter.

Sites relevant to biodiversity

Site	Biodiversity impacts	On-site activity	Identified dependencies	Ecological status	Potentially affected key biodiversity areas	Potentially affected protected areas
Bridgewater, USA	Climate Change	Administration and research of the HAT business unit	No material dependencies	Poor	None	Raritan River
Cannon Falls (MN), USA	Climate Change	Production of the HAT business unit	No material dependencies	Very poor	None	Sensitive Ground Water – Limit, Gemini State Aquatic Management Area (Goodhue)
Dammam, Saudi Arabia	Climate Change	Production of the HAT business unit	Dependence on regulating and supporting ecosystem services	Medium	Tarut Bay	Khalij Tarut
Düsseldorf-Holthausen, Germany	Climate Change	Production of the HCB and HAT business units	No material dependencies	Poor	None	LSG-Schloßpark Eller, LSG-Rheinauen, LSG-Rheinaue with oxbow lakes and floodplains, Rhine fish protection zones between Emmerich and Bad Honnef, Urdenbach – Kirberger Loch – Zonser Grind, NSG Zonser Grind
Elgin, USA	Climate Change	Production of the HAT business unit	No material dependencies	Poor	Pratt’s Wayne/Phillips State Park Grassland Complex	None
Enoree (SC), USA	Climate Change	Production of the HAT business unit	No material dependencies	Poor	None	Southern Appalachian Biosphere Reserve
Jundiaí, Brazil	Climate Change	Production of the HAT business unit	No material dependencies	Poor	None	APA Jundiaí
Montornès, Spain	Freshwater Use Change	Production of the HCB business unit	No material dependencies	Poor	None	Serres del Litoral Septentrional, Riu Congost

Abbreviations used: HAT: Henkel Adhesive Technologies, HCB: Henkel Consumer Brands

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Sites relevant to biodiversity

Site	Biodiversity impacts	On-site activity	Identified dependencies	Ecological status	Potentially affected key biodiversity areas	Potentially affected protected areas
Reghaia, Algeria	Freshwater Use Change	Production of the HCB business unit	No material dependencies	Poor	None	Réserve Naturelle du Lac de Réghaïa
Rocky Hill, USA	Climate Change	Administration and research of the HAT business unit	No material dependencies	Poor	None	Dinosaur, CT Department of Environmental Protection 39, Town of Rocky Hill 2, Great Meadows Conservation Trust, Inc. 10, Meadows, Alexandre J. Brilliant, Elm Ridge, Hoye Memorial Field (School Street), Shipyard, Sunny Crest
St. Louis (MO), USA	Climate Change	Production of the HCB business unit	No material dependencies	Very poor	None	Chouteau Island State Fish
Toluca, Mexico	Climate Change, Freshwater Use Change	Production of the HCB business unit	Dependence on ecosystem services for resource provision and mitigation or regulation of environmental impacts	Poor	None	Sierra Morelos
Umm Al Quwain, United Arab Emirates	Climate Change	Production of the HAT business unit	Dependence on ecosystem services for resource provision	Medium	Siniyah and Khor Al Beidah islands	None
Zapopan, Belenes, Mexico	Freshwater Use Change	Production of the HCB business unit	Dependence on ecosystem services for mitigation or regulation of environmental impacts	Poor	None	Bosque El Nixticuil - San Esteban
Zapopan, Juan Gil Preciado, Mexico	Freshwater Use Change	Production of the HCB business unit	Dependence on ecosystem services for mitigation or regulation of environmental impacts	Poor	None	Bosque El Nixticuil - San Esteban

Abbreviations used: HAT: Henkel Adhesive Technologies, HCB: Henkel Consumer Brands

The materiality analysis that was performed did not identify any material impacts regarding land degradation, desertification or soil sealing in Henkel's own operations or in the downstream value chain. In the upstream value chain, material impacts regarding land degradation from the extraction of biological raw materials were identified. Cultivation of these raw materials can lead to clear-cutting of forests and destruction of natural habitats, which is a form of land degradation.

Operations impacting threatened species *E4.16c*

Sites relevant to biodiversity identified by Henkel may also affect threatened species in their surrounding areas. Threatened species are defined according to the United Nations Red List as species categorized as "critically endangered," "endangered" and "regionally extinct" (see International Union for Conservation of Nature, IUCN Red List of Threatened Species). Threatened species impacted by sites relevant to biodiversity were identified using the Species Threat Abatement and Restoration Metric (STAR). The following potentially affected threatened species were identified.

Impacts of sites relevant to biodiversity on threatened species

Site	Threatened species	General threats to species in this region	Identified potential negative impacts from Henkel's activities
Bridgewater, USA	<i>Ammospiza caudacuta</i> , <i>Myotis lucifugus</i> , <i>Myotis leibii</i> .	Storms and flooding, habitat changes, invasive species, pollutants from industrial and military activities, settlement, other ecosystem changes, transport routes, renewable energy generation, forestry.	Use of transport routes.
Cannon Falls (MN), USA	<i>Myotis lucifugus</i> , <i>Grus americana</i> , <i>Emydoidea blandingii</i> .	Fishing, hunting, habitat changes, storms and flooding, grain cultivation, forestry, animal diseases, viral and prion diseases, transport routes, infrastructure, settlement, industrial areas, pollutants from agriculture, forestry, industry and military activities, renewable energy generation, dams and water management.	Use of transport routes and industrial infrastructure; influence on water management due to freshwater use.
Dammam, Saudi Arabia	<i>Aquila nipalensis</i> , <i>Falco cherrug</i> , <i>Eretmochelys imbricata</i> .	Animal diseases, invasive species, settlement, tourism, hunting, fishing, storms and flooding, pollutants from industrial and military activities.	No negative impact identified.
Düsseldorf-Holthausen, Germany	No threatened species identified that are negatively affected by site activities.	No threatened species identified that are negatively affected by site activities.	No threatened species identified that are negatively affected by site activities.
Elgin, USA	<i>Emydoidea blandingii</i> , <i>Grus americana</i> , <i>Myotis lucifugus</i> .	Grain cultivation, livestock farming, forestry, hunting, fishing, settlement, industrial areas, transport routes, infrastructure, habitat changes, storms and flooding, pollutants from agriculture, forestry, industry and military activities, animal diseases, renewable energy generation.	Use of transport routes and industrial infrastructure.
Enoree (SC), USA	<i>Myotis leibii</i> , <i>Myotis lucifugus</i> .	Grain cultivation, forestry, renewable energy generation, mining, settlement, recreational activities, livestock diseases, viral and prion diseases, hunting, deforestation, transport routes, pollutants from agriculture and forestry.	Use of transport routes.
Jundiaí, Brazil	<i>Pipile jacutinga</i> , <i>Brachyteles arachnoides</i> , <i>Idoppleura pipra</i> , <i>Callithrix aurita</i> , <i>Wilfredomys oenax</i> , <i>Buteogallus coronatus</i> .	Settlement, grain cultivation, livestock farming, forestry, deforestation, hunting, dams and water management, fires, invasive species.	Influence on water management due to freshwater use.
Montornès, Spain	<i>Oryctolagus cuniculus</i> , <i>Neophron percnopterus</i> , <i>Falco cherrug</i> .	Invasive species, livestock diseases, industry, recreational activities, pollutants from agriculture and forestry, municipal wastewater, grain cultivation, livestock farming, forestry, hunting, deforestation, settlement, industrial areas, fires, other ecosystem changes, dams and water management, extreme temperatures, droughts, transport routes.	Use of transport routes and industrial infrastructure; influence on water management due to freshwater use.

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Impacts of sites relevant to biodiversity on threatened species

Site	Threatened species	General threats to species in this region	Identified potential negative impacts from Henkel's activities
Reghaia, Algeria	Neophron percnopterus, Falco cherrug.	Pollutants from agriculture and forestry as well as industry and military activities, municipal wastewater, recreational activities, industry, fires, dams and water management, hunting, collection of terrestrial plants, grain cultivation, livestock farming, settlement, tourism, extreme temperatures, droughts, viral and prion diseases, transport routes, renewable energy generation.	Use of transport routes; influence on water management due to freshwater use.
Rocky Hill, USA	Lepidochelys kempii, Myotis leibii, Myotis lucifugus.	Fishing, oil and gas extraction.	No negative impact identified.
St. Louis (MO), USA	Myotis lucifugus.	Grain cultivation, forestry, livestock farming, renewable energy generation, mining, pollutants from agriculture and forestry, air pollution, pollutants from industry and military activities, hunting, deforestation, dams and water management, recreational activities, habitat changes, animal diseases, invasive species, infrastructure, settlement.	Use of transport routes and influence on water management due to freshwater use.
Toluca, Mexico	Ambystoma granulosum, Thamnophis melanogaster, Leptonycteris nivalis.	Invasive species, animal diseases, pollutants from agriculture and forestry and from industry and military activities, municipal wastewater, dams and water management, settlement, industrial areas, deforestation, transport routes, habitat changes.	Use of transport routes and industrial infrastructure; influence on water management due to freshwater use.
Umm Al Quwain, United Arab Emirates	Eretmochelys imbricata, Aquila nipalensis, Falco cherrug.	Animal diseases, invasive species, hunting, fishing, settlement, tourism, storms and flooding, extreme temperatures, pollutants from industry and military activities, grain cultivation.	No negative impact identified.
Zapopan, Belenes, Mexico	Ambystoma flavipiperatum, Thamnophis melanogaster, Leptonycteris nivalis.	Pollutants from agriculture and forestry, transport routes, grain cultivation, invasive species, settlement.	Use of transport routes.

Methodological and technical information regarding the sites

The following criteria have to be met for a site to be classified as a site relevant to biodiversity:

1. The site is located near (within a two-kilometer radius) an area with sensitive biodiversity. This radius corresponds to the dimensions of Henkel's largest production site in Düsseldorf-Holthausen. Setting this radius ensures that all sites are considered that overlap onto biodiversity-sensitive areas or border on biodiversity-sensitive areas. Impacts on biodiversity-sensitive areas that are further away are limited because Henkel adheres to existing legal requirements on emissions limits.
2. The site is among the 10 percent of Henkel locations with the highest Scope 1 GHG emissions (impacts: climate change as a driver of biodiversity loss) or is classified as a priority water site. A priority water site is defined as a location where the physical risk, the regulatory risk, the reputational risk or the water stress of the surrounding watershed is rated as "high" or "very high" and which is among the 10 percent of Henkel locations with the highest water withdrawal (impacts: freshwater-use change as a direct cause of biodiversity loss). The definition of a priority water site changed in contrast to 2024, to align the water stress and water risk indicators used with the indicators applied in the chapter "Water and Marine Resources" (ESRS E3), and to assess the materiality of the sites based on water withdrawal volumes in a manner analogous to the assessment of site materiality based on direct greenhouse gas emissions. Instead of assessing current or future physical water risks, various indicators of risks and water stress will be used in 2025. In addition, starting in 2025, the 10 percent of sites with the highest water withdrawal, rather than those with annual water withdrawal above the average will be considered across all Henkel production sites. The implication of this methodological change to identify the impact, applied for 2024 data, that 3 out of 18 sites are no longer classified as sites relevant to biodiversity (17 percent change, production sites in Drogenbos (Belgium), Maribor (Slovenia) and Raciborz (Poland)).

The corresponding values for the years 2024 and 2025 are given in section "Impact metrics related to biodiversity and ecosystems change" in this chapter.

Biodiversity-sensitive areas include Key Biodiversity Areas (KBAs) and protected areas listed in the World Database of Protected Areas (WDPA). The WDPA is the most comprehensive global database of marine and terrestrial protected areas. The criteria for identifying Key Biodiversity Areas (KBAs) are divided into five categories: threatened biodiversity, geographically restricted biodiversity, ecological integrity, biological processes and irreplaceability.

The impact on the environment of Henkel's sites relevant to biodiversity was defined according to the appropriate criteria met for identification and either applies to climate change, freshwater-use change or both. The relevant dependencies of sites relevant to biodiversity on ecosystem services were identified using the WWF Biodiversity Risk Filter, using the three summarizing categories: "Provisioning Services," "Regulating and Supporting Services – Enabling" and "Regulating Services – Mitigation." The fourth category of the ecosystem services "Cultural Services" was not taken into account because it does not directly relate to Henkel's business activities. Dependencies were identified if the risk score for the relevant category in the WWF Biodiversity Risk Filter was rated as "high" or "very high". The ecosystem status was assessed using the WWF Biodiversity Risk Filter, specifically the "6.4 Ecosystem Condition" indicator, which reflects the integrity and connectivity of the ecosystem.

Transition plan and consideration of biodiversity and ecosystems in strategy and business model (E4-1) *E4.13*

The materiality analysis performed by Henkel included a risk assessment regarding financial effects. No material transition, physical or systemic risks related to biodiversity and ecosystems were identified. It was concluded on this basis that Henkel's business model overall is resilient to risks related to biodiversity because no biodiversity-related risks are material for Henkel.

Potential risks assessed as part of the materiality analysis in the upstream value chain regarding biodiversity include rising costs and the unavailability of certain bio-based raw materials. These risks may result from new legal requirements (transition risks), such as anti-deforestation regulations leading to reduced arable land availability, decreased pollination due to insect species extinction or the impacts of droughts or floods (physical risks). These risks were not classified as material because Henkel's portfolio is not reliant on a single raw material, and the Company has a resilient business model through diversification.

For Henkel's own operations, potential risks such as fines or penalties for non-compliance with environmental contamination regulations were assessed as part of the materiality analysis and were also classified as not material. Transition risks related to the need to modify packaging formats and physical risks associated with insufficient water supply for production sites in water-scarce regions were also considered and were likewise classified as not material.

As part of the materiality analysis, no material risks were identified in Henkel's own operations or its upstream and downstream value chain. As a result, no resilience analysis was conducted for the upstream and downstream value chain.

The risk assessment in the double materiality assessment was generally conducted for a short-term time horizon. This time horizon was kept for biodiversity-related risks, since no significant differences regarding the materiality of biodiversity-related risks are expected in the medium term or long term.

External stakeholders were not involved in the assessment. Internally, stakeholders from Henkel's business units and its Procurement team were consulted, and financial sustainability data was used.

Impact, risk and opportunity management

Policies related to biodiversity and ecosystems (E4-2)

Commitment to protecting and restoring biodiversity

ESRS 2.65; E4.23a, b, d, e, f; E4.24a, b, d

Henkel takes responsibility for the protection of biodiversity on Earth and is committed to protecting and restoring biodiversity with a focus on forests, land and water. Our policy sets the guiding principles for our biodiversity targets, as well as general principles for the selection of actions and the transition strategy toward our targets and ambitions.

Henkel supports the efforts toward the global "Nature Positive" goal (defined by the Nature Positive Initiative and WWF and in line with the United Nations Kunming-Montreal Agreement) to strengthen resilience to climate change. This support for environmental protection and restoration extends to activities along and beyond the value chain. Henkel strives to avoid negative impacts on threatened and protected species, especially impacts of own operations located in or near sensitive ecosystems. In alignment, Henkel does not trade with species listed in the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) and respects legally designated protected areas.

Henkel is driving the transition to renewable raw materials, including recycled materials, bio-based materials and materials derived from carbon capture and utilization. To avoid, reduce and minimize potential negative impacts on the environment and people in the upstream value chain, Henkel is committed to responsible sourcing of raw materials. Henkel is also committed to zero net deforestation and has an ambition of deforestation- and conversion-free sourcing of high-volume commodities with a high risk for deforestation, conversion of forests and natural ecosystems, or human rights violations. This particularly applies to timber, pulp and paper, palm oil, palm kernel oil and their derivatives, and other commodities falling under relevant national and international legislation.

Henkel's deforestation- and conversion-free ambition for relevant commodities includes the following principles: transparency along the value chain, no conversion of natural ecosystems to agriculture or other land uses, no burning or use of fire for land clearing or replanting, and a zero net deforestation or DCF (deforestation- and conversion-free) or NDPE (No Deforestation, No Peat and No Exploitation) commitment from suppliers. This is in line with legal requirements, such as the upcoming European Deforestation Regulation (EUDR), but goes beyond national and regional regulations due to the global scope of the concept. Henkel strives to minimize the direct drivers of biodiversity loss in its own operations, for example by reducing production waste, waste to landfill, air, water and soil emissions, as well freshwater consumption. In addition, we also aim for an increased nature-orientation at our sites and avoid additional soil sealing or land clearance. Our ambitions toward zero net deforestation and conversion in our upstream value chain hold true for our own operation sites as well.

Henkel strives to trace supplies upstream to the point where compliance can be ascertained using several approaches varying according to the commodity involved: tracing material to the production unit (agricultural or forestry land); via a third-party certification scheme; via supplier systems that provide control back to the production unit level; or sourcing from areas documented to be low risk.

Furthermore, Henkel expects its suppliers to undertake best efforts to aim for sustainable production or sourcing of agricultural or forestry feedstocks. This includes using agroforestry and other regenerative practices, wherever possible.

Henkel also recognizes the social consequences of biodiversity and ecosystem-related impacts. Human beings are strongly dependent on nature and biodiversity, e.g. in terms of natural pollination, formation, protection and decontamination of soils and sediments as well as regulation of detrimental organisms. Moreover, the natural world is an invaluable source of medicinal, biochemical and genetic resources. Henkel is committed to conducting its business in a manner that minimizes its environmental footprint and supports the preservation and enhancement of biodiversity to also support social sustainability and improve the livelihood of communities. Henkel also aims to contribute to the societal net-zero goal by reducing net emissions beyond its own value chains (known as "beyond value chain mitigation").

Supporting international frameworks

Through the implementation of the policy, Henkel commits to several third-party standards and initiatives. Henkel respects the planetary boundaries related to biosphere integrity, overloading with novel entities and land-system change as main boundaries relevant for biodiversity loss, together with freshwater system change and climate change.

Henkel supports the goals of the “Convention on Biological Diversity” together with its two supplementary agreements, the Cartagena Protocol and the Nagoya Protocol. Henkel supports the four global goals and 23 targets of the Kunming-Montreal Global Biodiversity Framework (GBF). Henkel operates in alignment with the international conventions on the emission of potentially hazardous chemical substances, such as the Vienna Convention/Montreal Protocol on the avoidance of ozone-depleting substances, the Basel Convention on trade with hazardous wastes, the Stockholm Convention on persistent organic pollutants and the Minamata Convention on mercury emissions. Henkel recognizes the Sustainable Development Goals (SDGs) of the United Nations, in terms of the protection of ecosystems and biodiversity, especially SDG 14 “Life below Water” and SDG 15 “Life on Land”, as crucial goals toward the preservation of ecosystems and biodiversity.

Furthermore, Henkel acknowledges climate change, land-use change, pollution, direct exploitation and invasive species as the main drivers for biodiversity loss in accordance with the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES). Henkel supports the EU Biodiversity Strategy for 2030 together with its relevant objectives and targets as European frameworks for the protection, preservation and restoration of natural habitats and biodiversity.

Further information on the scope of our sustainability policies, consideration of stakeholders and publication can be found in the section “Our policies to manage material sustainability matters” in the chapter “General Disclosures” (ESRS 2).

Actions and resources related to biodiversity and ecosystems (E4-3)

Procurement of sustainable and certified raw materials *ESRS 2.68a, b, e*

Our primary action in the area of biodiversity and ecosystems is the procurement of sustainable, certified raw materials, particularly palm oil, palm kernel oil, and their derivatives, as well as paper, pulp and other wood-based packaging products. This measure addresses material impacts on land use changes and land degradation in the upstream value chain. Recognized certifications for palm oil, palm kernel oil and their derivatives are those provided by the Roundtable on Sustainable Palm Oil (RSPO), either mass-balanced (MB) or segregated (SG). For wood-based packaging materials, certifications from the Forest Stewardship Council (FSC), Programme for the Endorsement of Forest Certification Schemes (PEFC), Sustainable Forest Initiative (SFI), Canadian Standards Association (CSA), Australian Forestry Standard (AFS) or equivalent certifications are recognized.

The aim of this action is to prevent land-use changes and land degradation caused by deforestation in the procurement of relevant raw materials, while also promoting social sustainability. Within the mitigation hierarchy, this relates to the aspect of avoidance and reduction. This action is also contributing to our commitment of zero net deforestation.

The scope of the action encompasses Henkel's global upstream value chain. The stakeholders involved include suppliers, smallholder farmers, small-scale entrepreneurs along the value chain, affected communities and indigenous peoples in the relevant sourcing regions.

In 2025, we continued the procurement of sustainable, certified raw materials. The measures supporting the above-mentioned targets, and the monitoring of their progress, are carried out by Henkel's Global Procurement Sustainability team.

Methodological and technical information on actions

ESRS 2.68c, d; ESRS 2.69; E4.28b, c

The actions described were implemented during the reporting year and are planned to be continued in the short-, medium- and long-term.

The impacts that Henkel recognizes as material come into being in a complex way. Since the extent of our contribution to such impacts cannot usually be determined with certainty, the actions taken should not be understood as remedial actions for those who have actually been harmed by material impacts. Rather, the actions taken by Henkel represent a contribution to mitigating or avoiding impacts. Such actions, including preventive measures, encompass, for example, technical and managerial instruments, including process instructions, implementation of codes, standards and guidelines, as well as accompanying training.

No biodiversity offsets or other compensation was undertaken for the described actions. Neither were actions implemented based on indigenous knowledge or nature-based solutions.

The above-described actions of Henkel in the area of biodiversity and ecosystems do not represent an action plan as defined in the European Sustainability Reporting Standards (ESRS). Therefore Henkel does not report on allocated financial resources.

Metrics and targets

Targets related to biodiversity and ecosystems (E4-4)

ESRS 2.80a, c, h; E4.32d

Henkel has set three targets for the responsible sourcing of palm (kernel) oil and wood-based packaging materials, as these are considered critical raw materials associated with deforestation risk. Responsible sourcing includes the use of various certification systems that document deforestation-free procurement, use of a mass-balanced model or responsible forestry management. These targets address the identified material impacts of land-use change as a direct driver of biodiversity loss and land degradation as an impact on biodiversity and ecosystems in the upstream value chain.

In Henkel's policies, sourcing raw materials aimed at achieving zero net deforestation is a key element in protecting biodiversity and ecosystems. Our goal is to prevent the deforestation of primary and secondary forests with significant ecological value. These include peat lands and other high-carbon stock areas. Henkel is committed to zero net deforestation along our value chain and expects its suppliers to support this objective under Henkel's Responsible Sourcing Policy.

All targets apply to Henkel's global upstream value chain.

Our target 1: 100-percent palm and palm kernel oil responsibly sourced and certified or externally verified by 2025

This target includes the procurement of certified palm oil, palm kernel oil and their derivatives.

Our target 2: 100-percent transparency and traceability for palm and palm kernel oil by 2025

This target also includes the procurement of certified palm oil, palm kernel oil and their derivatives.

Our target 3: 100-percent paper and cardboard materials recycled or sourced from sustainable origins by 2025

This target includes the procurement of certified wood-based packaging materials. The certificates used confirm deforestation-free production or responsible forestry management.

We involved internal stakeholders in the target-setting process, including procurement and sustainability managers from the business units and the global Sustainability team. Our current targets were developed in 2021 with consideration given to the perspectives of external stakeholders. Steps were taken to ensure this, including a stakeholder survey.

We conducted a target review process in the year 2025. New targets will be introduced in 2026.

Our target attainment in the reporting year *ESRS 2.80j*

Target 1: Palm and palm kernel oil responsibly sourced

	Unit	2024	2025
Total volume of purchased palm oil, palm kernel oil and its derivatives	t	79,002	79,435
Total volume that was used to determine target achievement	t	78,143	78,812
Proportion of certified materials	%	97	98
Target achievement (Target 1: 100-percent palm and palm kernel oil responsibly sourced and certified or externally verified by 2025)	%	97	98

The recognized certifications are those provided by the Roundtable on Sustainable Palm Oil RSPO, either mass-balanced (MB) or segregated (SG). One criterion of the RSPO standard is deforestation-free production. It also addresses human rights and the inclusion of smallholder farmers. Segregated material is therefore considered deforestation-free, mass balanced material is considered as causing zero net deforestation. The certificates have significant social impacts as well. The RSPO engages with indigenous peoples and advocates for their rights to prevent land conflicts and associated human rights violations against them and other local communities. Progress toward target achievement is determined based on supplier order volumes, focusing on suppliers who deliver more than 25 metric tons of palm oil, palm kernel oil and their derivatives to Henkel each year. A list of suppliers within the scope is compiled quarterly in a palm oil report. Procurement data and the palm oil and palm kernel oil content of purchased raw materials are used to calculate the absolute volume of palm oil and palm kernel oil. An internal team checks the suppliers annually. Moreover, Henkel is externally certified by SCS Global according to the RSPO Supply Chain Certification Standard. The RSPO status is published monthly on the RSPO website. The remaining difference towards 100-percent certified palm oil is mainly caused by limited availability of certified material in some markets. In addition, some suppliers

refrain from participating in the RSPO due to limited market demand and higher costs, which likewise results in the unavailability of certified material.

In 2025, the amount of palm oil and palm kernel oil purchased and covered by RSPO-MB certificates was 77,362 metric tons, and the amount covered by RSPO-SG certificates was 36 metric tons. For wood-based packaging products, 196 metric kilo tons of certified and/or recycled materials were purchased in 2024, while quantities for 2025 will be published with the Sustainability Statement 2026.

Target 2: Transparency and traceability for palm and palm kernel oil

	Unit	2024	2025
Traceability to refinery	%	95	95
Traceability to mill	%	94	93
Traceability to plantation	%	65	79
Target achievement (Target 2: 100-percent transparency and traceability for palm and palm kernel oil by 2025)	%	95	95

The assessment is based on Henkel's agreed baseline volume of 99 percent of the total procurement volume, which is extrapolated to the full volume. Traceability to plantations, mills and refineries is evaluated to calculate the traceable share. The traceability assessment is conducted by the ASD (Action for Sustainable Derivatives), a collaborative initiative that brings together companies from the cosmetics, home care, personal care and oleochemical sectors to jointly address environmental and social supply chain issues related to palm oil and palm kernel oil derivatives. The ASD has developed a method to map the complex supply chains of palm oil, palm kern oil and their derivatives. The ASD process includes the steps "data collection from direct and indirect suppliers," "supply chain mapping," "mapping of sourcing areas" and "assessment of the level of transparency". Each year, data from the supply chain is examined and collected through consultations with direct and indirect suppliers, conducted by an independent third party, to identify sourcing

areas and compile a list of refineries and mills within the supply chain. Through ASD, Henkel works closely with supply chain stakeholders to clarify and align transparency requirements via webinars and one-on-one discussions. The values for the full year 2025 will be published with the 2026 Sustainability Statement. The 1-percent drop in traceability back to mill in comparison to 2023 results from the inclusion of additional suppliers, which led to a baseline volume coverage of 99 percent in contrast to 97.5 percent in 2023. Some of the included volumes show a limited traceability due to complex value chains. Together with ASD, Henkel is working on closing the gap for the materials purchased in 2025. To further increase the transparency towards our stakeholders, a list of associated mills and suppliers is published on our website annually.

Target 3: Paper and cardboard materials recycled or sourced from sustainable origins

	Unit	2024	2025
Total amount of purchased wood-based packaging	kt	222	197
Share of recycled wood-based packaging	%	64	68
Share of certified non-recycled wood-based packaging	%	34	30
Target achievement (Target 3: 100-percent paper and cardboard materials recycled or sourced from sustainable origins by 2025)	%	98	98

Progress toward achieving the target is determined in collaboration with suppliers and is based on their self-disclosures as part of the annual Pulp-Paper-Packaging (PPP) survey. The recognized certifications are FSC, PEFC, SFI, CSA, AFS and/or equivalent certifications. The values for the full year 2025 will be published in the Sustainability Statement 2026.

Even after reaching the target year, we will continue working consistently on the responsible and traceable sourcing of palm oil, palm kernel oil and their derivatives, as well as on the use of recycled or sustainable paper and cardboard materials. Progress is monitored and reviewed by the Sustainability Council.

Methodological and technical information on targets

ESRS 2.80b, d, e, f, g, i; E4.32a, b, c, e, f

All three targets aim for full coverage and therefore apply to 100 percent of raw materials within the scope. All targets are absolute targets and are measured in percent. The targets are not measured against a reference value. No base year has therefore been defined. The period for achieving the targets extends until 2025. No milestones or interim targets have been established.

The set targets are supported by scientific findings based on the concept of planetary boundaries. They also consider current research on the ecological and social impacts of palm (kernel) oil, the European Deforestation Regulation (EUDR), which includes timber products and palm (kernel) oil products, and stakeholder requirements for sustainable palm (kern) oil products. No additional significant assumptions were made when setting the targets.

To date, Henkel has made no changes to the targets, corresponding metrics, underlying measurement methods, significant assumptions, limitations, sources or processes.

Application of ecological thresholds

When setting the targets, ecological thresholds were applied. The planetary boundaries regarding "land-system change" form the ecological threshold for the targets, and the remaining forest area relative to the potential forest area during the Holocene is described for the three different forest types: "tropical," "temperate" and "boreal."

The target for palm oil and palm kernel oil pertains to tropical forests (ecological threshold: 85 percent of the tropical forest area compared to the potential tropical forest area during the Holocene). The target for certified paper and cardboard applies to all three forest types, with ecological thresholds of 50 percent for temperate and 85 percent for boreal and tropical forest area relative to the potential forest area during the Holocene. The methodology for these thresholds is described in the Stockholm Resilience Centre's planetary boundaries concept. The threshold used is a global value and not entity-specific.

Henkel is not responsible for adherence to the ecological threshold because land-system change is outside of Henkel's area of influence. However, we do view it as our responsibility to achieve zero net deforestation in our upstream value chain. Henkel prioritizes the procurement of certified raw materials that cause zero net deforestation, but also plans to support reforestation projects in the coming years.

The targets are also aligned with international frameworks and strategies. The alignment to the main frameworks is summarized below.

Overview of targets related to biodiversity and ecosystems and their alignment with international frameworks

Target (ESRS E4)	Alignment with the Kunming-Montreal Global Biodiversity Framework	Alignment with the EU Biodiversity Strategy for 2030	Alignment with other European legislation
Target 1	Target 1 and 10	Target 1, 2, 8 and 15	EUDR
Target 2	Target 1, 10 and 21	Target 1, 2, 8 and 15	EUDR
Target 3	Target 1 and 10	Target 1, 2, 8 and 15	EUDR

The three targets relate to the identified material impacts of land-use changes, direct exploitation of biological resources and land degradation in the upstream value chain. No attribution of impacts was made during the target-setting process.

No biodiversity offsets or other compensation approaches regarding biodiversity were considered in setting the targets.

Within the mitigation hierarchy, all targets are assigned to the "avoidance" layer. This refers to the avoidance of deforestation.

Impact metrics related to biodiversity and ecosystems change (E4-5)

Sites located in or near areas with sensitive biodiversity *ESRS 2.77c; E4.35*

In 2025, 15 sites relevant to biodiversity have been identified, meaning locations among Henkel's own operations that contribute to the identified material drivers of biodiversity loss within its own operations (climate change and/or freshwater-use change). The identified sites relevant to biodiversity encompass an area of 14,247 hectares.

KPI	Value 2024 report	Restated value 2024	Value 2025
Number of sites relevant to biodiversity	18	15	15
Area of sites relevant to biodiversity	15,857 ha	14,467 ha	14,247 ha

Methodological and technical information on metrics *ESRS 2.77a*

For the identification of sites located in or near areas with sensitive biodiversity, we considered Henkel's owned, leased and managed production sites, as well as selected owned, leased and managed office locations, research sites, training sites and logistics facilities that are located within a two-kilometer radius of a biodiversity-sensitive area. The locations and their allocation to the business units are documented in Henkel's site report, which is updated monthly. Areas with sensitive biodiversity include Key Biodiversity Areas (KBA) and the protected areas listed in the World Database of Protected Areas (WDPA). Proximity to these areas has been assessed using the Integrated Biodiversity Assessment Tool (IBAT).

Resource use and circular economy (ESRS E5)

Strategy

Material impacts, risks and opportunities and their interaction with strategy and business model *ESRS 2.48b*

The key impacts, risks and opportunities (IROs) related to resource use and circular economy for Henkel were identified through the double materiality assessment. These are listed in the table below and linked to the associated policies, actions and targets.

Overview of Impacts, Risks and Opportunities

Sub-topic	Description	IRO	Value chain	Actual/ Potential	Time horizon	Policies	Actions	Targets
Resource in-flows, including resource use	Non-existent, fragmented or inefficient waste management processes can limit the availability of recycled materials and lead to the use of virgin materials, potentially impacting people and the environment.	I-	Up	A	Short-term	We increase the use of renewable, recycled, carbon-captured or sustainably sourced materials.	■ Increase the share of recycled content.	2. >30 percent share of recycled plastic for all packaging of our consumer products (2025).
	The use of non-renewable resources such as fossil-based chemicals and virgin plastic can lead to resource scarcity, water pollution, habitat destruction and carbon dioxide emissions.	I-	Own	A	Short-term	We optimize resource use, reduce waste and minimize energy consumption across all facilities.	■ Increase the share of recycled content.	2. >30 percent share of recycled plastic for all packaging of our consumer products (2025).
	The use and distribution of products can introduce virgin materials like fibers, fossil and mineral resources into the economic cycle for the first time.	I-	Down	P	Short-term	We increase the use of renewable, based, carbon-captured or sustainably sourced materials.	■ Increase the share of recycled content.	2. >30 percent share of recycled plastic for all packaging of our consumer products (2025).

TABLE CONTINUED ON NEXT PAGE

Overview of Impacts, Risks and Opportunities

Sub-topic	Description	IRO	Value chain	Actual/ Potential	Time horizon	Policies	Actions	Targets
Resource outflows related to products and services	Growing demand for products made from circular raw materials and innovative products and packaging in the area of circularity might present a business opportunity.	O	Down	P	Long-term			
	Resource outflows in the upstream value chain can lead to negative impacts on people and the environment if they are not designed in line with circular economy principles.	I-	Up	A	Short-term	We promote the integration of circular economy principles for packaging, raw materials and products.		
	The release and bioaccumulation of potentially harmful substances associated with materials used for products and packaging can result in environmental pressures.	I-	Own	A	Short-term	We promote the integration of circular economy principles for packaging, raw materials and products.	■ Design for recycling.	1. 100 percent of packaging designed for recycling or reusability (2025).
	Adhesives, sealants and coatings that have not been developed in accordance with the principles of the circular economy can be incorporated into products, which can result in negative impacts on people and the environment.	I-	Down	A	Short-term	We promote the integration of circular economy principles for packaging, raw materials and products.		
	Replacing petro-chemical and non-circular ingredients with renewable ingredients may lead to higher costs for raw materials.	R	Up	P	Long-term	We increase the use of renewable, recycled, carbon-based or sustainably sourced materials.		
	New regulations may require establishment of (additional) local waste management systems and might entail additional operational cost or to additional EPR and/or Ecomodulation fees.	R	Down	P	Long-term	We participate in research and development initiatives that promote the use of secondary raw materials and improve waste management systems.		

TABLE CONTINUED ON NEXT PAGE

Overview of Impacts, Risks and Opportunities

Sub-topic	Description	IRO	Value chain	Actual/ Potential	Time horizon	Policies	Actions	Targets
Waste	Waste disposal and inadequate waste management in the upstream value chain can result in negative impacts on people and the environment.	I-	Up	A	Short-term	We strive to minimize waste generation throughout the product life cycle.		
	Packaging and chemical waste generated in operations can pose risks to the circular economy and can adversely affect biodiversity or public health – especially in areas with inadequate waste management systems.	I-	Own	P	Short-term	We strive to minimize waste generation throughout the product life cycle.	Reduction of production waste.	3. - 50 percent production waste per metric ton of product (2025 vs. 2010).
	Waste disposal and inadequate waste management in the downstream value chain can result in loss of resources and negative impacts on people and the environment.	I-	Down	A	Short-term	We strive to minimize waste generation throughout the product life cycle.	■ Design for recycling	1. 100 percent of packaging designed for recycling or reusability (2025).
	Fully recyclable packaging, biodegradable raw materials for laundry, home care and hair care products, and adhesives that enable packaging recyclability, can result in positive contributions in the downstream value chain, such as recycled packaging used as a secondary raw material.	I+	Down	A	Medium-term	We promote the integration of circular economy principles for packaging, raw materials and products.	■ Design for recycling.	1. 100 percent of packaging designed for recycling or reusability (2025).

I- = Negative Impact, I+ = Positive Impact, R = Risk, O = Opportunity,
 Up = Upstream Value Chain, Own = Own Operations, Down = Downstream Value Chain
 A = Actual, P = Potential

Effective protection of natural resources requires decoupling economic growth from the consumption of finite, natural and fossil resources, as well as development toward a circular economy. As part of Henkel's materiality assessment, negative and positive impacts on people and the environment, as well as potential risks and opportunities, were identified for our business regarding resource use and circular economy. For instance, inadequate waste management can pose risks to people and the environment. The use of non-renewable resources, such as fossil-based raw materials or packaging, can contribute to resource scarcity and increased greenhouse gas (GHG) emissions. In addition, neglecting circular economy principles in product design and production processes may have negative effects on people and the environment. Conversely, positive impacts can be expected when product formulations or packaging are based on secondary raw materials, are fully recyclable and are biodegradable. The growing demand for innovative products aligned with circularity principles offers significant business opportunities for Henkel. However, potential financial risks arise for the Company if replacing fossil-based and non-circular ingredients with renewable materials is only feasible at higher costs. Another cost factor could arise from new regulations requiring the establishment of packaging collection and recycling systems.

We view sustainability in our strategy as a competitive advantage, with the circular economy playing a key role. This includes a commitment to promoting the circular economy through our products, packaging and technologies. Henkel aims to increase the share of ingredients based on renewable and secondary raw materials while reducing the use of fossil raw materials by reformulating products. For packaging, the proportion of secondary raw materials should be further increased, while simultaneously reducing the overall amount of packaging material used. All packaging should be designed for recycling or reusability. Henkel also aims to reduce waste from its own production sites, as well as from the upstream and downstream value chains. Our approach to maximizing resource efficiency and minimizing waste became a central pillar of Henkel's Circularity Policy in 2024 and is an integral part

of our broader sustainability agenda, which is aligned with our Purposeful Growth Strategy and our 2030+ Sustainability Ambition Framework.

Impact, risk and opportunity management

Policies related to resource use and circular economy (E5-1)

Holistic approach to resource inflows, outflows and waste

management *ESRS 2.65; E5.15a, b*

Henkel is working on the transition to a circular economy, aiming to align resource inflows and outflows with circular principles. To promote circular principles in our value chain, we have defined targets outlined in this chapter, as well as the following two commitments:

- We commit to increasing the renewable share of ingredients and packaging materials.
- We commit to prioritizing sustainable packaging designs that minimize the use of packaging material and support reuse.

Inflows

Our resource inflows are comprised of raw and packaging materials for our products. In line with our commitments, our activities focus on the following areas:

- Increasing the proportion of raw materials based on renewable and recycled resources in product formulations.
- Reducing the amount of raw materials used by reformulation of products.
- Increasing the proportion of recycled materials in packaging.
- Reducing the amount of packaging materials to a minimum, without compromising the quality, performance or safety of products.

Henkel strives to reduce the use of fossil-based materials to mitigate the environmental footprint and avoid contributing to the depletion of natural resources. As such, Henkel prioritizes the use of sustainable materials such as recycled resources for packaging and the use of renewable resources as the basis for our ingredients. The Company also supports the sustainable procurement of renewable resources through intense collaboration with strategic suppliers. For further details, please refer to the chapter “Workers in the Value Chain” (ESRS S2).

Recognizing the Company’s reliance on secondary material inflows, Henkel is also dedicated to supporting Extended Producer Responsibility (EPR) systems for packaging. Henkel is supporting and financing waste collection and recycling through EPR fees. This serves to promote processes that enable packaging waste to be recycled at the end of its life cycle and to become available as post-consumer recycled material to replace primary packaging material and fossil-based virgin plastics.

Henkel expects all suppliers to minimize emissions by keeping materials within the economic cycle. Suppliers are also expected to drive progress toward a circular economy by applying the 5Rs of the circular economy: Reduce, Reuse, Repair, Recycle, Recover. Henkel strives to raise awareness about sustainable waste disposal in its own operations and among its suppliers.

Additionally, our suppliers are expected to comply with the requirements of the applicable legal frameworks on conflict minerals, as described in the chapter “Workers in the Value Chain” (ESRS S2).

Outflows

The Company is pursuing the goal of designing its packaging portfolio for recycling or reuse. Our business unit Consumer Brands is working to increase the share of biodegradable ingredients by reformulating its products and replacing less biodegradable solutions. Solutions from the Adhesive Technologies business unit help to reduce resource consumption in the use phase. They increase the reparability potential and can contribute to extending the service life of products and technologies.

Henkel promotes the integration of circular economy principles within its operational practices for raw and packaging materials, as well as finished products. This includes maximizing resource efficiency and minimizing resource consumption, while also engagement of stakeholders by fostering collaboration with our suppliers and customers.

Waste

Henkel strives to reduce waste from its own production facilities, as well as in upstream and downstream value chain facilities. Our goal is to reduce waste at the source by making production processes more efficient. This requires refining manufacturing techniques, minimizing the use of raw materials, reducing the formation of by-products and implementing lean manufacturing practices to generate less waste overall.

Henkel also complies with international conventions specifically related to the management of mercury, persistent organic pollutants (POPs) and hazardous waste, as well as compliance with the prohibitions and requirements of the Minamata Convention, the Stockholm Convention and the Basel Convention.

Through the implementation of the policy, Henkel supports several third-party standards and initiatives that go beyond the legal requirements to make our product footprint more sustainable. These include:

- Renewable Carbon Initiative
- Packaging design-for-recycling standards and methods
 - Consumer Goods Forum (Golden Design Rules)
 - Ellen MacArthur Foundation (EMF) – Global Plastic Commitment
 - APR Design® Guide for Plastics Recyclability
- German Minimum Standards
- US Plastics Pact
- Together for Sustainability (TfS)
- Responsible Minerals Initiative (RMI)

In setting the policy, we consider the interests of our key internal and external stakeholders. In addition, Henkel prioritizes consumers and customers when it comes to resource use and circular economy. We engage with them to understand their expectations about recyclable, reusable, bio-based and environmentally compatible products. Their feedback shapes the design and development of products and packaging that align with circular economy principles.

The engagement of our stakeholders, especially our employees, is crucial to drive the transformation to circular economy practices. Henkel offers its employees various training programs aiming to foster a culture of innovation and to encourage participation with ideas and solutions supporting the Company's circular economy targets. Furthermore, Henkel works closely with its suppliers to raise awareness about the principles of the circular economy regarding sustainable materials and waste reduction.

Further information on the scope of our sustainability policies, the accountability for implementation, consideration of stakeholders and publication can be found in the section "Our main sustainability-related policies in Henkel (MDR-P)" in the chapter "General Disclosures" (ESRS 2).

Actions and resources related to resource use and circular economy (E5-2)

To advance Henkel's commitment to a circular economy and efficient resource use, we implement actions to increase the share of recycled content and recyclability within our own operations. These actions also have an impact on the upstream and downstream value chain, with the aim of reducing the identified material impacts of our operations on resource outflows. Moreover, we implement actions to ensure that our production waste is reduced. These measures contribute to Henkel's policy objectives of integrating circular economy principles within operational practices, especially with respect to raw materials, packaging and products.

Increasing recycled content in packaging *ESRS 2.68a, b, e*

Henkel is committed to increasing the share of recycled content in plastic packaging in various product categories. In our Consumer Brands business unit in Europe we increased the share of recycled plastics in almost all of our liquid laundry bottle bodies from 50 percent in 2024 to 65 percent in 2025, while in Australia and New Zealand we increased this share from 50 percent in 2024 to 75 percent in 2025. As of 2025, almost all of our liquid laundry bottle bodies in North America have incorporated a minimum of 50 percent post-consumer recycled plastics. In our business unit Adhesive Technologies, all plungers for cartridges in North America that were entirely based on virgin plastic materials until 2024 are now made of 97 percent recycled content.

Enhancing design for recycling *ESRS 2.68a, b, e*

The design for recycling of our packaging was improved in various product categories. We excluded non-recyclable packaging from our portfolio in the Adhesive Technologies business unit, for example the exclusion of polystyrene (PS) from our shipping packaging for the aerospace industry. In our Consumer Brands business unit in the EU, we for example changed the toilet rim block packaging from a non-recyclable plastic blister-card format to a recyclable cardboard solution, allowing easy disposal in the paper waste stream. In North America, we for example launched a new Got2b Curled product line with mono-material packaging based on high-density polyethylene (HDPE) bottles and polyethylene (PE) labels to enhance recyclability.

Waste reduction in production *ESRS 2.68a, b, e*

Henkel is committed to reducing the waste generated in its production sites through different actions. On the one hand, we focus on waste reduction through improved production processes. On the other hand, we aim to direct waste streams away from disposal. This includes direct reuse and recycling with high-quality outbound recycling (HQOR) to improve circularity and provide high-quality raw materials for other industries. In the year 2025, for example, we increased the share of high-quality outbound recycled cardboard at a global level. This led to a waste reduction from around 5,900 metric tons of waste in 2024 to around 3,700 metric tons in 2025. Moreover, in Brazil our Pallet Reconditioning Program led to the reduction of 450 metric tons of wasted raw materials compared to 2024.

All actions are applied globally to all Henkel production sites and both business units and are broken down into regions and brands. The actions are based on initiatives in collaboration with suppliers to accelerate progress toward a circular economy and partnerships with key stakeholders through the Consumer Goods Forum and other organizations.

Methodological and technical information on actions *ESRS 2.68c, d*

The actions are defined for the time horizon of the respective targets until 2025. All actions were implemented during the reporting year and will continue in the short-term, medium-term and long-term future. These actions taken by Henkel represent our contribution to mitigating or avoiding impacts and should not be understood as remedial actions for those who are harmed by material impacts.

Financial resources for action plans *ESRS 2.69*

Capital expenditures (CapEx) and operational expenditures (OpEx) are necessary to achieve our target of increasing the share of recycled plastics in all consumer product packaging, as well as our target for the packaging of our products to be designed for recycling and reusability. These expenditures are regarded as insignificant from a financial perspective. However, as these expenditures also serve to achieve the GHG emission reduction targets, we have allocated them to Henkel's Climate Transition Plan, considered in the chapter "Climate Change" (ESRS E1).

Metrics and targets

Targets related to resource use and circular economy (E5-3)

ESRS 2.80a, c, e, f, g, h; E5.27

Henkel has set three targets within the scope of its own operations. These match our policy objectives of integrating circular economy principles within operational practices, especially with respect to raw and packaging materials, as well as finished products.

Our target 1: 100 percent of packaging designed for recycling or reusability (2025)

We aim to design all our packaging for recycling or reusability. As such, the target relates to the increase of circular product design and the increase of the circular material utilization rate. This target includes all packaging materials for finished goods placed on the market by Henkel (metal, paper, fiber-based packaging, glass, plastic). The target excludes products where ingredients or residue may affect recyclability or contaminate recycling streams. The target applies to our own operations and is a global target without geographical boundaries.

Our target 2: >30 percent share of recycled plastic for all packaging of our consumer products (2025)

We aim to increase the overall share of recycled plastic for the packaging of our consumer products to above 30 percent by 2025. This target indirectly addresses the minimization of primary raw materials through the increasing share of recycled plastic in packaging. This target includes packaging made from recycled plastics for consumer goods marketed by either of our two business units. Packaging materials made from plastics not intended for consumer goods are excluded from this target. The target applies to our own activities and is a global target without geographical boundaries.

Our target 3: -50 percent production waste per metric ton of product (2025 vs. 2010)

We aim to halve our production waste by 2025 vs. 2010. As such, this target relates to waste management. This target applies to our own operations and

includes all waste that is incurred at our production sites globally without geographical boundaries. Construction waste is excluded from the target, as well as high-quality outbound recycling (HQOR), since the quality of the resulting material allows its use as secondary raw material, replacing virgin raw materials.

We have involved internal stakeholders in the target-setting process, including procurement and sustainability managers from the business units and the Global Sustainability team. Our current targets were developed in 2021 with consideration given to the perspectives of external stakeholders. Steps including a stakeholder survey were taken by us to ensure this.

We conducted a target review process in the year 2025. New targets will be introduced in 2026.

Our target attainment in the reporting year ESRS 2.80j

Target 1: The target achievement in 2025 is 88 percent, while in 2024 it was 89 percent.

Target 2: The target achievement in 2025 is 28.3 percent, while in 2024 it was 25 percent.

Target 3: The target achievement in 2025 is -41 percent, while in 2024 it was -39 percent.

Progress toward our targets is measured and monitored monthly and reported to Henkel's Sustainability Council and Management Board on a regular basis. Regarding the design for recycling and reusability target, Henkel made substantial progress in many regions and on many brands. However, we have to acknowledge that complex technical hurdles and the absence of viable recycling solutions for certain formats – such as small-sized and flexible packaging – require extended development timelines. Regarding the recycled content target, Henkel was not able to fully achieve the target of 30 percent, with a minor deviation. Technical, availability, quality and economic challenges, along with portfolio shifts and volume effects have contributed to the result.

Regarding the production waste reduction target, Henkel also registered important progress despite negative impacts in the portfolio development leading to an increase in the share of products responsible for the generation of a higher amount of waste (per ton of finished product). Moreover, an increase in production waste was registered connected with site closures and corresponding shifts of production volumes to other sites, as well as with general production portfolio shifts.

Methodological and technical information on targets

ESRS 2.80b, d, e, f, g, i; E5.24; E5.25

Target 1: 100 percent of packaging designed for recycling or reusability (2025). This excludes hazardous goods and products where ingredients or residue may affect recyclability or pollute recycling streams. The target is absolute and measured as a percentage. The measurement is not based on a reference value or reference year. In terms of methodology, each component of plastic packaging is tested against ten different defined criteria. If any of the criteria are not met, the plastic packaging is labeled as “Not designed for recycling”. We have applied this criterion to the packaging components sold. Henkel has developed an internal solution to identify and assess the quantity of non-recyclable components in packaging. The test criteria include the color, the label and sleeve properties, the material composition, the plastic composition and the avoidance of substances that disrupt recycling such as polyethylene terephthalate glycol (PETG). Estimates are required for data of poor quality and for countries not integrated into Henkel’s IT system. These approximations only affect the general baseline for packaging and do not impact the “Design for Recycling” data for components of plastic packaging.

Target 2: >30 percent share of recycled plastic for all packaging of our consumer products (2025). The target level is higher than 30 percent. The target is absolute and measured as a percentage. The measurement is not based on a reference value or reference year. In terms of methodology, Henkel has developed an internal solution that combines sales data with packaging specifications to calculate the weight of plastic packaging and the amount of recycled plastic in absolute figures and percentages. Estimates are required for data of poor quality and for countries not integrated into Henkel’s IT system. In approximating packaging material, no recycling share is considered.

Target 3: -50 percent production waste per ton of product (2025 vs. 2010). The target level is -50 percent vs. 2010. The target is relative and measured as a percentage. The reference value from 2010 is 20.3 kilograms of waste per metric ton of product. In terms of methodology, the waste intensity is calculated by subtracting construction waste and high-quality outbound recycling from the total waste amount, then dividing the remaining waste by the production volume. This approach normalizes waste generation relative to production output, providing a consistent metric for year-on-year comparison. Construction waste is excluded because it is not representative of operational waste. Also, high-quality outbound recycling is excluded due to its utilization as a raw material in other industries.

All three targets related to circular economy are due in 2025.

More detailed scientific knowledge does not yet play a role in the targets set in the area of the circular economy, which is a developing scientific area. Certain studies are available, but there are not yet any uniform measuring indicators that could be used as a basis.

To date, Henkel has made no changes to the targets and corresponding metrics, while improvements have been implemented regarding measurement methods, significant assumptions, limitations, sources or processes.

The definition of the design for recycling and reusability target relates to the expansion of circular product design and the increase of the circular material utilization rate. Henkel's target regarding the share of recycled plastic for all consumer goods packaging indirectly addresses the minimization of primary raw materials through the increasing share of recycled plastic in packaging. Henkel's targets related to resource use and circular economy are associated with waste management and other aspects of reducing production waste per metric ton of product.

All three circular economy targets refer to the "Recycling" level in the waste hierarchy.

Resource inflows (E5-4)

Transparent data on resource inflows *ESRS 2.77c, E5.30; E5.31*

The resource inflows that are material for resource use and circular economy include raw and packaging materials, goods obtained from contract manufacturers, merchandise, goods for logistics (pallets), energy and water for operational processes. The following table summarizes our key metrics for resource inflows for the reporting year and the previous year.

Resource Inflows

	Unit	2024	2025
Total weight of products and technical and biological materials used	t	12,700,562	12,080,358
Share of biological materials and biofuels used to manufacture our products and packaging	%	3	3
Total weight of secondary reused or recycled components, secondary intermediary products and secondary materials used to manufacture our products, including packaging	t	226,179	221,294
Share of secondary reused or recycled components, secondary intermediary products and secondary materials used to manufacture our products including packaging	%	2	2

Our packaging materials

The following table summarizes our packaging material mix for the reporting and prior year.

Packaging materials¹

Our packaging materials	Unit	2024	2025
Plastic	t	267,272	255,977
	%	45.7	45.8
Paper	t	227,598	215,891
	%	38.9	38.7
Metal	t	79,076	75,894
	%	13.5	13.6
Glass	t	5,346	4,101
	%	0.9	0.7
Other	t	6,120	6,505
	%	1.0	1.2

¹ Data newly provided in fiscal 2025 as an additional breakdown of the resource inflow metrics.
This calculation is based on a detailed evaluation of packaging materials placed on the market.

Methodological and technical information on resource inflows

ESRS 2.10; ESRS 2.77a; E5.32

The following table summarizes our methodologies, assumptions and value chain estimations for resource inflow data.

In 2025, we integrated the reporting of packaging and raw material inflows into an automated solution (Phoenix Tool) that is designed to calculate circularity KPIs and reporting metrics. This streamlined processes, reduced manual intervention, and enhanced data readiness.

Methodologies and Assumptions on Resource Inflows

Indicator	Methodologies	Assumptions (description of approximations)
Total weight of products and technical and biological materials used during the reporting period.	Materials purchased during the reporting period are recorded in an internal database. For materials purchased in units other than weight (e.g. pieces), additional master data or standard conversion factors are used to calculate weight.	For purchased materials not included in the database, approximations for weight are determined using mathematical models that include secondary conversion data. Around 8 percent of packaging and 2 percent of raw materials tonnage is estimated. The resulting average accuracy of the metric is also influenced by the assumptions made when classifying the materials.
Share of biological materials and biofuels used to manufacture our products and packaging.	The sustainable origin of packaging is checked and certified. ^{1, 2} Packaging from goods obtained from contract manufacturers, traded goods and indirect materials are excluded from the assessment since no sufficient documentation and information can be provided. Bio-based raw materials are determined by the mass-balance method.	The weight of bio-based packaging materials is estimated based on prior-year figures. The weight of bio-based raw materials is calculated specifically.
Absolute weight of secondary reused or recycled components, secondary intermediary products and secondary materials used in the production of the products, including packaging.	Recycled materials are evaluated only in the packaging category. Reported weight is calculated based on purchased quantities recorded in internal datasets. Packaging materials from the areas of contract manufacturing, traded goods and indirect materials are excluded from the assessment since no sufficient documentation and information can be provided. For metal and glass, scientific evidence is used for the recycling factors. For paper, results from Henkel internal survey are utilized. For plastics, data is maintained in Henkel systems.	The scientific evidence and internal survey results are used for the estimation of the recycled content. Expert assessments based on market-standard values are used to estimate the recycled content and the respective weight in glass and metal packaging components. According to expert assessments, it is assumed that 20 percent of glass packaging and 50 percent of metal packaging consist of recycled material.
Share of secondary reused or recycled components, secondary intermediary products and secondary materials used in the production of the products including packaging.	The percentage of the reused or recycled secondary products and materials (including packaging) is calculated as the total share of recycled packaging divided by the total amount of products and materials provided in kg.	The estimation of the recycled content is based on scientific evidence and internal survey results. Expert assessments based on market-standard values are used to estimate the recycled content and the respective weight in glass and metal packaging components. According to expert assessments, it is assumed that 20 percent of glass packaging and 50 percent of metal packaging consist of recycled material.

¹ Metric based on suppliers' self-disclosure. The certificates are not verified.

² Based on the information for the year 2024.

We aim to continuously improve the accuracy of our data. We plan to improve the data quality for raw and packaging materials by identifying more bio-based materials. The data quality for raw and packaging materials is to be further improved with the aim of reducing the proportion of reused or recycled components and materials for which the weight is estimated. We also plan to reduce the share of estimates in total tonnage by improving master data.

Resource outflows (E5-5)

Key products and materials based on circular economy principles

ESRS 2.77c; E5.35; E5.36

Henkel is striving for a packaging portfolio that is designed for recycling or reuse. In the area of formulation ingredients, Consumer Brands business unit is working on increasing the share of biodegradable ingredients in product formulations. Biodegradability facilitates reintegration into the biological cycle and minimizes environmental impacts. Solutions from Adhesive Technologies reduce resource consumption during the use phase, enable reparability and support an extended lifespan of products and technologies.

The products that Henkel sells are intended to be used by consumers and end-users. Hence, the aspect of product durability plays a minor role. Reparability is not relevant for products placed on the market by Henkel. The rates of recyclable content are captured with our target achievement for target 1: 100 percent of packaging are to be designed for recycling or reusability.

Transparent data on waste ESRS 2.77c; E5.37a, b, c, d

The following table summarizes our key metrics for waste for the reporting and prior year.

Resource outflows

	Unit	2024	2025
Total amount of waste generated	t	131,708	123,054
thereof, construction and demolition waste ¹	t	30,274	29,545
thereof, high-quality outbound recycling waste (HQOR) ¹	t	5,219	9,475
Non-hazardous waste	t		
Total amount of non-hazardous waste	t	100,932	97,501
Non-hazardous waste diverted from disposal	t	50,406	44,418
due to preparation for reuse	t	n.a.	n.a.
due to recycling	t	43,942	42,492
due to other recovery operations	t	6,464	1,926
Non-hazardous waste directed for disposal	t	50,526	53,083
through incineration	t	30,970	26,662
through landfill	t	15,571	15,741
through other types of disposal	t	3,984	10,680
Hazardous waste			
Total amount of hazardous waste	t	30,776	25,553
Hazardous waste diverted from disposal	t	7,987	5,568
due to preparation for reuse	t	n.a.	n.a.
due to recycling	t	2,588	2,577
due to other recovery operations	t	5,398	2,992
Hazardous waste directed for disposal	t	22,789	19,984
through incineration	t	19,864	17,809
through landfill	t	1,128	849
through other types of disposal	t	1,797	1,326
Radioactive waste			
Total amount of radioactive waste	t	n.a.	n.a.
Non-recycled waste			
Total amount of non-recycled waste	t	85,177	77,985
Percentage of non-recycled waste	%	64.7	63.4

¹ Data newly provided in fiscal 2025 as an additional breakdown of the resource outflow metrics.

Waste composition *E5.38; E5.39*

Waste is defined as any material, substance or object that leaves a Henkel site for disposal or treatment. We currently divide our waste into six main streams:

1. Production waste: Waste from production activities, including obtaining and handling raw materials and packaged materials used in production, staging areas, shipping preparation, outbound goods and Henkel warehouses for raw materials and packaged materials.
2. Obsolete product waste – Waste that consists of delisted and expired materials, expired labels, fragrances, promotional materials and products.
3. Waste from wastewater systems: By-products from wastewater treatment.
4. Municipal waste: General waste from office areas, general facilities and other non-production-related areas within a production site.
5. Construction waste: Waste from limited-duration projects related to renovations, expansions or demolitions.
6. High Quality Outbound Recycling (HQOR): Waste where the quality of the material is maintained or completely restored. The material replaces raw materials or is demonstrably reintroduced into the raw material market.

The materials that are present in the waste are further classified as either hazardous or non-hazardous.

The waste is disposed of through any of the following methods:

- Landfill
- Incineration with energy recovery
- Incineration without energy recovery
- Recycling
- Other disposal methods
- Other recovery methods

Henkel does not produce radioactive waste.

Methodological and technical information on resource outflows

ESRS 2.77a; E5.40

The total amount of products that Henkel produces is calculated based on the net amount of finished products that leave a Henkel production site and is either sold to customers or delivered to a co-packer for packing/blister packaging. The total amount also includes semi-finished goods or mass-produced products that leave our sites for further production at a different Henkel site or a contract manufacturer. The total amount of traded goods or finished products produced by a third party is not considered.

Waste data is collected and reported monthly. Total waste is calculated as the sum of production waste, obsolete product waste, waste from wastewater systems, municipal waste, construction waste and pure and material-specific recyclable material waste.

The following table summarizes our methodologies and assumptions for resource outflow data.

Methodologies and Assumptions on Resource Outflows

Indicator	Methodologies	Assumptions (description of approximations)
Total amount of waste generated.	The total waste volume is automatically calculated in Henkel's IT system. It represents the sum of all relevant data entries from all facilities within the scope of Henkel's operations.	Data for all reporting sites are either measured or calculated. Only a small fraction of waste from non-production sites that do not report waste, is estimated.
Total amount of waste generated, thereof, construction and demolition waste.	The total construction and demolition waste volume is automatically calculated in Henkel's IT system. It represents the sum of all relevant data entries from all facilities within the scope of Henkel's operations.	Data for all reporting sites are either measured or calculated.
Total amount of waste generated, thereof, high-quality outbound recycling waste (HQOR).	The total HQOR waste volume is automatically calculated in Henkel's IT system. It represents the sum of all relevant data entries from all facilities within the scope of Henkel's operations.	Data for all reporting sites are either measured or calculated.
Non-hazardous waste diverted from disposal.	The total waste volume is automatically calculated in Henkel's IT system. It represents the sum of all relevant data entries from all facilities within the scope of Henkel's operations.	Data for all reporting sites are either measured or calculated.
Non-hazardous waste diverted from disposal due to preparation for reuse.	Data related to preparation for reuse are not recorded.	n.a.
Non-hazardous waste diverted from disposal due to recycling.	The total waste volume is automatically calculated in Henkel's IT system. It represents the sum of all relevant data entries from all facilities within the scope of Henkel's operations.	Data for all reporting sites are either measured or calculated.
Non-hazardous waste diverted from disposal due to other recovery operations.	The total waste volume is automatically calculated in Henkel's IT system. It represents the sum of all relevant data entries from all facilities within the scope of Henkel's operations.	Data for all reporting sites are either measured or calculated.
Non-hazardous waste directed for disposal through incineration, landfill or other types of disposal.	The total waste volume is automatically calculated in Henkel's IT system. It represents the sum of all relevant data entries from all facilities within the scope of Henkel's operations.	Data for all reporting sites are either measured or calculated. Only a small fraction of waste from non-production sites that do not report it is estimated.
Total amount of hazardous waste.	The total amount of hazardous waste is calculated by aggregating all waste entries classified as hazardous in Henkel's internal system.	Data for all reporting sites are either measured or calculated.

TABLE CONTINUED ON NEXT PAGE

Methodologies and Assumptions on Resource Outflows

Indicator	Methodologies	Assumptions (description of approximations)
Hazardous waste diverted from disposal.	The total waste volume is automatically calculated in Henkel's IT system. It represents the sum of all relevant data entries from all facilities within the scope of Henkel's operations.	Data for all reporting sites are either measured or calculated.
Hazardous waste diverted from disposal, due to preparation for reuse.	Data related to preparation for reuse are not recorded.	n.a.
Hazardous waste diverted from disposal, due to recycling.	The total waste volume is automatically calculated in Henkel's IT system. It represents the sum of all relevant data entries from all facilities within the scope of Henkel's operations.	Data for all reporting sites are either measured or calculated.
Hazardous waste diverted from disposal, due to other recovery operations.	The total waste volume is automatically calculated in Henkel's IT system. It represents the sum of all relevant data entries from all facilities within the scope of Henkel's operations.	Data for all reporting sites are either measured or calculated.
Hazardous waste directed for disposal through incineration, landfill or other types of disposal.	The total waste volume is automatically calculated in Henkel's IT system. It represents the sum of all relevant data entries from all facilities within the scope of Henkel's operations.	Data for all reporting sites are either measured or calculated. Only a small fraction of non-recycled waste from non-production sites that do not report it is estimated.
Total amount of radioactive waste.	n.a.	n.a.
Total amount of non-recycled waste.	Non-recycled waste is calculated by aggregating all hazardous and non-hazardous waste reported in Henkel's internal system and then subtracting the total amount of recycled waste.	Data for all reporting sites are either measured or calculated. Only a small fraction of non-recycled waste from non-production sites that do not report it is estimated.
Percentage of non-recycled waste.	The percentage of non-recycled waste is calculated by dividing the total amount of non-recycled waste by the total amount of waste and multiplying the result by 100.	Data for all reporting sites are either measured or calculated. Only a small fraction of non-recycled waste from non-production sites that do not report it is estimated.

Disclosures pursuant to Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation)

The EU Taxonomy is a central instrument of the European Union's "Green Deal". The aim of this EU-wide classification system for economic activities is to promote investment in environmentally sustainable economic activities.

According to the Regulation (EU) 2020/852, an economic activity is considered environmentally sustainable if it substantially contributes to achieving one or more of the defined environmental objectives. At the same time, an economic activity must not significantly harm other environmental objectives. The six environmental objectives of the EU Taxonomy Regulation are: climate change mitigation (CCM); climate change adaptation (CCA); the sustainable use and protection of water and marine resources (WTR); the transition to a circular economy (CE); pollution prevention and control (PPC); and the protection and restoration of biodiversity and ecosystems (BIO). According to the EU Taxonomy, the economic activity must also be carried out in compliance with the minimum safeguards and meet the technical screening criteria defined by the EU Commission by means of delegated acts. The technical screening criteria specify the performance requirements for a defined sustainable economic activity, determining to which extent the activity makes a substantial contribution to achieving a particular environmental objective and does not significantly harm the other objectives.

Economic activities that fall in the scope of the EU Taxonomy are referred to as "taxonomy-eligible". Economic activities that additionally meet all of the aforementioned criteria are categorized as "taxonomy-aligned". For all activities ("taxonomy-eligible" and "taxonomy-aligned") key performance indicators and qualitative information are required by the EU Taxonomy.

The EU has adopted simplification measures through the delegated act amending Commission Delegated Regulation (EU) 2021/2178 and related regulations. During the preparation of this sustainability statements, these amendments had not yet been formally adopted, and it remained unclear whether they would be finalized in time. For this reasons, Henkel has not applied them for the 2025 reporting period.

Accounting policy

The EU Taxonomy comprises three key performance indicators (KPI): revenue, operating expenditures (OpEx) and capital expenditures (CapEx). The definition and the subsequent determination of these KPIs under the EU Taxonomy are based on the corresponding International Financial Reporting Standards (IFRS).

Revenue is therefore determined in accordance with IFRS15 "Revenue from Contracts with Customers". For more information on revenue, please refer to the corresponding item "Sales" in chapter "Consolidated statement of income". For more information on the principles of revenue recognition, please refer to section "Sales and principles of revenue recognition" in chapter "Notes to the corresponding consolidated statement of income".

According to the EU Taxonomy, the denominator of operating expenditure includes direct non-capitalized costs that relate to research and development, building renovation measures, short-term leases, maintenance and repair, and any other direct expenditures relating to the day-to-day servicing of assets of property, plant and equipment. This includes research and development expenses recognized as an expense in the income statement during the reporting period in accordance with IAS 38, and are specified in the section "Research and development expenses" in the chapter "Notes to the consolidated statement of income." Lease expenses were determined in accordance with IFRS 16 and include expenses for short-term leases and leases of low-value assets (see section "Disclosures regarding leases" in the chapter "Notes to the consolidated statement of financial position"). Maintenance and repair costs and costs for building renovation measures are calculated and allocated appropriately.

The share of operating expenditure (OpEx-KPI) associated with economic activities that are categorized as Taxonomy-aligned is determined as follows: Proportion of total operating expenditure that is Taxonomy-aligned (numerator) divided by total operating expenditure as defined in Annex I of the Delegated Regulation on reporting obligations (denominator).

The share of capital expenditures (CapEx-KPI) associated with economic activities that are categorized as Taxonomy-aligned is calculated as follows: Proportion of total capital expenditure that is Taxonomy-aligned (numerator) divided by total capital expenditure in accordance with Annex I of the Delegated Regulation on reporting requirements (denominator).

The determination of the denominator of CapEx follows IAS 16 "Property, Plant and Equipment" (IAS 16.73(e)(i) and (iii)), IAS 38 "Intangible Assets" (IAS 38.118(e)(i)) and IFRS 16 "Leases" (IFRS 16.53(h)). CapEx for the year 2025 is derived from the cost data included in the tables for "Goodwill and other intangible assets" and "Property, plant and equipment" in the chapter "Notes to the consolidated statement of financial position" within the section "Consolidated financial statements", specifically from the sum of all relevant line items beginning with "Acquisitions" or "Additions". One exception concerns the line item "Additions" to goodwill, since those are not part of CapEx for purposes of the EU Taxonomy reporting. For more information on property, plant and equipment, intangible assets and leases, please refer chapter "Notes to the consolidated statement of financial position".

Revenue

Henkel's revenue-generating economic activities are not covered by the EU Taxonomy and are not Taxonomy-eligible. Consequently, the share of sales from Taxonomy-eligible economic activities in total sales for all environmental objectives is 0 percent.

Operating expenditure

In line with the disclosure in previous years, the operating expenditures (OpEx) in accordance with section 1.1.3 of Annex I of the Delegated Regulation on reporting obligations (719 million euros) are insignificant for the business model in relation to Henkel's total OpEx in fiscal year 2025. The corresponding Taxonomy-eligible share is therefore 0 percent.

Capital expenditure

Total capital expenditure (CapEx) in accordance with section 1.1.2 of Annex I of the Delegated Regulation on reporting obligations amounts to 844 million euros in fiscal year 2025.

Taxonomy-eligible capital expenditure

Though Henkel's revenue-generating economic activities are not covered by the EU Taxonomy, the total CapEx as defined above had to be assessed and classified according to section 1.1.2.2. c) of Annex I of the Delegated Regulation (CapEx related to the purchase of output from Taxonomy-aligned economic activities and individual actions enabling the target activities to become low-carbon or to lead to greenhouse gas reductions). To avoid double counting of Taxonomy-eligible and Taxonomy-aligned investments, either individual investment projects or individual investments and leases are clearly assigned to the most relevant economic activity listed in the EU Taxonomy.

Output is a product or service provided or performed by another company that generates revenue from the respective activity, such as the acquisition or lease of buildings or cars. In these cases, the alignment criteria (technical screening criteria for a substantial contribution and the “do not significant harm” criteria) and minimum safeguards must be checked by the supplier and corresponding evidence must be provided.

In the case of individual measures, Henkel is responsible for managing the project and for checking Taxonomy-alignment. As described above (1.1.2.2. c), only individual actions that contribute to reducing greenhouse gas emissions have been classified as Taxonomy-eligible. As the economic activities of the non-climate related environmental objectives do not typically also result in a reduction in greenhouse gas emissions, individual actions are not relevant with regard to the other environmental objectives.

The eligibility of investment projects and leasing contracts was evaluated in an analysis process via our financial reporting systems and, if necessary, in interviews with the responsible employees.

In this analysis process, Henkel has identified activities that are related to the climate-change mitigation objective and the circular economy objective. These include purchased and leased vehicles (CCM 6.5), the renovation of existing buildings (CCM 7.2, CE 3.2), the installation of energy-efficiency equipment (CCM 7.3), the installation of equipment for measuring, regulating and controlling the energy performance of buildings (CCM 7.5), the installation, maintenance and repair of renewable energy technologies (CCM 7.6), the acquisition and ownership of buildings (CCM 7.7) and the purchase and leasing of electrical and electronic equipment (CE 1.2).

Based on the assessment of all relevant projects in the area of intangible assets and property, plant and equipment, including leases, corresponding investments in Taxonomy-eligible economic activities were identified. Henkel does not report any Taxonomy-eligible economic activities under the environmental objective “climate-change adaptation” as the EU Commission’s announcements require that such investments were made specifically for the reduction of physical climate risks.

In total, the Taxonomy-eligible CapEx defined under the EU Taxonomy Regulation amounts to 320 million euros. This corresponds to 38 percent of total capital expenditure (CapEx).

Taxonomy-aligned capital expenditure

In order to demonstrate taxonomy-alignment of the aforementioned additions to intangible assets and property, plant and equipment, we analyzed the technical screening criteria for the respective economic activities, including exchanges with affected suppliers. Meeting the technical screening criteria poses fundamental challenges for both Henkel and our suppliers. Many suppliers were often either unable to provide the required information at all or not in a timely manner. As Henkel operates globally, a significant share of investments occurs in non-EU countries, where applicability is often limited due to frequent non-compliance with the EU Taxonomy Regulation, the absence of equivalent regulatory frameworks, and generally limited awareness of these requirements. Therefore, only very few Taxonomy-aligned capital expenditure could be identified.

Until 2025, no Taxonomy alignment could be shown for CCM 6.5 due to challenges for suppliers in meeting the DNSH criterion on pollution. In 2025, selected suppliers were able to prove alignment for the respective cars with all relevant criteria of the EU Taxonomy.

For activities CCM 7.5 and 7.6, the economic activity as such is a sufficient criterion for fulfilling the substantial contribution. In the case of CCM 7.5, this relates to investment projects in the area of measuring energy consumption in offices, warehouses and production buildings. CCM 7.6 mainly relates to investment projects for building-related photovoltaic systems, heat pumps and heat recovery systems, for which we also reviewed the DNSH criteria. For activities CCM 7.5 and CCM 7.6, a robust climate risk and vulnerability assessment in accordance with Annex A of the Climate Delegated Act was carried out in 2024 for all relevant sites. For most investment projects, this assessment has shown the economic activities as not affected. For a few affected investment projects, no adaptation solutions were identified, and these were therefore assessed as not Taxonomy-aligned.

In line with Article 18 of the EU Taxonomy Regulation (EU 2020/852), compliance with minimum safeguards is required for economic activities to qualify as environmentally sustainable. Henkel's compliance was confirmed annually since 2023, based on Commission Notice 2023/C 211/01, covering human rights, anti-corruption, taxation, and fair competition.

The taxonomy-aligned investments in the area CCM 6.5 amount to 1.9 million euros, in the area CCM 7.5 amounts to 1.9 million euros and in the area CCM 7.6 amount to 4.0 million euros. Investments in these economic activities exclusively represent additions to property, plant and equipment while intangible assets are not affected.

The EU Taxonomy Key Performance Indicators are presented in the Appendix to the Sustainability Statement.

Social information

Own workforce (ESRS S1)

Strategy

Material impacts, risks and opportunities and their interaction with strategy and business model *ESRS 2.48b; S1.13; S1.14b, c; S1.15*

The key impacts, risks and opportunities (IROs) related to the own workforce in Henkel were identified through the double materiality assessment. These are listed in the table below and linked to the associated policies, actions and targets.

Overview of Impacts, Risks and Opportunities

Sub-sub-topic	Description	IRO	Value chain	Actual/Potential	Time horizon	Policies	Actions	Targets
Working conditions								
Working time	Extended working hours – including long shifts, night shifts, regular overtime and frequent week-end work – can disrupt work-life balance. When working hours exceed legal limits, necessary rest periods may not be kept, potentially affecting workers' health and safety.	I-	Own	P	Short-term	We enforce clear rules on working hours, overtime, and rest periods.	■ Standardized time and attendance tracking.	
	Predictable working hours can contribute to improved physical and mental health, while also reducing stress, enhancing work-life balance and fostering stability, productivity and job satisfaction.	I+						

TABLE CONTINUED ON NEXT PAGE

Overview of Impacts, Risks and Opportunities

Sub-sub-topic	Description	IRO	Value chain	Actual/ Potential	Time horizon	Policies	Actions	Targets
Adequate wages	Inadequate financial compensation can result in an inability to afford essential goods and services, negatively impacting employees' standard of living and overall wellbeing.	I-	Own	P	Short-term	We ensure fair and timely pay based on performance and market standards	Adequate living wage reviews	
	Fair wages that go above and beyond basic needs can improve workforce morale and productivity, while promoting social sustainability, reducing poverty and enhancing wellbeing of employees.	I+						
Collective bargaining	Undermining employees' bargaining power can lead to less favorable terms, less job stability and lower financial security for employees.	I-	Own	P	Short-term	We support open dialog and respect the right to collective bargaining without adverse consequences.	Member of employer associations	
	Collective bargaining can ensure employees' rights, promote fair wages and prevent conflict, while fostering workplace cooperation through flexible agreements that can adapt to industry changes.	I+						
Work-life balance	Not offering work-life balance measures can limit employees' ability to reconcile work and family life.	I-	Own	P	Short-term	We support work-life balance while complying with local rules and regulations.	- Flexible working arrangements - Global parental leave	
	Offering work-life balance measures – such as parental leave – can enhance employee wellbeing, reduce stress and boost productivity.	I+						
Health and safety	Exposing employees to hazardous chemicals and physical risks can lead to work-related injuries, illnesses and accidents.	I-	Own	P	Short-term	We uphold the highest standards of health and safety for our own employees and non-employees.	- SHE culture and reporting - Health promotion	1. +60 percent safer per million hours worked (2025 vs. 2010)

TABLE CONTINUED ON NEXT PAGE

Overview of Impacts, Risks and Opportunities

Sub-sub-topic	Description	IRO	Value chain	Actual/ Potential	Time horizon	Policies	Actions	Targets
Equal treatment and opportunities for all								
Gender equality and equal pay for work of equal value	Under-representation of women in the workforce and potential pay gaps may contravene the principles of equal treatment and opportunities, resulting in disparities for women in society.	I-	Own	P	Short-term	We provide fair working conditions and equal pay for work of equal value.	■ Equal pay analysis	
	Promoting women to leadership roles and ensuring equal pay can enhance diversity and inclusion, and help women to drive economic performance.	I+						
Diversity	A disregard for diversity, equity and inclusion can lead to systemic discrimination that directly affects employees. Inequities at work can also exacerbate inequities in societies at large.	I-	Own	P	Short-term	We foster an inclusive, bias-free workplace that values diversity, ensures equal opportunity, and upholds human rights.	■ Diversity initiatives for different core diversity dimensions	
	Recruiting and supporting under-represented talent can promote a sense of belonging, well-being and engagement among employees. Diversity and equity in our own workforce might also influence industry standards and the broader value chain.	I+						

I- = Negative Impact, I+ = Positive Impact, R = Risk, O = Opportunity,
Up = Upstream Value Chain, Own = Own Operations, Down = Downstream Value Chain
A = Actual, P = Potential

Henkel is a company with a large number of employees (around 47,200) at different sites worldwide. It has a wide range of levers for improving the social conditions of the Company's employees. However, it also has to deal with the challenges posed by different labor and social legislation in various countries.

During the materiality assessment, we identified potential positive and negative impacts in relation to the Company's workforce. The positive impacts include the creation of good working conditions and the promotion of equal treatment and equal opportunities, improving the well-being of employees, increasing productivity and job satisfaction, and promoting health by reducing stress. Specifically, Henkel believes that targeted global initiatives can foster positive impacts on its workforce in the following ways:

Working conditions

- Working time: The implementation of clear working time guidelines can improve predictability and work-life balance for our global workforce. This applies to our employees and all non Henkel employees involved in our business operations.

- Adequate remuneration: By ensuring that our employees receive adequate wages, we can contribute to an adequate standard of living. We can particularly promote this positive impact for employees whose remuneration falls within the lower segment and is not covered by collective bargaining agreements.
- Collective bargaining: Supporting collective bargaining fosters a positive working environment with fair wages, benefits and reduced conflict. This process supports our employees who are covered by collective bargaining agreements and promotes stability.
- Work-life balance: Flexible working and holiday arrangements for our employees can enhance well-being. Flexible working hours are particularly important for employees in office roles as an essential means to promote work-life balance. A comparable level of flexibility for employees in production is only partially feasible due to shift systems.
- Health and safety: Henkel's global safety, health and environmental protection standards (SHE standards) are designed to create safer workplaces and reduce all types of incidents for all employees. These standards are consistently implemented across all sites through robust management systems and continuous employee training. We promote employee well-being through annual global health campaigns and site-specific initiatives that address physical and mental health risks.

Equal treatment and opportunities for all

- Gender equality and equal pay: Promoting gender equality among our employees and ensuring comparable pay can improve job satisfaction and contribute to broader socioeconomic equality. By continuously increasing the proportion of women at all levels of our Company, we actively promote gender equality.

- Diversity: At Henkel, we aim to foster a culture of belonging across all business areas and employee groups and to promote equal opportunity so we can fully realize the potential of our diversity. Through our efforts in Diversity, Equity & Inclusion (DEI), we are placing greater focus on hiring, promoting, and retaining under-represented groups. This can have a positive impact on social and economic conditions as well as individual well-being.

By contrast, hazardous working conditions can have a negative impact on the health and safety of employees. These factors include the risk of incidents resulting in e.g. injuries and illnesses, unregulated working hours combined with fatigue and stress, inadequate financial remuneration or a lack of job security due to the absence of collective bargaining power. An under-representation of women in the workforce, potential pay gaps and the neglect of diversity, equity and inclusion (DEI) can lead to systemic discrimination and limit equal opportunities.

Some of the impacts mentioned are linked to our business model. Henkel's global presence, with sites worldwide, necessitates navigating diverse political and cultural contexts. For instance, the absence of local minimum wage laws may influence market standards for remuneration in a country. Similarly, legal restrictions on collective bargaining and union participation may prevent the negotiation of collective bargaining agreements. We understand and respect these differences while promoting our company-wide values across all locations. We currently assume that none of the identified negative impacts are generally associated with Henkel but may occur as individual cases. We have implemented appropriate policies and actions to mitigate potential negative impacts on our employees.

Addressing potential impacts and risks

As part of our materiality assessment, we also addressed all possible impacts and risks related to forced and child labor. We found no significant risk of such incidents occurring within our own operations.

We furthermore assessed potential impacts on our own workforce that may arise from transition plans. Henkel has been able to implement actions to reduce environmental impacts and create environmentally conscious, climate-neutral processes without significant changes to the workforce. Currently, we also do not anticipate that our transition plans will result in material impacts on our workforce in the future.

Henkel's policies and actions are designed to amplify positive impacts on the Company's workforce while minimizing potential negative ones. Our corporate strategy, the Purposeful Growth Agenda specifically emphasizes the importance of the continuous development and sense of belonging of our employees worldwide. We focus on fair working conditions, respecting human and employee rights and entitlements in line with international frameworks and conventions, introducing flexible working models for improved work-life balance and implementing health promotion and accident prevention actions. With our holistic approach to DEI we support equal treatment and equal opportunities.

Definition of affected groups of workers *S1.14a, e, f, g*

These policies and actions apply to all our employees. In principle, we also aim to extend them to our non-employees who are not directly employed by the Company. However, this is not always possible for all policies across the board. The specific scope of application is outlined within the individual policies. Basically, Henkel distinguishes between two groupings within its workforce:

- **Employees:** Employees are individuals who have an employment relationship with Henkel (as per the ESRS definition).
- **Non-employees:** Temporary personnel who are usually provided by agencies to support business operations for defined periods. These coworkers perform tasks comparable to those of Henkel employees and are supervised by Henkel employees.

In addition to considering these two groupings, we also aim to develop an understanding of groups of people who could be particularly harmed by negative impacts. As a globally operating company, the diversity of characteristics within our workforce is extensive. Based on our findings, the following groups are particularly at risk:

- **Individuals with specific characteristics:** According to publicly available research (such as the Global Gender Gap Report by the World Economic Forum), employees from under-represented groups in our sector are at greater risk of experiencing unfair treatment or unequal pay. The diverse characteristics of Henkel employees, such as age, gender, ethnicity or socioeconomic status, can thus influence their exposure to these potential material impacts.
- **Employees working in specific environments:** While Henkel employees in most countries have the right to organize and form employee representative bodies, this is not the case in all regions and countries where Henkel operates. These circumstances can affect the ability to negotiate collective bargaining agreements. Employees in countries without statutory minimum wage regulations are at greater risk of low wages that fail to meet basic needs.

- Employees performing specific tasks: As a global company operating in consumer goods (laundry and home care, hair and body care) and adhesives, sealants and coatings, Henkel emphasizes the importance of providing personal protective equipment and upholding high safety standards for all employees. Exposure to hazardous substances can increase health and safety risks. Additionally, certain tasks may be more physically or mentally demanding, putting affected employees at higher health risks. Shift work is common in our operations. If mandatory rest periods in shift work are not kept, potential negative impacts could arise concerning working hours and the balance between work and private life.

Impact, risk and opportunity management

Policies related to own workforce (S1-1)

Fair working conditions and equal treatment and opportunities for all

ESRS 2.65; S1.20; S1.21; S1.22; S1.23; S1.24

We are committed to respecting the rights and entitlements of employees and to providing fair working conditions. To guide our efforts, we have defined a target outlined below in this chapter, as well as three commitments:

- We commit to continuously ensuring that our employees earn a living wage or higher.

- We commit to building a proactive SHE culture, reduce recordable incidents and eliminate serious harm potential.
- We commit to respecting human rights across our own operations and supply chain.

In addition to the corresponding national laws, we have set out the following policies to deliver on our commitments and ensure fair working conditions.

Working conditions

- Working time: The maximum work time of a normal work week must usually not exceed 48 hours, unless otherwise permissible by law. Exceptions to this rule apply only where both of the following conditions exist: National law allows work time exceeding this limit and a freely negotiated collective bargaining agreement is in force that allows work time averaging, including adequate rest periods. All overtime work undertaken must not exceed 12 hours per week. At least one day off must be granted per seven-day working period.
- Adequate wages: Henkel is committed to ensuring that our employees earn a living wage or higher. Compensation shall be reviewed on a regular basis and considering job performance in a non-discriminatory manner. Furthermore, remuneration must be paid as agreed and without undue delay. Deductions from remuneration must be clearly stated.

- Collective bargaining: Henkel engages in open and constructive dialog with its employees and their representatives. The right to collective bargaining must be respected and exercise of that right must not result in any sanctioning of employees.
- Work-life balance: Henkel supports work-life balance through flexible working arrangements, adherence to working time regulations and provisions for appropriate leave and parental leave. We believe that parental leave should apply based on the caregiver role and not based on gender or biological parent status. As such, all genders, as well as adoptive, foster, surrogate, and LGBTQ+ parents should be able to take parental leave. Any local Henkel policies on parental leave comply, and are adopted in accordance with local rules and regulations.
- Health and safety: Henkel places strong emphasis on ensuring the health and safety of all employees. This is reflected in the above commitment to build a proactive SHE culture, reducing recordable incidents and eliminating serious harm potential. The corporate SHE standards define safety, health and environmental requirements, as well as protection goals. To complement these standards, binding procedures outline relevant requirements in greater detail. Guidance documents, including best practice examples, support effective implementation. The SHE standards apply globally across the Henkel Group and each affiliated company is required to implement them through an appropriate management system. The implementation is defined regionally and locally. Every employee is responsible and accountable for health and safety within the scope of their authority.

Equal treatment and opportunities for all

- Gender equality and equal pay for work of equal value: We are committed to fair working conditions, which includes the concept of “equal pay for work of equal value”. Salary bands and grading systems contribute to fair pay practices by providing a structured framework for compensation. This should ensure that employees with similar roles and responsibilities receive comparable pay. These practices support the reduction of discrepancies in salary decisions across the organization.
- Diversity: The diversity of talents, mindsets, perspectives, qualities and attributes of our employees and business partners characterizes our Company. At Henkel, we pursue a holistic approach to DEI. Our strategic initiatives focus on several core dimensions: Gender, internationality and ethnicity, LGBTQ+, people with disabilities, and cross-generation representation. In addition, our policies cover anti-discrimination and anti-harassment specifically on the basis of race, ethnicity, color, gender, sexual orientation, gender identity, religion, political affiliation, trade union membership, disability, nationality, social origin or age. When it comes to DEI, we ensure transparency through the reporting of diversity metrics and accountability with a clearly defined DEI governance structure. We strive to create a work environment that is free from bias toward certain groups of employees. We work to remove potential barriers to equal opportunities. Leaders at Henkel can foster responsibility in the area of DEI by supporting the hiring of candidates from under-represented groups. This includes the consideration of inclusive recruitment recommendations and working against potential biases in hiring decisions. Other priorities include avoiding potential prejudice in decisions regarding promotions or talent management and sponsoring under-represented talent groups. Henkel also aims to retain employees in all stages of life by offering a high degree of flexibility as an employer. The most important offerings here include enabling management positions to be designed as part-time jobs or as a job-sharing model, as well as flexible working arrangements and options for remote working in order to meet individual needs with regard to the integration of work and private life in different

phases of life. All formats are offered in accordance with the job requirements.

These policy objectives have to be adjusted to local legal requirements in order to legally safeguard their applicability. We respect the applicable law in the countries in which we operate. In cases where international human rights are restricted by local laws, we strive to promote the principles behind the international standards without conflicting with local laws.

Henkel's above commitment to respecting human rights across our own operations and supply chain entails our obligation to respect internationally recognized human rights. As such, our policy also explicitly addresses zero tolerance of forced labor and child labor. Our commitment also includes that, where necessary, appropriate measures for remediation are provided. For further information on our approach and process for providing remedy and our protection of whistleblowers please refer to the chapter "Business Conduct" (ESRS G1).

The Henkel Management Board bears overall responsibility for our sustainability concepts and policies. The global or local process owners for each topic, under the leadership of the Human Resources Executive Committee, are responsible for developing and managing concepts that relate to our own workforce. They ensure the implementation of relevant measures based on company-wide standards, targets, and action plans. The Human Resources Executive Committee continuously monitors personnel-related matters, and the Management Board member responsible for Human Resources, Infrastructure, and Sustainability regularly reports to the Management Board, the Shareholders' Committee and the Supervisory Board. Relevant personnel-related compliance matters are reviewed by the Compliance & Risk Committee.

Supporting international frameworks

Through the implementation of the policy, Henkel commits to several third-party standards or initiatives. Henkel supports the United Nations Universal Declaration of Human Rights and several globally recognized declarations for multinational enterprises. We have integrated key requirements based on various public standards, such as the United Nations Global Compact, the Organization for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises and the expectations set out in the United Nations Guiding Principles on Business and Human Rights, the International Covenant on Economic, Social and Cultural Rights, the International Covenant on Civil and Political Rights and the International Labor Organization (ILO) Conventions. In addition, we are actively involved in multi-stakeholder associations and forums such as the Business Coalition for Tackling Inequality (BCTI) of the World Business Council for Sustainable Development (WBCSD) and AIM-Progress to support the practical implementation of these commitments and the exchange of best practices.

In setting the policy, we consider the interests of our key internal and external stakeholders. In addition to that, Henkel prioritizes the voices of its employees when it comes to policies for its own workforce. Henkel is committed to open and constructive dialog with its employees and their representatives.

Further information on the scope of our sustainability policies and publication can be found in the section “Our policies to manage material sustainability matters” in the chapter “General Disclosures” (ESRS 2).

Processes for engaging with own workers and workers’ representatives (S1-2) *S1.27; S1.28*

Trust-based collaboration with employee representative bodies is an important part of our corporate culture. Extensive dialog and consultations with the management take place both at the operational level – for example with local works councils – and at the higher corporate level with the General Works Council and the trade union. Members of the German Works Council and representatives of IG BCE (Industrial Union for Mining, Chemicals and Energy in Germany) are part of Henkel’s Supervisory Board.

We provide our workers’ representatives with information regularly and on a timely basis, and we give them as much detail as possible about topics such as the corporate strategy. Alternative mechanisms are in place to facilitate dialog and exchange about working conditions in countries where employee representation is not established or where employees are not covered by a collective bargaining agreement. Examples include employee assemblies or employee committees. These serve as voluntary, informal tools that enable close dialog with management. In this way, we can communicate with our employees, incorporate their perspectives at an early stage and shape future topics together. It also helps Henkel to avoid conflicts of interest and strengthens employee identification with the Company.

To promote collaboration between management and workers’ representatives at a European level, Henkel has voluntarily established a European Works Council. The EWC meets approximately five times a year. There, Henkel informs the workers’ representatives of its European companies about matters such as the economic situation, transnational initiatives of the Company such as restructuring or reorganization programs, safety, health and the environment, and training and development programs. In Germany, Henkel also involves employee representatives in many decision-making processes beyond those for which worker participation is a statutory requirement. The results of this decades-long, open and constructive cooperation between employers and employee representatives include, for example, an improved work-life balance, flexible working hours, accident prevention and health protection in the workplace, company retirement schemes and preventive health care.

Many topics discussed with workers’ representatives are influenced by local factors. In all countries, Henkel’s local human resources leaders that hold the highest-ranking positions are responsible for collaboration with unions and workers’ representatives. At our largest locations, we have also designated responsible teams or individuals who can be contacted regarding all co-determination-related topics.

A framework agreement served as the basis to establish the European Works Council that has 25 members from 18 European Union countries. The council represents employee interests and provides channels both for dissemination of information to personnel and for workforce consultation.

We regularly assess the effectiveness and outcomes of our engagement with our own workforce. Since we merged our two consumer businesses of Beauty Care and Laundry & Home Care at the end of 2024, the new business unit Henkel Consumer Brands has continued to evolve. In 2025, a new organizational set-up was implemented to accelerate innovation and deliberately shift decision-making authority to the regions, thereby strengthening them. For all regions globally, the evaluation and implementation of the HCB Supply Chain network and operational excellence is ongoing for the business unit Consumer Brands. This is happening in times of high complexity and interdependencies of the projects and the changing market environment. Furthermore, the procurement reorganization into our business units went live at the beginning of 2025. It now applies for purchasing of all direct materials from within each business unit.

We furthermore strive to gain insights into the perspectives of people in our own workforce who may be particularly vulnerable to negative impacts or marginalized. For this purpose, there is a close collaboration between our global employee resource groups (ERGs) and the DEI and HR teams. Henkel has nine global employee resource groups (ERGs) in place, each focused on a specific diversity dimension. We also regularly analyze the extent to which these groups are represented at Henkel, wherever data is available. Additionally, a monthly pulse-check survey is sent to 5,000 randomly selected Henkel employees, which includes questions on aspects of diversity, equity and inclusion.

Processes to remediate negative impacts and channels for own workers to raise concerns (S1-3) *S1.32; S1.33*

All Henkel employees and the stakeholders (for example customers, suppliers and service providers), as well as anyone else affected by Henkel's business activities, can report potential misconduct via the whistleblowing system. We have clear processes in place for due diligence and compliance to identify and assess potential negative impacts of our business activities. Where necessary, we also ensure access to remedial actions. A case-by-case assessment

is conducted. This includes investigations, reviews of remedial actions and documentation of cases. Possible remedies are classified based on the severity of the violation and the outcomes of any prior corrective actions. For further information on our approach and process for providing remedy and our protection of whistleblowers please refer to the chapter "Business conduct" (ESRS G1).

Actions and resources related to own workforce (S1-4) *ESRS 2.68a, b, e; S1.38a, c*

We take the handling of material impacts on our workforce very seriously and have developed actions to help us achieve positive impacts and mitigate negative impacts for our own operations. To promote positive working conditions, we have implemented the following actions:

- **Standardized time and attendance tracking:** We are standardizing time and attendance tracking at Henkel through the introduction of a new global payroll and timekeeping system. This system provides better oversight of compliance with our external and internal regulations on working hours. In addition, as part of our human rights due diligence approach, our country organizations are required to regularly conduct risk assessments regarding working hours to protect the rights and entitlements of employees. In 2025, we broadened the scope of our global time and attendance tracking system, which now covers 31 countries. We furthermore continued to rely on the established usage of systems in other countries, allowing us to track working time where legally required.

- **Adequate living wage reviews:** Henkel is committed to creating fair working conditions, including market-appropriate and adequate remuneration, performance-based bonuses, social security and other benefits. For employees in the lowest pay categories, Henkel ensures that the legally applicable minimum wage is observed when setting their remuneration. In 2025, we continued our annual reviews based on external benchmarks to assess an adequate living wage. These analyses are regularly carried out across all regions and business areas at Henkel. They include all employees.
- **Membership of employer associations:** Henkel continued to hold a number of memberships in employer associations in various countries. In Germany, for example, Henkel is a member on the board of German Chemical Industry Employers' Association (BAVC) and adheres to industry-specific collective bargaining agreements in Germany, which apply to all our collective bargaining employees at our German sites.
- **Flexible working arrangements:** Wherever possible, Henkel offers flexible working hours, part-time work and sabbaticals to support employees in achieving a balanced work-life relationship. Our flexible options allow employees to spend up to 40 percent of their working hours outside the office.
- **Global parental leave:** Henkel offers all employees who become parents a minimum of eight weeks of paid parental leave. This applies to adoptive, foster, surrogate and LGBTQ+ parents of all genders, in all roles and all countries in which we operate.
- **SHE culture and reporting:** In the interest of all employees' safety, we apply structured risk assessments, preventive measures, and incident investigations. These actions support the achievement of our target to be +60 percent safer per one million hours worked (2025 vs. 2010). In 2025, we significantly advanced our occupational safety efforts through global and systemic initiatives. We launched the first company-wide World Safety Day under the theme "Unite in Safety – Inspire with Action", jointly organized by the corporate functions, and the business units Adhesive Technologies, and Consumer Brands. This initiative engaged employees across all sites and regions through creative, locally activated formats to raise awareness of workplace hazards and reinforce a shared safety culture. In parallel, we further developed and improved our incident management system, "Sphera HSM". This system enables standardized and transparent incident reporting and management across all sites and allows for root-cause analysis, as well as structured follow-ups. In this way, we have further strengthened our ability to learn from incidents and prevent recurrence.
- **Health promotion:** We promote employee health through annual global health campaigns and site-specific initiatives that address both physical and mental health risks via digital platforms, peer coaching and training programs. In 2025, for example, we launched the global health campaign "My Rhythm of Life" with three modules, each designed to support our employees in bringing more balance and well-being into their life.

To promote equal treatment and opportunities for all, we have implemented the following actions:

- **Equal pay analysis:** To evaluate gender equality in the year 2025, we continued to conduct our global analysis of the implementation of the principle of “equal pay for equal work” at Henkel. Based on this analysis, we are continuously developing solutions in collaboration with our Human Resources teams to address identified gaps. To ensure fair and competitive pay for our employees across all Henkel countries and departments, our salary bands are regularly benchmarked against market standards.
- **Diversity initiatives for different core diversity dimensions:** Henkel supports initiatives for employees from various DEI dimensions. The core dimensions of diversity defined by Henkel are gender, internationality and ethnicity, LGBTQ+, people with disabilities, and cross-generation representation. As an example, here are some of our initiatives in three of these dimensions:
 - *Gender:* As part of our sustainability ambitions, Henkel remains committed to achieving gender parity in leadership and continues to take concrete steps toward this goal. To achieve this ambition, we have a number of support programs for women in our business units and functions around the world. For example, our employee-led network RISE offers a special mentoring program for women. Our Adhesive Technologies business unit supports the “Women into Science and Engineering” (WISE) program, which aims to promote and connect women worldwide. In 2025, we also successfully piloted a female career acceleration program in our Consumer Brands business unit with three cohorts.

- *Internationality and ethnicity:* An international workforce composed of people with different cultural backgrounds is highly important in a global company like Henkel, as it enables us to develop an understanding of our markets. To address the potential challenges of intercultural teams, we offer intercultural training and workshops, and a general training on diversity and inclusion to raise awareness of different value systems and their influence on daily actions. At the beginning of the year 2025, we celebrated Black History Month with a session organized by the Henkel Afro Global Network to create awareness around racial diversity, while celebrating and deepening the understanding of the richness of African heritage and Black people in the diaspora.
- *LGBTQ+:* Henkel strives to structure a working environment that is open to all people regardless of their sexual orientation or gender identity. We support our employees through active LGBTQ+ networks in several countries and raise awareness of this topic through a range of events and activities including “Pride” parades. During Pride Month this year, we demonstrated our allyship and support to the LGBTQ+ community via global awareness sessions featuring top leaders, which attracted nearly 500 colleagues worldwide. We also participated in 17 Pride parades across the globe. To further strengthen inclusion, in the year 2025, we also introduced a Gender Transition Guide, offering practical resources and guidance for employees and leaders.

The actions described above apply globally to all our employees.

Beyond the actions mentioned above, Henkel pursues an approach of continuous learning and improvement. As part of this approach, Henkel emphasizes a corporate culture of open communication and trust-based collaboration with the following additional action:

- **Global initiative “Accelerate Cultural Transformation” (ACT):** In 2024, the Company launched the global initiative “Accelerate Cultural Transformation” (ACT) with the aim of fostering team dialog and the feedback culture at Henkel and of defining concrete actions in this regard. In 2025, ACT team moments again took place globally to practice and deepen the understanding of feedback for an environment of trust.

Regarding health and safety, all non-employees operating at our sites also benefit from a safe and healthy working environment.

Actions to prevent or mitigate material negative impacts

ESRS 2.68d; S1.38b, d; S1.39; S1.41; S1.43

All of the above actions contribute to positive working conditions and equal treatment and opportunities for all, preventing negative impacts. Should any negative impacts on the workforce occur, employees can raise concerns about these through their supervisors, the HR department or anonymously via our whistleblower system. Where necessary, we take immediate corrective actions to mitigate these negative impacts and provide a fair and equitable working environment for all employees.

Henkel’s processes are designed to avoid material negative impacts on the Company’s workforce. To this end, Henkel has established strict guidelines for ethical standards and labor practices. Regular internal and external audits and evaluations are conducted to minimize the risk of negative impacts. Internal audits and assessments are conducted by the Corporate Audit team. This team’s primary task is to provide independent and objective audit and advisory services with the aim of evaluating the effectiveness of the Company’s risk management system, control mechanisms and governance and monitoring processes. Regular audits are carried out globally at our production and administrative sites, as well as at our contract manufacturing operations and logistics centers, with the results reported to the Management Board and the Audit Committee of the Supervisory Board.

While Henkel’s Management Board holds overall responsibility for our sustainability policies, internal experts from the relevant departments assess which actions are necessary and appropriate in response to specific actual or potential negative impacts. If the impacts have a specific regional focus, actions are defined and implemented in close collaboration between central teams at the corporate level and the local teams.

Designated global process managers oversee the processes associated with defined material impacts and ensure that their recommendations and actions address these impacts effectively.

Methodological and technical information on actions *ESRS 2.68c, S1.38d*

Since these actions involve ongoing improvements, there is no fixed timeline for their implementation. The actions mentioned were developed before or during the reporting year, and have been either partially or fully implemented.

We also track and assess the effectiveness of our actions and initiatives using a variety of measures. Many of our material impacts relate to Henkel's working conditions. We measure the quality of our working conditions by analyzing factors such as application rates, employee turnover and retention. Our Workforce Analytics team uses this data to draw conclusions about the efficiency and effectiveness of our initiatives. With regard to health and safety, we have a centralized tool called Sphera HSM. This tool enables us to monitor progress toward our safety targets and commitments, and to assess the effectiveness of our actions. To ensure transparency and accountability for diversity within the organization, we have implemented a DEI dashboard that tracks developments across various dimensions of diversity. This dashboard provides monthly updates on key metrics, broken down at different organizational levels. By regularly reviewing this data, we can identify potential for optimization and make data-driven decisions to make workplaces more inclusive and equitable.

Metrics and targets

Targets related to own workforce (S1-5) *ESRS 2.80a, c, h; S1.47*

Henkel has set one target within its own operation and in line with our policy objectives.

Our target 1: +60 percent safer per million hours worked (2025 vs. 2010)

Henkel prioritizes the health and safety of all employees. Preventing workplace health risks is one of Henkel's key responsibilities. We have set a target to be 60 percent safer per one million hours worked (2025; vs. 2010). The target is relative and measured as a percentage. The scope of this target refers to work-related accidents involving Henkel employees that result in lost-time cases. Internal stakeholders involved in target-setting included the Corporate Safety, Health, Environment and Quality (SHEQ) department, global SHE representatives from the business units, and the global Sustainability team. Targets were developed in 2021 with consideration given to the perspectives of external stakeholders. Among other methods, a stakeholder survey was used to verify and incorporate these perspectives. However, employees or workers' representatives were not directly involved in the target-setting process, performance monitoring or in identifying insights and areas for improvement.

We conducted a target review process in the year 2025 and new targets will be introduced in 2026.

Our target attainment in the reporting year *ESRS 2.80j*

The achievement of our target to be 60 percent safer per million hours worked vs 2010 stands at 59.2 percent in 2025. As a result, the target of 60 percent was narrowly missed.

We have built on specific measures that have improved safety performance. In the reporting year, there were still a number of accidents in key risk areas, such as ergonomic risks, slips, trips and falls, risks related to equipment and maintenance, and working at height. We plan to continue addressing and preventing these by strengthening our long-term SHE culture and maintaining our safety standards.

The performance achieved in relation to our goals is tracked by the Corporate SHEQ department monthly and reported to Henkel's Sustainability Council and Management Board.

Methodological and technical information on targets *ESRS 2.80b, d, e, f, i*

The baseline value is the lost-time incident rate (LTIR) of 1.17. The base year is 2010. The LTIR is calculated as follows:

$$LTIR = (Number\ of\ lost\ time\ cases \times 1,000,000) / Total\ employee\ working\ hours$$

This LTIR includes only work-related injuries involving our own workforce – both on-site and off-site – and excludes non-employees, workers of the value chain, illnesses, occupational diseases and commuting incidents. The period for achieving the target extends until 2025. No milestones or interim targets have been established. No significant assumptions were made when setting the target. To date, Henkel has made no changes to the target, the corresponding metric or the underlying measurement methods, assumptions, limitations, sources or processes for data collection.

Characteristics of company employees (S1-6) *ESRS 2.77a; S1.50a, b, c, d, f*

The following tables summarize the characteristics of our workforce for the reporting year and the previous year.

Total number of employees by gender

Gender	Unit	2024	2025
Male	headcount	28,850	28,600
Female	headcount	18,300	18,550
Other	headcount	–	–
Not reported	headcount	–	–
Total employees	headcount	47,150	47,200

Total number of employees by country

Country	Unit	2024	2025
Germany	headcount	8,050	8,100
USA	headcount	7,200	6,700

Total number of employees by level¹

Level	Unit	2024	2025
Non-managerial employees	headcount	33,700	33,350
Managers (Management Circles III and IIb)	headcount	12,650	13,100
Top managers (Corporate Senior Vice Presidents, Management Circles I and IIa)	headcount	700	700

¹ Data newly provided in fiscal 2025 as an additional breakdown of employee characteristics.

Total number of permanent employees, temporary employees and non-guaranteed hours employees

	Unit	Female		Male		Other		Not disclosed		Total	
		2024	2025	2024	2025	2024	2025	2024	2025	2024	2025
Number of employees	headcount	18,300	18,550	28,850	28,600	–	–	–	–	47,150	47,200 ¹
Number of permanent employees	headcount	16,300	16,400	26,000	25,800	–	–	–	–	42,300	42,200
Number of temporary employees	headcount	2,000	2,150	2,850	2,800	–	–	–	–	4,850	5,000 ¹
Number of zero-hours employees	headcount	–	–	–	–	–	–	–	–	–	–

¹ Due to rounding differences, the sum of employees by gender does not necessarily equal the total number reported in this table.

Turnover rate

	Unit	2024	2025
Number of employees who have left the Company	headcount	6,250	5,350
Turnover rate	%	13.1	11.3

In line with previous sustainability reports, the figures are presented as employee headcounts. All figures cover permanent employees excluding apprentices and apply to the end of the reporting period. The values for employee turnover are excluded, as they refer to the entire year 2025. The values are rounded.

The total number of employees by country is only reported for countries where Henkel has at least 50 employees, accounting for at least ten percent of Henkel's total workforce. The total number of employees and temporary employees by headcount, as well as our turnover rate can be recorded globally using our Human Capital Management (HCM) Core System. In some countries, we interpret the mandatory field for "title" in SAP as an indication of gender. Employees identifying as non-binary are reported under "Other". Although we have established the technical capability in most of our countries to record master data for employees who identify as non-binary, currently, no cases have been reported.

The total number of employees is also reported in the consolidated financial statement under Note 35 "Payroll cost and employee structure" by function.

Collective bargaining coverage (S1-8) *ESRS 2.77a; S1.60a, b*

The following tables summarize the collective bargaining coverage for the reporting year and the previous year.

Collective bargaining coverage

	2024	2025
Germany	83.3%	83.1%
Global	48.1%	49.4%

Collective bargaining coverage rate

	2024	2025
	Employees – EEA (for countries with > 50 employees, representing > 10% total number of employees)	Employees – EEA (for countries with > 50 employees, representing > 10% total number of employees)
Coverage rate		
0–19%		
20–39%		
40–59%		
60–79%		
80–100%	Germany	Germany

The percentage of employees covered by collective bargaining agreements is collected at the country level by HR teams in the respective regions. In accordance with ESRS, we report the percentage of employees covered by collective bargaining agreements, broken down by country only for countries where the proportion of employees accounts for at least 10 percent of Henkel's total workforce. All figures cover permanent employees excluding apprentices and apply to the end of the reporting period.

Diversity metrics (S1-9) ESRS 2.77a; S1.66

The following tables summarize our diversity metrics for the reporting year and the previous year.

Gender distribution at top management level

Gender	Unit	2024	2025
Male	headcount	450	450
	% ¹	65.5 ¹	63.5 ¹
Female	headcount	250	250
	% ¹	34.5 ¹	36.5 ¹
Other	headcount	0	0
	%	0	0
Not disclosed	headcount	0	0
	%	0	0
Total	headcount	700	700

¹ Headcount figures are rounded by 50, while % are based on the exact numbers. This causes a difference in % values while the rounded headcount remains identical.

Our top management is defined as Corporate Senior Vice Presidents and Management Circles I, Ia and IIa. This is consistent with Henkel's previous sustainability reports.

Henkel also pursues a clear ambition in terms of gender diversity. We aim to achieve a balanced gender distribution across all leadership levels, in line with local laws. The ambition encompasses both top management and middle management. In 2025, the proportion of women across all management levels increased to 43.2 percent.

Distribution of employees by age group

Age group	Unit	2024	2025
Under 30 years	headcount	6,600	6,650
	%	14.0	14.0
30–50 years	headcount	29,400	29,650
	%	62.4	62.8
Over 50 years	headcount	11,150	10,950
	%	23.6	23.2
Total	headcount	47,150	47,200

All figures cover permanent employees excluding apprentices and apply to the end of the reporting period. The values are rounded. The total number of permanent employees by gender and management level, as well as age group, are captured globally through our HCM Core System. In some countries, we interpret the mandatory field for “title” in SAP as an indication of gender. Gender data for non-binary employees would be reported under “Other”. Currently, no cases have been reported.

Adequate wages (S1-10) *ESRS 2.77a; S1.69*

All our employees receive an adequate wage in accordance with applicable standards at the end of the reporting period.

Adequate wage levels for all employees are calculated using the reference values provided by the “Fair Wage Network” (as of October 2025) to assess the appropriateness of our employees’ remuneration levels.

Health and safety metrics (S1-14) *ESRS 2.77a; S1.88a, b, c, e*

100 percent of the Company’s workforce is covered by our health and safety management system, which is based on legal requirements and recognized standards. We achieve this coverage by establishing it as a minimum requirement for all our locations through globally applicable SHE standards.

The following number of fatalities and accidents were recorded for the reporting year and the previous year.

Health & safety: Fatalities and recordable work-related accidents

	Unit	2024	2025
Fatalities as a result of work-related injuries			
Employees	number	0	0
Non-employees	number	1	0
Value chain workers	number	1	1
Recordable work-related accidents			
Employees	number	215	186
Non-employees	number	14	24
Employees and non-employees	rate per 1 million hours worked	2.3	2.1

Beyond the number of fatalities and accidents, we use our Lost Time Incident Rate (LTIR) as an indicator of organizational safety. The LTIR is calculated as follows:

$$LTIR = (Number\ of\ lost\ time\ cases \times 1,000,000) / Total\ employee\ working\ hours.$$

This KPI includes only work-related injuries involving our own workforce – both on-site and off-site and excludes non-employees, workers along the value chain, illnesses, occupational diseases and commuting incidents. The following LTIR rate has been recorded for the reporting year and the previous year.

Health & Safety: Lost Time Incident Rate¹

	Unit	2024	2025
Employees	rate per 1 million hours worked	0.6	0.48
Non-employees	rate per 1 million hours worked	0.2	0.6

¹ Data newly provided in fiscal 2025 as an additional breakdown of health & safety metrics.

The percentage of workers covered by the Company's health and safety management system is assessed based on the assumption that the coverage of all employees by a health and safety management system is mandatory at all our sites and is part of our policies.

The number of fatalities as a result of work-related injuries is recorded in our global site reporting system, Sphera HSM, as is the number of notifiable work-related accidents generally. The rate is automatically calculated in Sphera HSM. Henkel follows the ESRS guideline on work-related accidents and the corresponding definition of "work-related". Non-occupational commuting accidents as defined by the ESRS are therefore not included in the reported figures.

Remuneration metrics (S1-16) ESRS 2.77a; S1.97

The following table summarizes our remuneration metrics for the reporting year and the previous year.

Remuneration metrics

	Unit	2024	2025
Unadjusted gender pay gap	%	1.8	0.7
Remuneration ratio of the highest paid individual to the median for all employees	Ratio	137	142

The analysis considered all relevant compensation elements for the year 2025. Insignificant compensation elements in terms of their amount, which have no material impact on the overall analysis, were excluded.

For the calculation of the unadjusted gender pay gap, the Management Board is excluded from this calculation as it does not constitute employees. Including the Management Board remuneration would distort the depiction of the Company remuneration policy. Also, interns, apprentices and student assistants are not included in the analysis. For the calculation of the unadjusted gender pay gap we use the following formula:

$$\frac{\text{Average gross hourly rate male employees} - \text{Average gross hourly rate female employees}}{\text{Average gross hourly rate male employees}}$$

For the calculation of the ratio of the annual total remuneration of the highest-paid individual to the median annual total remuneration for all employees, we use the following formula in accordance with the ESRS: Annual total remuneration for the Company's highest paid individual/Median employee annual total remuneration (excluding the highest-paid individual).

Incidents, complaints and severe human rights impacts (S1-17)

ESRS 2.77a, b; S1.103

We react forcefully to violations of laws, codes and standards. Where necessary, we initiate appropriate disciplinary actions. The following table summarizes our metrics regarding incidents, complaints and severe human rights impacts for the reporting year and the previous year.

Incidents, complaints and severe human rights impacts

	Unit	2024	2025
Reported and addressed incidents of discrimination incl harassment	number	12	15
Warnings related to compliance violations	number	18	9
Terminations related to compliance violations	number	23	31
Complaints reported through our whistleblowing system	number	208	259
Total amount of fines, penalties and compensation for damages as a result of incidents and complaints	number	0	0

Whistleblowers, including our employees, have access to various channels to report potential misconduct anonymously. The preceding information on complaints via our whistleblower system includes all reports, as the possibility of anonymization means that no distinction can be made between employees and other stakeholders.

We record all cases of discrimination, including harassment, that have been reported and addressed. The number of complaints submitted through whistleblower hotlines is reported by the respective hotline operators. Fines, sanctions and compensation payments related to human rights incidents and complaints are reported to our central Compliance Department.

Workers in the value chain (ESRS S2)

Strategy

Material impacts, risks and opportunities and their interaction with strategy and business model *ESRS 2.48b; S2.10a; S2.11a, b, c; S2.12*

The key impacts, risks and opportunities (IROs) for Henkel related to workers in the value chain were identified through the double materiality assessment. These are listed in the table below and linked to the associated policies, actions and targets.

Overview of Impacts, Risks and Opportunities

Sub-sub-topic	Description	IRO	Value chain	Actual/ Potential	Time horizon	Policies	Actions	Targets
Working Conditions								
Health and safety	Exposure to hazardous chemicals, hazardous processes and the working conditions of workers in the upstream value chain could lead to work-related injuries, illnesses and accidents.	I-	Up	P	Short-term	We require our suppliers to ensure healthy and safe working conditions.	- Responsible sourcing framework - Engagement in initiatives - Competence building and knowledge transfer - Partnership with the civil society organization Solidaridad	
	Exposure to hazardous chemicals, hazardous processes and the working conditions of workers in the downstream value chain could lead to work-related injuries, illnesses and accidents.	I-	Down	P	Short-term	We ensure product safety and require our suppliers to ensure healthy and safe working conditions in handling and transportation.	- Responsible sourcing framework - Engagement in initiatives - Competence building and knowledge transfer	

TABLE CONTINUED ON NEXT PAGE

Overview of Impacts, Risks and Opportunities

Sub-sub-topic	Description	IRO	Value chain	Actual/ Potential	Time horizon	Policies	Actions	Targets
Other work-related rights								
Child labor	In the complex upstream value chain, cases of child labour could occur, affecting children's health and hindering their education.	I-	Up	P	Short-term	We require our suppliers to prevent child labor.	- Responsible sourcing framework - Engagement in initiatives - Competence building and knowledge transfer - Partnership with the civil society organization Solidaridad	
Forced labor	In the complex upstream value chain, cases of coercion and forced labour could occur, exposing workers to abusive and exploitative working conditions.	I-	Up	P	Short-term	We require our suppliers to prevent forced labor	as above	

I- = Negative Impact, I+ = Positive Impact, R = Risk, O = Opportunity,
Up = Upstream Value Chain, Own = Own Operations, Down = Downstream Value Chain
A = Actual, P = Potential

As a global company with a complex value chain, we bear a special responsibility to uphold labor and social standards, as well as the human rights of value chain workers. Henkel has identified potential impacts in the value chain that may negatively affect this grouping. Physical risks, the handling of machinery and the use of hazardous materials and substances may result in work-related injuries, illnesses and accidents among value chain workers. Child labor disrupts education and can harm children's health under dangerous conditions. Value chain workers may also face coercion and forced labor under abusive and exploitative working conditions. The supply chains for palm and palm kernel oil and conflict minerals, including gold, tantalum, tungsten, tin and mica minerals are under particular scrutiny due to potential negative impacts.

We expect our suppliers to comply with the requirements of our Responsible Sourcing Policy. When selecting and collaborating with business partners, we consider their performance regarding safety, health, environment, social standards and fair business practices. A human rights due diligence process is an integral part of this approach. Through our involvement in the initiative "Together for Sustainability – Chemical Supply Chains for a Better World" (TfS), we focus on identifying synergies in the processes required to manage complex supply chains, while promoting sustainability and optimizing dialog with our global business partners. Our collaboration with the civil society organization Solidaridad is a key component in shaping a sustainable palm and palm kernel oil industry that simultaneously improves the livelihoods of smallholder farmers and promotes sustainable agricultural practices.

Some of the impacts mentioned are linked to our business model. Henkel's global supply chain implies collaboration across a broad supplier landscape which in turn affects workers throughout the value chain. The Company promotes its corporate values across the value chain through its policies and actions.

Henkel considers identified impacts on workers in the value chain as part of its ongoing evaluation of whether and how its strategy may need to be adapted. One key element of our commitment to sustainability leadership is Henkel's Responsible Sourcing Policy. This commitment drives our daily actions and, guided by our corporate strategy, promotes both our Purposeful Growth Agenda and our Responsible Sourcing Framework.

The principles set out by the Responsible Sourcing Policy are applicable throughout the value chain of Henkel. Value chain workers are defined as individuals not employed by Henkel and not directly under the supervision of Henkel (for example, workers in raw material production, packaging or contract manufacturing). Value chain workers produce defined work products as employees of a third party (and therefore under the supervision of that third party). We continuously work to enhance transparency and understanding of our complex value chain.

Analysis of potential impacts

We are aware of the heightened likelihood of potential negative impacts in specific value chains for certain groups of workers. Value chain workers who may be significantly affected include those employed by companies in the upstream value chain whose activities are associated with specific raw materials, such as palm and palm kernel oil, metals falling into the "3TG"

definition, such as tin, tungsten and gold, as well as mica minerals. These materials are associated with elevated risks. The primary source of these risks lies in the cultivation or extraction of these raw materials, typically on plantations (in the case of palm and palm kernel oil) or through mining and smelting activities. Beyond these upstream risks, contact with hazardous chemicals, dangerous processes and working conditions of workers in the downstream value chain can lead to work-related injuries, illnesses and accidents. Workers in the downstream value chain are employees of organizations involved in the processes and activities necessary to ensure that products reach consumers and end-users, such as logistics providers, retailers and distributors.

We are also aware of the heightened likelihood of potential impacts related to forced labor and child labor in certain geographical areas of our value chain. Potential impacts concerning metals falling into the "3TG" definition such as tin, tungsten and gold, as well as mica minerals and palm (kernel) oil have been identified in the following countries: Bolivia, Brazil, China, India, Indonesia, Malaysia and Peru.

Potential impacts were identified based on information from public sources and do not stem directly from Henkel's own findings. Sources include publications by the Responsible Mineral Initiative (RMI), the Responsible MICA Initiative and the Roundtable on Sustainable Palm Oil (RSPO). These impacts occur very early in the upstream value chain and pertain to individual incidents. Due to the complex nature of the chemical value chain, there may be minimal direct interaction with our Company.

Risk-based approach

A systematic risk analysis as part of our due diligence approach has given us an understanding of vulnerable value chain workers who may be at greater risk of harm. As part of our regular risk analysis, which we conduct for our own business activities, our supply chain and our services and products, we identify issues and risks that we consider to be a priority based on their potential severity and our ability to influence them. This includes defining the risk potential in our procurement markets and evaluating value chains on a cross-industry basis. In doing so, we focus on countries that international institutions have classified as risk countries. Based on this, we define the riskiest markets by combining this analysis of risk countries with issues of particular relevance to our supply chains at that time and take appropriate actions. In addition to self-assessment tools, we use externally audited instruments to validate and supplement the information provided by suppliers, enhancing the reliability and granularity of our evaluations. This approach allows us to identify areas for improvement and potential risks more effectively.

Impact, risk and opportunity management

Policies related to workers in the value chain (S2-1)

ESRS 2.65; S2.17; S2.18; S2.19

Safeguarding human rights and engaging with suppliers

Henkel is committed to respecting internationally acknowledged human rights for the workers in its value chain and therefore requires suppliers to ensure fair working conditions and respect for human rights. We have defined three commitments that guide our efforts:

- We commit to respect human rights across our own operations and supply chain.
- We commit to improve livelihoods of vulnerable workers within our value chain.
- We commit to develop our “Established Suppliers” toward a solid sustainability maturity.

In this context, Henkel’s suppliers worldwide are required to comply with the cross-industry Code of Conduct of the German Association for Supply Chain Management, Procurement, and Logistics (BME), which is grounded in the principles of the United Nations Global Compact. This code outlines expectations regarding labor practices, human rights and environmental responsibility. Management systems must be built on robust policies and effective due diligence mechanisms for the risk assessment to identify, prevent, mitigate and potentially remedy violations. The impacts and capabilities of individual suppliers must be considered. The BME Code of Conduct is applicable internationally and is linked to our contractual relationships with strategic suppliers alongside the Responsible Sourcing Policy.

Our Responsible Sourcing Policy is based on our global Corporate Standard “Procurement,” our Safety, Health, and Environmental (SHE) standards and our Social Standards, covering a wide range of social as well as environmental and governance aspects, which ensure that the interests of supplier companies are safeguarded, and their rights and expectations are considered. In addition to that, our product safety or product stewardship concepts cover the safe transport, handling and disposal – in addition to their end-use – ensuring the safety of value chain workers when handling Henkel products as intended. We are committed to providing safe products of the highest quality, for the benefit of all our stakeholders.

In this context, our most important expectations toward our suppliers are as follows:

- Suppliers must have management systems in place to identify, assess and mitigate risks to ensure the health and safety of people affected by their operations.
- Suppliers do not tolerate child labor (according to the International Labor Organization - ILO).
- All work is voluntary, and suppliers do not permit or cause forced, bonded or indentured labor, slavery or human trafficking.

As such, the policy explicitly addresses the issues of human trafficking, forced labor and child labor.

The effectiveness of preventive measures and remedial actions and the complaints procedure, as well as the material impacts, risks and opportunities and their changes, are regularly reviewed by the Procurement Committee, the Sustainability Council and the Compliance and Risk Committee, if appropriate.

The Henkel Management Board bears overall responsibility for our sustainability concepts and policies. For all procurement activities and for ensuring responsible supply chain management, the Chief Procurement Officer (CPO) and the Procurement Committee are responsible.

Supporting international frameworks

Through the implementation of the policy, Henkel commits to several third-party standards and initiatives. These include the Universal Declaration of Human Rights, the International Labor Organization’s (ILO) Declaration on Fundamental Principles and Rights at Work, the Conventions of the International Labor Organization, the International Covenant on Economic, Social and Cultural Rights, the International Covenant on Civil and Political Rights, the United Nations Global Compact, as well as the expectations set out in the United Nations Guiding Principles on Business and Human Rights. The United Nations Guiding Principles include key elements such as frameworks and policies, risk analysis, effective measures, and reporting and complaints mechanisms, which we have incorporated into our approach to respecting human rights. In addition, the OECD Guidance for Multinational Enterprises acts as a benchmark for our approach, which we continuously review and develop as necessary.

In cases where international human rights are restricted by local laws, we strive to promote the principles behind international standards without conflicting with local laws. Where local laws exceed international standards, we will comply with these laws.

In setting the policies, we consider the interests of our key internal and external stakeholders. In addition to that, we prioritize our suppliers and supply chain partners who play an essential role in our sustainability transformation. Intensive dialog and close cooperation are the basis for developing and maintaining ethical and sustainable relationships with them. In this spirit, we carefully consider our suppliers’ performance, commitment and continuous improvement when selecting and collaborating with them.

In addition to the publication of our Code of Sustainability and Responsible Sourcing Policy on our corporate website, the requirements toward suppliers are also made available on our Supplier Portal. They are also part of the supplier onboarding process and are integrated in related contracts as applicable.

Henkel has a clearly regulated complaints procedure: Possible compliance infringements or human rights violations in terms of actual or suspected breaches must be reported as soon as possible to Henkel's Compliance Department. For details about our process for providing remedy and our protection of whistleblowers, please refer to the chapter "Business Conduct" (ESRS G1).

For further information on the scope of our sustainability policies, the accountability for implementation and consideration of stakeholders, please refer to the section "Our main sustainability-related policies in Henkel (MDR-P)" in the chapter "General Disclosures" (ESRS 2).

Processes for engaging with value chain workers (S2-2) S2.22; S2.23

We have the following processes in place to incorporate the perspectives of value chain workers:

The Responsible Sourcing Process is an integral part of our procurement activities. This process is initiated before any new collaboration begins. It involves a recurring cycle of review, analysis and continuous improvement with existing suppliers. We have further developed and expanded this as part of our cross-functional and cross-business unit task force on human rights due diligence.

A central element is an assessment or audit at the start of a new business relationship. Authorized supplier representatives are asked to either disclose existing sustainability performance results or to complete a questionnaire that provides transparency regarding their sustainability performance, including labor and human rights issues. We do this for a significant portion of our external purchasing volume using an assessment methodology developed by EcoVadis.

The questionnaires cover expectations in the areas of safety, health, environment, quality, human rights (including child and forced labor), employee standards and anti-corruption. The EcoVadis methodology is based on international sustainability standards (UNGC, GRI and ISO norms) and is regularly updated. This methodology builds on 21 indicators across four main categories: Environment, Labor and human rights, Ethics, and Sustainable procurement.

In 2021, we also implemented IntegrityNext (INX), a solution for suppliers with lower purchasing volumes. This is based on a compact self-assessment questionnaire on sustainability performance and risks. The INX questionnaire on human rights and labor asks authorized representatives of suppliers in the value chain to answer questions regarding their commitment to combating forced and child labor, eliminating discrimination and ensuring good working conditions.

Our requirements regarding quality, environmental, safety and social standards are an integral part of all contractual relationships and order placements and are reviewed as necessary. In this process, Henkel works with specialized independent auditors to monitor supplier compliance with the defined standards. Our audits consist of on-site inspections (for example at production sites) and include factory inspections and discussions with employees at all levels of the hierarchy. At a successful audit that meets Henkel's requirements, the audit validity is set for three years. In cases of unsatisfactory results, a re-audit is initiated after implementing a corrective action plan.

We collaborate with the civil society organization Solidaridad to support smallholder farmers in the palm and palm kernel oil sector with projects that promote sustainable agricultural practices and benefit local communities.

The Chief Procurement Officer (CPO) and the Procurement Committee are responsible for all procurement activities and for ensuring responsible supply chain management.

Processes to remediate negative impacts and channels for value chain workers to raise concerns (S2-3) *S2.27; S2.28; S2.33c*

We have established clear due diligence and compliance processes to identify and assess the potential adverse impacts of our business activities. We also ensure that access to remedy is established and accessible, where necessary. Workers and stakeholders of Henkel, as well as all other people affected by Henkel's business activities (for example value chain workers), can report potential misconduct through the whistleblower system.

Details about our process for providing remedy and our protection of whistleblowers please refer to the chapter "Business Conduct" (ESRS G1).

Actions and resources related to workers in the value chain (S2-4)

ESRS 2.68a, b, e

Henkel takes responsibility for the material impacts on workers in its value chain seriously and has developed the following actions to address potential material impacts identified in the areas of health and safety, child labor and forced labor in the value chain.

Responsible Sourcing Framework

Our Responsible Sourcing Framework is built on our robust risk management and compliance approach. It puts sustainability at the heart of our sourcing agenda. A central element of our risk management and compliance strategy is our six-step Responsible Sourcing Process, which is designed to identify risks and establish appropriate mitigation actions.

This process has a global scope. It applies to all suppliers and all value chain workers. The process is ongoing and is intended to continue in the medium-term to long-term. It particularly ensures due diligence in areas such as safety, health, environment, quality, human rights, labor standards and anti-corruption.

We assess the sustainability performance of our suppliers. Our purchasers conduct regular reviews as part of supplier lifecycle management to continuously improve supplier sustainability.

- Step 1: Pre-check and risk assessment
We assess risk potential at the regional and country level, as well as at the level of the value chain.

- **Step 2: Onboarding**
The results of the risk assessment are then incorporated into our onboarding process for suppliers. Suppliers are expected to agree to our Supplier Code of Conduct and Responsible Sourcing Policy.
- **Step 3: Initial assessment or audit**
At the start of new business relationships, suppliers must disclose their sustainability performance or complete an EcoVadis questionnaire addressing safety, health, environment, quality, human rights, labor standards and anti-corruption. Since 2021, we have also used Integrity Next (INX) as a tool for suppliers with smaller contract volumes. Selected suppliers, particularly in contract manufacturing, undergo audits. Our quality, environmental, safety and social standards are embedded in contracts and are regularly audited. We work with independent auditors to monitor compliance, including on-site inspections and employee interviews.
- **Step 4: Analysis of performance assessments**
External experts and our Procurement team analyze audit results and EcoVadis ratings to identify sustainability deficiencies. Suppliers are categorized based on risk. A standardized process ensures corrective actions are implemented. Serious non-compliance trigger an escalation process, which may result in contract termination.
- **Step 5: Corrective action and continuous improvement process**
Independently of the results of an audit or assessment, we ask our assessed suppliers to draw up a corrective action plan and to work on the defined areas of potential improvement. We monitor the progress made in the implementation together with our suppliers until the re-assessment or re-audit takes place.

- **Step 6: Re-assessment/Re-audit**
We use recurring re-assessments or re-audits to monitor the performance progress of our suppliers and ensure a continuous improvement cycle consisting of evaluation, analysis and corrective actions.

This six-step process for responsible sourcing is also a central element of our risk management and compliance strategy, which is designed to identify what action is needed and to establish appropriate mitigation actions.

Henkel also takes efforts to map all relevant feedstocks and processes in the upstream value chain in order to identify impact and risk hotspots in a process that extends beyond tier 1 suppliers. For instance, the palm oil value chain as one very specific value chain within Henkel's upstream activities is mapped, while our traceability to plantations, mills and refineries as production unit is evaluated together with the collaborative initiative ASD (Action for Sustainable Derivatives).

As part of our Responsible Sourcing Framework, we have defined additional standards and certifications for the procurement of specific materials to ensure responsible sourcing in line with our Responsible Sourcing Policy. These additional requirements are embedded in our processes and procedures. For example, in order to further mitigate risks in the palm (kernel) oil industry related to child labor, forced labor and health and safety, we are also committed to sourcing our palm (kernel) oil-based ingredients in line with the principles and criteria of the Roundtable on Sustainable Palm Oil (RSPO). This includes continuous monitoring and improvement aimed at maximizing certified volumes.

All suppliers of paper-based packaging materials must confirm compliance with our procurement policy during the onboarding process, including expectations regarding child labor, forced labor and health and safety. We expect them to support our goal of zero net deforestation. Increasing transparency in the supply chain is the focus of our cooperation with our suppliers of paper-based packaging. This involves the traceability of the materials we buy, especially in the case of suppliers that source virgin fibers from high-risk countries. In these circumstances, we work together on actions to minimize risk. Most suppliers use at least one or more of the following certification systems: FSC (Forest Stewardship Council), PEFC (Programme for the Endorsement of Forest Certification Schemes) and SFI (Sustainable Forestry Initiative).

Conflict-free supply chains are an essential part of our Responsible Sourcing Policy. In line with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, we conduct appropriate due diligence on our supply chain. We require our supplier companies to comply with the requirements of the applicable legal frameworks for conflict minerals. This includes the OECD Due Diligence Guidelines, the EU Regulation and the Dodd-Frank Act, but is not limited to these. Suppliers must also provide documentation proving that all materials they supply (including but not limited to tin, tungsten, gold and mica) are conflict-free and that human rights are respected. Where necessary, corrective actions are requested.

The processes apply globally.

In 2025, we continued to uphold our sustainable procurement practices via supplier assessments and audits, as well as certified material sourcing schemes. In order to ensure continuous improvement of these due diligence processes an internal advisory audit also took place during the year. More detailed insights on how we progressed related to our certified raw and packaging materials can be found in the chapter “Biodiversity and Ecosystems” (ESRS E4).

Engagement in initiatives

Multi-stakeholder and industry initiatives play a crucial role in protecting the rights of value chain workers. This includes combating health and safety risks, child labor and forced labor through close collaboration, but is not limited to these areas.

The “Together for Sustainability” (TfS) initiative plays a central role here. As many TfS members are also direct suppliers of Henkel and these suppliers also assess and audit their suppliers, we achieve a more in-depth (tier n) approach to sustainability practices along the value chain. Henkel is actively involved in several workstreams of TfS. We are also a founding member of the Action for Sustainable Derivatives (ASD) initiative. The initiative brings together organizations from across the palm (kernel) oil derivative supply chain to support efforts for greater transparency, adherence to the NDPE principles (No Deforestation, No Peat, No Exploitation) and to drive positive change in the palm (kernel) oil industry.

Henkel is also a member of "AIM-Progress," a forum of consumer goods companies. It aims to exchange experiences in sustainable procurement and leverage synergies among participating companies. The forum also focuses on holding regional supplier events to improve sustainability performance within the value chain.

The collaboration takes place on a global level.

In 2025, we continued our participation and active contribution to the various workstreams of the associations we are part of, aiming to shape and promote sustainable practices within the industry.

Competence building and knowledge transfer

A core element of the TfS initiative is the TfS Academy, a tailored learning and skill development platform that provides member companies and their suppliers with training for value chain workers on key sustainability topics related to this area. The TfS Academy offers over 390 courses in eleven languages. These courses cover topics such as health and safety, environmental protection, sustainable procurement, labor and human rights, management and corporate governance, as well as information about TfS itself. The learning content is all linked to corrective actions resulting from TfS audits and assessments. This provides suppliers who have been evaluated with a range of concrete learning opportunities that are directly related to the results of the audit and which support them in their continuous improvement efforts.

Henkel's competency programs are implemented globally and on an ongoing basis.

In 2025, Henkel continued to build sustainable procurement competencies and enhance the sustainability knowledge of procurement professionals and suppliers. For example, internally, Henkel's responsible sourcing experts were trained on key social and environmental topics, including our Responsible Sourcing Policy and the cross-industry BME Supplier Code of Conduct, mineral and palm (kernel) oil sourcing, as well as the respective due diligence processes. Additionally, our experts shared best practices within the industry and hosted a supplier webinar offering practical guidance to improve sustainability performance.

Partnership with Solidaridad

Henkel's long-standing partnership with the civil society organization Solidaridad continues to be a cornerstone of our commitment to sustainable palm (kernel) oil production. Since its inception, the collaboration has focused on empowering smallholder farmers through training, engaging key stakeholders and influencing policy to foster deforestation-free supply chains.

We work with smallholders to increase their production of sustainable, deforestation-free palm (kernel) oil and support them with the transition to agroforestry models. The projects involve working, for example, with the local government, the forestry authorities and the communities that play a key role in forest management in the project regions.

In 2025, Henkel and Solidaridad jointly conducted a strategic planning for the years from 2025 onwards, further strengthening our partnership. This includes the development of dedicated country plans for Indonesia, Malaysia, and Colombia, with a sharpened focus on farmer livelihoods, nature and biodiversity, as well as sustainable and inclusive supply chains.

Actions to prevent or mitigate material negative impacts

S2.32a, S2.33a, b; S2.35; S2.36; S2.38

At Henkel, we prioritize ensuring that we do not cause or contribute to significant negative impacts on value chain workers. Henkel has established stringent policies to ensure that suppliers adhere to ethical standards and labor practices while safeguarding the rights of value chain workers.

Our Responsible Sourcing Framework, including the six-step process for supplier management and the additional requirements for the procurement of specific materials are central elements of our risk management and compliance strategy.

Based on the assessment of our suppliers' sustainability performance, we work with suppliers to make lasting improvements in the value chain. These continuous improvement processes are based primarily on knowledge transfer and competence building with respect to process optimization, resource efficiency and environmental and social standards. Aspects of continuous improvement include tracking previous corrective actions, enhancing overall evaluation and audit results, maintaining or achieving certifications and participating in other relevant external quality assurance processes.

During the reporting period, no confirmed severe human rights issues or incidents related to the upstream or downstream value chain were reported.

The management of material impacts is overseen through a cross-functional approach (Corporate Sustainability, Procurement, Business Units). These resources ensure that actions to address material impacts are appropriately managed.

Methodological and technical information on actions *ESRS 2.68c; S2.32d*

All actions are ongoing and intended to continue in the medium-term to long-term.

To assess the effectiveness of actions and drive continuous improvement, Henkel conducts annual and when needed ad hoc reviews and adjusts processes accordingly.

Metrics developed by TfS for assessments and audits create transparency and foster positive impacts. The sharing of assessment and audit results facilitates dialog about improvements among member companies, customers and suppliers. Many suppliers have demonstrated sustainability improvements, reflected in better assessment or audit results, after implementing corrective actions identified during the TfS program evaluations.

The learning content of the TfS Learning Academy is linked to corrective actions resulting from TfS audits and assessments. This provides suppliers who have been evaluated with a range of concrete learning opportunities of the active TfS assessments and audits that are directly related to the results of the audit and which support them in their continuous improvement efforts.

Furthermore, as part of our collaboration with the industry, we participate in regular meetings, for example within the framework of TfS workstreams and annual workshops, as well as discussions with other industry partners, including ASD and AIM Progress.

Metrics and targets

Targets related to workers in the value chain (S2-5) *ESRS 2.81*

The sub-topics “Working Conditions” and “Other Labor Rights” are managed through our policies and actions. Our monitoring processes track the effectiveness of our policies and the progress of our actions in relation to the main sustainability impacts, risks and opportunities. As part of our target review process conducted in 2025, a new target will be introduced as of 2026.

Affected Communities (ESRS S3)

Strategy

Material impacts, risks and opportunities and their interaction with strategy and business model *ESRS 2.48b; S3.8a, b; S3.9a, b; S3.10*

The key impacts, risks and opportunities (IROs) for Henkel related to affected communities were identified through the double materiality assessment. These are listed in the table below and linked to the associated policies, actions and targets.

Overview of Impacts, Risks and Opportunities

Sub-sub-topic	Description	IRO	Value chain	Actual/ Potential	Time horizon	Policies	Actions	Targets
Rights of Indigenous Peoples								
Free, prior and informed consent	In the upstream value chain, the production of raw materials could infringe on indigenous lands, compromising the ecosystems that indigenous communities depend on and undermining the principle of free, prior and informed consent (FPIC).	I-	Up	P	Short-term	We respect land, water, resource and cultural rights of indigenous communities	- Responsible sourcing process - Partnership with Solidaridad	
Cultural rights	The use of land for production of raw materials and goods can have adverse effects on the cultural rights of indigenous communities, especially when activities lead to the loss of ancestral territories, eroding indigenous identities and cultures.	I-	Up	P	Short-term			

I- = Negative Impact, I+ = Positive Impact, R = Risk, O = Opportunity,
Up = Upstream Value Chain, Own = Own Operations, Down = Downstream Value Chain
A = Actual, P = Potential

Henkel's products require a wide range of raw materials. Extracting those materials involves land use and ecosystem utilization. This may potentially adversely impact people living and working in areas where raw material extraction takes place. These potential negative impacts were confirmed through the materiality assessment based on various impact dimensions. No actual material impacts have been identified.

In the upstream value chain, the extraction of raw materials such as palm (kernel) oil could infringe on indigenous land, endanger ecosystems relied upon by indigenous communities or violate the FPIC principle. Land use for production processes with acquired raw materials and goods could lead to the loss of ancestral territories, weakening indigenous identities, traditions and languages.

We are committed to respecting human rights that are enshrined in international frameworks and conventions. Derived from this commitment, we also respect local, national and international land, water and resource rights, including the rights of indigenous communities and FPIC-related rights. A key element of implementing this commitment is our Responsible Sourcing Process, which integrates our suppliers worldwide into our risk management and compliance strategy in relation to fulfilling human rights due diligence obligations. A significant component of our actions is our engagement in multi-stakeholder and industry initiatives to better understand and mitigate potential impacts on affected communities. Key activities include our partnership with the civil society organization Solidaridad to promote sustainability in the palm (kernel) oil supply chain and strengthen the livelihoods of smallholder farmers.

The link between potential negative impacts on indigenous peoples and Henkel's business model is indirect, as potential impacts primarily occur in the upstream value chain, such as the palm (kernel) oil supply chain for our consumer goods business. Palm oil, palm kernel oil and their derivatives are among the most important renewable raw materials for the production of our detergents, household cleaners, hair and body care products.

Henkel considers identified impacts on affected communities as part of its ongoing evaluation of whether and how its strategy may need to be adapted. Our responsible sourcing program outlines key expectations for our suppliers regarding labor practices, human rights and environmental responsibility. In addition, their management systems must contain robust policies and effective due diligence mechanisms to ensure compliance. Respect for the FPIC-related rights of indigenous peoples, as well as their traditional and cultural rights is one of the key expectations embedded in our Responsible Sourcing Policy.

We define affected communities as individuals or groups living or working in the same area where our own activities or those of companies within our value chain are conducted. Affected communities also include indigenous peoples. Henkel plans to further refine the typology of affected communities in the future.

We are aware of an increased likelihood of negative impacts on potentially affected communities within certain value chains. Potential upstream impacts mainly concern specific raw materials such as palm (kernel) oil, the 3TG metals tin, tantalum, tungsten (commonly known as conflict minerals) and mica. These materials are inherently associated with elevated risks. The primary source of these risks lies in the cultivation or extraction of these raw materials, typically on plantations (in the case of palm oil and palm kernel oil) or through mining activities.

Potential impacts were identified based on publicly available information and insights from Henkel's annually conducted due diligence process under the German Supply Chain Due Diligence Act (LkSG). These impacts potentially occur at the beginning of the value chain, so the connection to our Company is indirect due to the complexity of the value chain.

Our knowledge regarding the characteristics of potentially affected communities or their context mainly stems from our engagement in industry initiatives (for example, Action for Sustainable Derivatives, ASD) and collaborations with partners working with affected communities, such as Solidaridad. At present, our ability to formally describe the characteristics or contexts related to potentially affected communities (for example, indigenous peoples) who may be at higher risk is limited.

We have started a project to better understand and explain the relationships between the Company and affected communities within its value chain, with a particular focus on potential impacts on indigenous peoples. Results are expected in 2026.

Impact, risk and opportunity management

Policies related to affected communities (S3-1) *ESRS 2.65*

Respecting human rights for affected communities

Henkel is committed to doing business in an ethical and legal manner. This is inseparably linked with our commitment to respecting internationally acknowledged human rights. Henkel respects local, national and international land, water and resource rights, including those of indigenous communities. Suppliers must respect land rights including collective and traditional rights of women, indigenous peoples and local communities and other vulnerable groups that may be affected by their operations and sourcing practices. Suppliers must not engage in any form of land-grabbing. If legally permitted land-use changes are made, suppliers are required to obtain the free, prior and informed consent (FPIC) of affected indigenous communities, as well as any other forms of participation that are required by local law. This applies in particular if a local community's access to water or other resources is affected. Unlawful forced evictions are not permitted.

The Sustainability Council regularly reviews the effectiveness of our policies and progress toward our objectives, as well as the material impacts, risks and opportunities and their changes. Where relevant, the Compliance and Risk Committee may also review these elements of our approach based on the initiative of the Chief Sustainability Officer.

The Henkel Management Board bears overall responsibility for our sustainability concepts and policies. For all procurement activities and for ensuring responsible supply chain management, the Chief Procurement Officer (CPO) and the Procurement Committee are responsible.

Supporting international frameworks

Through the implementation of the policy, Henkel commits to several third-party standards and initiatives, such as the United Nations' Universal Declaration of Human Rights and several globally recognized declarations for multinational enterprises. We have integrated central requirements derived from different public standards, e.g. the United Nations Global Compact, the Organization for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises, as well as the expectations set out in the United Nations Guiding Principles on Business and Human Rights, International Covenant on Economic, Social and Cultural Rights, the International Covenant on Civil and Political Rights and the International Labor Organization (ILO) Conventions.

Regarding affected communities, Henkel has made various commitments as part of its human rights policy and has established processes and mechanisms to comply with multilateral conventions and legal requirements.

The OECD Guidelines for Responsible Business Conduct serve as a benchmark for our due diligence efforts, which we continuously review and develop as needed. We also publish a policy statement on the German Supply Chain Due Diligence Act (LkSG), which outlines our approach to due diligence. Our due diligence obligations also include respecting the human rights of communities and indigenous peoples. For example, our policy statement prohibits the illegal acquisition of land, forests and waters. Additionally, our grievance mechanism allows all individuals affected by our business activities, including affected communities, to report potential misconduct via our whistleblower system. We have established clear due diligence and compliance processes to identify and assess potential negative impacts of our business activities. We also ensure access to remedy is established and accessible when necessary.

In setting this policy, we consider the interests of our key internal and external stakeholders. When it comes to affected communities, Henkel prioritizes indigenous peoples. To take their interests into account and address potential indirect negative impacts on them in the upstream value chain, we collaborate with legitimate representatives such as non-governmental organizations (NGOs) and regional and local experts.

For further information on the scope of our sustainability policies, the accountability for implementation and consideration of stakeholders, please refer to the section "Our main sustainability-related policies in Henkel (MDR-P)" in the chapter "General Disclosures" (ESRS 2).

Processes for engaging with affected communities about impacts (S3-2) *S3.21a, b, c*

Given the indirect nature of our relationship with affected communities and despite the identified potential negative impacts, we currently do not have formalized and specific processes for direct engagement with affected communities, particularly indigenous peoples.

However, we actively strive to better understand the concerns of affected communities in relevant value chains, such as palm (kernel) oil, by participating in multiple initiatives and collaborating closely with stakeholders along the value chain. These include our suppliers, the Roundtable on Sustainable Palm Oil (RSPO) and NGOs.

Depending on the topic, participation in these strategic partnerships involves multiple functions and business units. From the Procurement department to the business units and the Sustainability team, we ensure that the appropriate subject-matter experts are involved in the projects. Together with our partners, we regularly assess the effectiveness of the partnerships in achieving their objectives.

We are currently considering further developments of our engagement with affected communities and/or their representatives regarding potential impacts. This is intended as a complement to efforts aimed at gaining a deeper understanding of our relationships with the affected communities, including indigenous peoples.

Processes to remediate negative impacts and channels for affected communities to raise concerns (S3-3) *S3.27; S3.28*

We have established clear due diligence and compliance processes to identify and assess potential negative impacts of our business activities. We also ensure that access to legal remedy is established when necessary. Henkel employees, stakeholders and all other individuals affected by our business activities (for example, affected communities) can report potential misconduct through our whistleblower system.

For details of our process for providing remedy and our protection of whistleblowers please refer to the chapter “Business Conduct” (ESRS G1).

Actions and resources related to affected communities (S3-4)

ESRS 2.68a, b; S3.35

We are implementing the following actions to address material impacts on affected communities, particularly potential material impacts on indigenous peoples, FPIC-related rights and cultural rights in the value chain.

Responsible Sourcing Process

Our Responsible Sourcing Process is a central element of our risk management and compliance strategy, designed to identify risks and establish appropriate mitigation actions in relation to potential negative impacts. This process has a global scope and applies to all suppliers worldwide. It particularly addresses due diligence in areas such as safety, health, environment, quality, human rights, labor standards and anti-corruption.

With regard to affected communities, particularly indigenous peoples and potential impacts related to violations of their FPIC-related and cultural rights, these aspects are assessed within our human rights due diligence processes as part of our Responsible Sourcing Process. For example, the risk of upstream actors engaging in unlawful land appropriation is part of our risk assessment process. The actions aim to identify, evaluate and mitigate potential adverse impacts through human rights due diligence processes.

For further details on our Responsible Sourcing Process, please refer to the chapter “Workers in the Value Chain” (ESRS S2).

Partnership with Solidaridad

Since 2013, Henkel has partnered with the civil society organization Solidaridad in Colombia, Ghana, Honduras, Indonesia, Mexico, Nicaragua and Nigeria. This action is ongoing and is also intended to continue in the medium to long term.

The focus is on training in best practice approaches, including climate-friendly agriculture, as well as providing guidance and support for upcoming sustainability initiatives at the farm level and involving stakeholders. We work with smallholders to increase their production of sustainable, deforestation-free palm (kernel) oil and support them with the transition to agroforestry models. This project involves working, for example, with the local government, the forestry authorities and the communities that play a key role in forest management in the project region.

Our long-standing partnership with Solidaridad supports our practical engagement in the palm (kernel) oil supply chain. Through this partnership, we aim to play an active role in driving sustainable development. Together with our partner, we strive to enable progress in building a sustainable palm (kernel) oil economy, improve the livelihoods of smallholder farmers and promote sustainable agricultural practices. Building on our current understanding of the types of affected communities, we will continue working to better understand Henkel's relationships with these communities and their potential impacts.

Methodological and technical information on actions *ESRS 2.68c, d; S3.36*

All actions are ongoing and intended to continue in the medium to long term.

To assess the effectiveness of our actions, we conduct regular reviews. Processes are continuously adjusted to achieve improvements. Regarding our human rights due diligence processes, the members of the Human Rights Office and the Human Rights Coordination Panel continuously review and evaluate whether the implemented risk management system needs to be adapted to enhance its effectiveness. Additionally, we participate in regular meetings as part of our industry collaborations and with other industry partners – for example, within the frameworks of ASD and AIM-Progress.

During the reporting period, no serious human rights issues or incidents connected to affected communities were reported.

Metrics and targets

Targets related to affected communities (S3-5) *ESRS 2.81*

The sub-topic "Rights of indigenous peoples" is managed through our policies and actions rather than an aggregated target. Our monitoring processes track the effectiveness of our policies and the progress of our actions in relation to the main sustainability impacts, risks and opportunities.

Consumers and End-Users (ESRS S4)

Strategy

Material impacts, risks and opportunities and their interaction with strategy and business model *ESRS 2.48b; S4.9a; S4.10a, b, c; S4.11*

The key impacts, risks and opportunities (IROs) for Henkel related to consumers and end-users were identified through the double materiality assessment. These are listed in the table below and linked to the associated policies, actions and targets.

Overview of Impacts, Risks and Opportunities

Sub-sub-topic	Description	IRO	Value chain	Actual/ Potential	Time horizon	Policies	Actions	Targets
Information-related impacts for consumers and/or end-users								
Access to (quality) information	Transparent product information can enable consumers and end-users to better meet their specific needs by making informed decisions about the products and services they purchase.	I+	Down	A	Short-term	We provide our consumers and end-users with accurate and high-quality product information	■ Accuracy of product information ■ Socially and environmentally responsible communication and marketing ■ Transparency of our product portfolio's sustainability performance	
Personal safety of consumers and/or end-users								
Health and safety	If products are not used as intended or if safety information is not adequately communicated, potential risks to the personal health and well-being of consumers and end-users can occur.	I-	Down	P	Short-term	We provide safe products of the highest quality	■ Quality control procedures	

I- = Negative Impact, I+ = Positive Impact, R = Risk, O = Opportunity,
Up = Upstream Value Chain, Own = Own Operations, Down = Downstream Value Chain
A = Actual, P = Potential

Millions of consumers trust Henkel's products. This trust forms the foundation of our Company's reputation and business success. Material impacts, risks and opportunities related to consumers and end-users are therefore of critical importance to Henkel. The materiality assessment identified potentially positive and negative impacts within the downstream value chain. A positive impact relates to providing consumers and end-users with better decision-making capabilities in product selection through transparent product information. On the negative side, improper product use and lack of safety information can lead, in very rare cases, to health risks for consumers and end-users.

We are committed to providing consumers and end-users with accurate and high-quality product information. Our actions are guided by compliance with local and global labeling regulations, as well as by a commitment to transparency regarding product ingredients and sustainability profiles. To achieve this, we continuously improve data quality through digital enhancements and we invest in structured processes for sustainability assessment across our entire portfolio. In this way, we aim to strategically position ourselves as a reliable partner in sustainability for our industrial and retail customers, supporting them in achieving their sustainability goals. To ensure the highest level of product safety during use, we implement rigorous quality control procedures, conduct thorough safety assessments and continuously monitor products throughout their lifecycle. We ensure that consumers and end-users receive accurate and comprehensive product information that enables safe and appropriate use.

The link between potential negative impacts on consumers and end-users is both direct and indirect, as Henkel sells directly and indirectly to consumers through our trade partners, while also engaging in B2B transactions with end-users. The identified impacts on consumers and end-users play a significant role in shaping and adjusting Henkel's strategy. By considering information-related impacts, Henkel provides transparent product details, enabling consumers and end-users to make informed choices that best suit their needs, thereby enhancing consumer trust. To mitigate potential health risks, we implement actions to ensure safety and compliance at every stage, implement strict quality control procedures and conduct thorough safety evaluations. Prioritizing these aspects contributes to the overall trust and satisfaction of our consumers and end-users.

At Henkel, the terms "consumers" and "end-users" are used as follows:

- **Consumers:** Individuals who purchase our products either for their personal use or on behalf of a third party who uses the product privately. The products are not intended for resale or professional purposes, such as trade fairs or B2B transactions.
- **End-users:** Individuals who ultimately use our products, such as industrial customers, craftspeople, hairdressers and children.

All consumers and end-users could potentially be affected by material impacts. However, we have identified the following key groups:

- Consumers and end-users of products that may have serious, undesirable effects if the products are not used as intended: We ensure these risks are effectively managed and communicated. The negative impacts on the “personal safety of consumers and/or end-users” relate to individual incidents (for example a defect associated with a specific product or a person failing to follow instructions properly).
- Consumers and end-users who are dependent on accurate and accessible product-related information, such as manuals and product labels, to avoid potentially damaging use of a product: We provide transparent product details to help consumers and end-users better meet their specific needs by making informed decisions about the selection and use of our products and services. This includes clear communication of safety information to avoid risks associated with product use. We are committed to ensuring that our safety information is clear and accessible. In this way, we reduce the likelihood of our products being misused and ensure the well-being of all of our consumers and end-users.

- Consumers and end-users who are particularly vulnerable to health impacts: Henkel places special emphasis on protecting consumers and end-users who are more vulnerable to health risks or who depend especially on transparent product information. Individuals with limited ability to fully understand product information (for example children, the elderly, people with disabilities) face increased risks if product details are not clear or transparent. We take additional actions to protect these at-risk groups by enhancing packaging safety, conveying clear and accessible information, and implementing tailored marketing strategies. For instance, considering the vulnerability of children to hazardous products, the industry has introduced specific safety actions such as child-resistant packaging closures and clear labeling to enhance protection.

To ensure the protection of vulnerable groups of consumers and end-users, we comply with legal requirements and focus on evaluating product safety, chemical composition, packaging design and accessibility. In addition, poison control centers for companies and our customer and consumer service teams track and document incidents involving children to identify potential trends and implement appropriate counteractions. We also engage in direct dialog with consumers and end-users, for example, through websites, marketing campaigns and social media initiatives.

Impact, risk and opportunity management

Policies related to consumers and end-users (S4-1) *ESRS 2.65; S4.16a, b, c*

Product safety and high-quality information for our consumers and end-users

We are committed to providing safe products of the highest quality, while also providing the corresponding high-quality information for our consumers and end-users. Our efforts are guided by a commitment:

- We commit to provide to our customers and consumers sustainability-related information about our products and solutions.

Access to quality information

In line with our commitment to transparent and responsible communication, we are guided by international standards, clear principles and rules for responsible consumer communication based on compliance, honesty and transparency, and social responsibility and ethics in advertising. These principles are reflected in our global position on responsible and sustainable marketing, which ensures that consumers and end-users receive accurate, complete and easily understandable information about our products – in full compliance with applicable local and global regulations, labelling requirements in our countries of operation, and our internal standards. In the same spirit we also respect local traditions and other social norms. We support self-regulatory bodies and industry associations to promote fairness and accountability in marketing practices.

We are committed to disclosing potential negative consequences related to product use when relevant and to ensuring that all environmental, health or performance claims are substantiated by robust scientific evidence. We avoid greenwashing, ensure all materials respect human dignity, and avoid derogatory and discriminatory content. We monitor feedback from diverse groups and carefully choose media channels and formats to avoid environments that promote violence, pornography, racism, or hatred.

We also strive to enhance transparency by helping consumers understand product ingredients, correct usage and proper disposal – for example, through standardized safe use icons, recycling symbols and clear packaging instructions developed in collaboration with industry partners such as A.I.S.E. (European Association of Detergent and Cleaning Product Manufacturers).

The effectiveness of our policies and progress toward our objectives are ensured by extensive monitoring and tracking. Monitoring related to product safety and hazard communication is the responsibility of the Head of Product Safety and Regulatory Affairs in each business unit and is reviewed in the respective leadership meetings. Product-related sustainability claims and information are reviewed through the Brands Sustainability and Product Stewardship Steering Committee in the Consumer Brands business unit, while in the Adhesive Technologies business unit they are assessed as needed by the respective business unit in cooperation with the central Sustainability team. For any other product information, controls are clearly defined. Regulatory changes are directly reflected and monitored in the processes and shared by the local country teams with the global team.

Health and safety

Every day, millions of people get in touch with our products. We therefore ensure that products are safe for their intended use in terms of human health and the environment. We comply with requirements regarding health and safety, as well as labelling, that are applicable to us in the countries we operate in. We constantly review and assess our products to ensure that they remain compliant. Our product safety or product stewardship concepts cover the safe transport, handling and disposal of products in addition to their end-use. These concepts also ensure the safety of workers in the value chain when handling Henkel products as intended. This policy is monitored through the specific portfolio-steering initiatives in each business unit.

The health and safety of our consumers and end-users is also ensured through our human rights policy commitments. We provide rigorous quality controls, safety assessments, lifecycle monitoring, and remedies for potential adverse impacts.

The Henkel Management Board bears overall responsibility for our sustainability concepts and policies. In Adhesive Technologies, the leaders of the strategic business units have responsibility for implementing Henkel's objectives with respect to access to information. In our Consumer Brands business unit, the members of the executive committee take this responsibility.

In setting the policy, we consider the interests of our key internal and external stakeholders. In addition to that, for the proactive transformation of products and the provision of quality information, we particularly focus on intensive dialog with customers and consumers while striving to learn about their needs.

We engage directly with consumers and end-users, while also interacting with retailers and distributors to ensure our actions align with their increasing demand for sustainable products and transparent information. As part of our complaints mechanism, anyone affected by Henkel's business activities (including consumers) can use the whistleblower system. Consumers and end-users can rely on our Customer and Consumer Service channels, which can be accessed through a dedicated hotline and/or email address to discuss any concerns. The respective contacts are displayed on the labels of our products and can be found on the websites.

For further information on the scope of our sustainability policies, the accountability for implementation, consideration of stakeholders and publication please refer to the section "Our main sustainability-related policies in Henkel" (MDR-P) in the chapter "General Disclosures" (ESRS 2).

Processes for engaging with consumers and end-users (S4-2)

S4.20; S4.21

We continuously evolve our product portfolio, prioritizing the health and safety of consumers and end-users and providing them with transparent, reliable product information. We collaborate with consumers and end-users through open communication channels to align our actions with their needs and the increasing demand for sustainable products and accurate, transparent information.

We maintain direct dialog with consumers and end-users (for example, through our customer and consumer service teams, customer relationship management teams, websites, marketing and social media campaigns, social media interactions, and product labels). The insights gathered from these interactions help us to improve our products and enhance the transparency of our information. We also involve retailers and distributors as additional communication channels with our consumers and end-users. For example, we regularly train our distributors to ensure they have the most up-to-date information about our products. Engagement with our consumers and end-users is an ongoing process. We manage it throughout the entire product lifecycle: from the beginning of the innovation development process to communication with consumers and end-users during the product launch.

In addition to market observations and research (such as purchase reports and data), ongoing dialog through surveys, marketing campaigns, events and social media activities play a central role in understanding consumer and end-user expectations. We also collect valuable insights through consumer and customer service channels, which contribute to product improvements and reinforce our commitment to transparency.

The responsibility for engagement with consumers and end-users in the Consumer Brands business unit lies with the Corporate Senior Vice Presidents (CSVP) for the Hair and Laundry & Home Care categories for all globally managed brands, the regional CSVPs for all regionally managed brands and the Director of R&D Product Safety & Regulatory. In Henkel's Adhesive Technologies business unit, this responsibility lies with the Head of Market & Customer Activation, the Head of Distribution/Channel Management, the Head of Digital & E-Commerce and the Head of Product Safety & Regulatory Affairs for the respective strategic business units. They work closely with the respective regions and countries to ensure an appropriate exchange with customers and end-users.

We assess the effectiveness of our engagement through our service channels for consumers and end-users. This allows us to gather feedback and evaluate satisfaction so as to identify areas for improvement. Additionally, we analyse the results of these interactions to ensure that we meet the needs and expectations of consumers and end-users. This feedback also serves as a potential basis for initiatives to improve our products and services.

To gain insights into the perspectives of consumers who may be vulnerable to negative impacts or marginalization, we follow best practices and legal requirements. We also conduct targeted studies where appropriate and relevant.

Processes to remediate negative impacts and channels for consumers and end-users to raise concerns (S4-3) *S3.25; S4.26; S4.32c*

We have established clear compliance processes to identify and assess potential negative impacts of our business activities. We also ensure that access to remedy is established and available where necessary. Henkel's consumers and end-users, as well as all other people affected by Henkel's business activities, can report potential misconduct through the whistleblower system.

For details to our process for providing remedy and our protection of whistleblowers please refer to the chapter "Business Conduct" (ESRS G1).

Actions and resources related to consumers and end-users (S4-4)

ESRS 2.68a, b, e; S4.32b; S4.34

Henkel has implemented targeted actions and allocated resources to effectively manage its material impacts on consumers and end-users. These actions contribute to the success of our policies for access to high-quality information and health and safety issues. They are implemented on a global scale.

Accuracy of product information

We ensure that consumers and end-users worldwide receive accurate and comprehensive product information through highly qualified teams, processes and tools. The primary platform for managing this information and data is the Product Information Management System (PIM), based on the SAP Hybris platform. The PIM serves as a central repository for collecting, managing, enriching and distributing all product-related information, including logistics, safety and R&D data, which are automatically sourced from the SAP system, as well as media links and uploads of marketing and sales data. This ensures a consistent and harmonized information flow across the Company.

To provide consumers with necessary information about product ingredients and composition, as well as safe use, key documents such as technical data sheets (TDS), safety data sheets (SDS) and regulatory data sheets (RDS) are available. In the B2B sector, a complete safety data sheet (SDS) is provided when a new product is introduced, with all changes proactively communicated to customers and end-users. Additionally, customers can contact the Customer Service and Sales teams, as well as the Product Safety & Regulatory Affairs (PSRA) team for further information. In the B2C sector, product details are available upon request or via the website, with key safety information included on product labels. Specifically, the safety data sheets and product labels provide clear instructions for the proper use of the products, as well as guidance on handling in case of misuse of the product. Medical professionals with access to our SDS can provide instant assistance and advice to consumers.

In 2025, we initiated further improvements to the PIM based on sales data and customer feedback. For example, the product search capabilities were improved to provide even easier access to the relevant key documents for our consumers and end-users.

Socially and environmentally responsible communication and marketing

We ensure that our communication with consumers is not only transparent and accurate, but also environmentally and socially responsible. As such, we actively market innovative products that improve environmental and social impact.

Our measures empower consumers to adopt responsible behavior. Environmental benefits are clearly communicated on-pack, for example through responsible use (for example “wash cold”) and disposal instructions or by highlighting the percentage of recycled content and biodegradable ingredients. Through the 360-degree “It Starts with Us” campaign, launched in 2023, products are showcased alongside their responsible use and environmental or social benefits, such as energy and water savings. In our communication, we highlight social benefits to raise awareness of the positive impact our products can have.

Our marketing approach focuses on social responsibility and inclusivity at every stage, from product development to communication. We aim to create safe, high-performing, and accessible products that respect diverse consumer needs and empower informed choices. In 2025, for example, we expanded the use of NaviLens technology and Braille on product packaging to help visually impaired consumers access product information.

These measures are applied systematically across our global portfolio, reflecting Henkel's commitment to consistently promoting ecological and social value across products, markets and consumer touchpoints.

Transparency of our product portfolio's sustainability performance

Transparency is essential for assessing responsible action and sustainability performance. This applies inside and outside the Company. We are committed to continuously improving data quality and using digital tools to enhance sustainability efforts globally. By implementing automated systems to capture and display comprehensive sustainability data for all products, we ensure that our communication is credible and supported by reliable data. These systems are based on SAP and other IT tools from Henkel.

Internally, we assess the sustainability contribution of our portfolio through a structured process, categorizing products based on their impact across the value chain. This sustainability assessment serves to create transparency regarding the sustainability performance of our global portfolios and evaluate our efforts toward more sustainable products.

In addition to internal actions, we recognize the benefits of collaboration and collective impact. To raise consumer awareness, our Consumer Brands business unit supported the development of the Cosmile app by haut.de. This science-based platform allows consumers in selected European countries to scan the EAN bar code of cosmetic products to obtain detailed information about the ingredients. To promote sustainable consumption, in 2021 we entered a partnership with Unilever, LVMH, L'Oréal and Natura to establish the Eco Beauty Score Consortium (EBS). More than 70 companies and associations worldwide have now joined the EBS. The consortium aims to create a unified system for evaluating the environmental impact of cosmetic products to help consumers make informed and sustainable purchasing decisions.

In 2025, we further strengthened the transparency and reliability of our consumer communication through our portfolio sustainability assessment tool. We also expanded the automation in our digital systems (PIM and SAP tools) to reduce errors, accelerate updates and increase efficiency in providing sustainability data and product information. Additionally, we launched the next phase of the EBS activities by publishing available scores for our brands on our websites, to enable consumers to compare products more easily and make sustainable choices.

Quality control procedures

To avoid potential adverse effects of our products on the personal health of consumers and end-users, we take action to ensure safety and compliance at every stage. We conduct rigorous quality control procedures, carry out thorough safety assessments and continuously monitor products throughout their lifecycle to protect consumers and the environment.

We closely monitor public discussions about the safety of chemical ingredients, track scientific developments and pay close attention to consumer and end-user perceptions. If concerns about product safety arise and scientific data cannot fully dispel these concerns, we either eliminate the substance from our formulations or restrict its use to ensure compliance with our stringent safety criteria. For further details on Henkel's commitment to carefully assessing all substances used in our products, particularly substances of very high concern, please refer to the chapter "Pollution" (ESRS E2).

In 2025, we further strengthened our quality control procedures to ensure even greater transparency and reliability. In our business unit Adhesive Technologies, all quality control processes were consolidated into a single source, making information more accessible and improving efficiency across teams. In our business unit Consumer Brands, our portfolio assessment tool provides a comprehensive overview of substances that need to be replaced. This enables more informed and timely decision-making.

Actions to prevent or mitigate material negative impacts *S4.31a, b; S4.32a*

Although our products undergo numerous tests and assessments to ensure a high level of safety, unforeseen deviations from our high-quality standards may occur in very rare cases. In preparation for any such cases and to ensure the best possible health and safety of consumers and end-users, Henkel introduced as part of our management system a corporate standard for potential product crises and product recalls in 2009. It applies to all sites. An updated version of this standard was made available company-wide in 2020. Digital training on this topic has also been available in multiple languages since the end of 2020. This global corporate standard comes into effect when a product incident presents a potential risk to the health or lives of customers, consumers and end-users. Its purpose is to establish an organizational structure with binding procedures, clear responsibilities and guidelines for an appropriate and prompt response to a potential product crisis or recall, ensuring the health and safety of customers, consumers and end-users.

The standard is based on five key elements and process steps:

1. Product incident: If Henkel becomes aware of a product incident with potential risks to the health or life of customers and consumers, information must be promptly gathered and questions regarding the exact details of the incident, its cause, potential health impacts and frequency must be answered.

2. Product Crisis team: The Product Crisis team manages product incidents with potential health or life risks. It is essential to inform team members about any critical situation. The team consists of five mandatory members: Business Unit, Research and Development/Product Development, Legal Department, Supply Chain Management and Corporate Communications.

3. Risk assessment and classification: The risk and its classification are determined based on an evaluation of the potential severity and likelihood of the product incident. The Product Crisis team conducts an initial risk assessment, which is continuously adjusted as new information becomes available. A final risk assessment must be performed once all relevant information has been obtained.

4. Product crisis and recall actions: The Product Crisis team decides on the necessary actions to be planned and implemented. This decision always depends on the prior risk assessment, the level of public attention to be achieved and the specific circumstances (such as product distribution levels).

5. Monitoring and control of actions: The Product Crisis team must monitor, document and evaluate all information related to the response's scope and effectiveness over a defined period. Additionally, it must review how the product incident was handled to enhance the Product Crisis and Recall Management Process (PCRMP) for future incidents.

Methodological and technical information on actions

ESRS 2.68c, d; E4.31d; S4.37

All actions are ongoing and intended to continue in the medium-term to long-term.

We track and assess the effectiveness of our actions and initiatives using a variety of measures. We integrate data-driven knowledge, inquiries and concerns from our consumers and end-users, along with safety standards. This ensures that the actions defined by Henkel achieve their objectives for consumers and end-users. To support this commitment, we allocate the necessary resources, including advanced technologies such as SAP, PowerBI and other Henkel IT tools. We also rely on specialized teams. Our efforts include our own and downstream activities to ensure comprehensive product safety and quality management throughout the entire value chain.

Metrics and targets

Targets related to consumers and end-users (S4-5) *ESRS 2.81*

The sub-topics "Information-related impacts for consumers and/or end-users" and "Personal safety of consumers and/or end-users" are managed through our policies and actions, rather than through aggregated targets. Our monitoring processes track the effectiveness of our policies and the progress of actions in relation to the main sustainability-related impacts.

Governance information

Business conduct (ESRS G1)

Strategy

Material impacts, risks and opportunities and their interaction with strategy and business model *ESRS 2.48b*

The key impacts, risks and opportunities (IROs) for Henkel related to business conduct were identified through the double materiality assessment. These are listed in the table below and linked to the associated policies, actions and targets.

Overview of Impacts, Risks and Opportunities

Subtopic	Description	IRO	Value chain	Actual/Potential	Time horizon	Policies	Actions	Targets
Corporate culture	A corporate culture that undervalues employee well-being, with extended working hours and a lack of work-life balance, can decrease employee well-being, motivation and job satisfaction.	I-	Own	P	Short-term	We foster a respectful and inclusive culture	n/a for ESRS G1	n/a for ESRS G1
	Corporate culture and ethical business practices can contribute to a positive workplace environment and employee well-being.	I+	Own	P	Short-term	with a fair, healthy and safe work environment.		
Protection of whistleblowers	Lack of whistleblower protection can lead to retaliation, suppressed reporting and harmful practices, as well as economic and health risks for employees.	I-	Own	P	Short-term	We comply strictly with whistleblower laws ensuring a confidential and fair process.		
	The protection of whistleblowers can contribute to a positive corporate culture and higher levels of corporate compliance.	I+	Own	P	Short-term			

I- = Negative Impact, I+ = Positive Impact, R = Risk, O = Opportunity,
Up = Upstream Value Chain, Own = Own Operations, Down = Downstream Value Chain
A = Actual, P = Potential

For Henkel, it is essential to conduct business in an ethical and legally compliant manner. Integral to this commitment is a value-driven corporate culture based on respect, trust and appreciation that consistently opposes discrimination and provides access to equal development opportunities. As part of a materiality assessment of its own business operations, Henkel has identified potential negative and positive material impacts related to its business conduct. A corporate culture that undervalues employee well-being, with extended working hours and a lack of work-life balance, can decrease employees' motivation, job satisfaction and overall well-being. The lack of whistleblower protection can lead to retaliation, suppressed reporting and harmful practices, posing economic and health risks to employees. In contrast, a value-based corporate culture, including whistleblower protection and ethical business practices, can contribute to a positive work environment, employee well-being and compliance with regulations.

Henkel's goal is to meet the highest ethical standards everywhere and in every business in which it is active. The basic principles of compliant behavior are spelled-out in Henkel's Code of Conduct. This is backed by the fundamental understanding that compliance always takes priority over business goals if there is a conflict. Every employee is expected to respect and actively comply with the Conduct of Conduct.

Henkel is committed to ensuring corporate governance and compliance. The codes, standards and processes we have established provide our employees, customers, suppliers and investors, as well as the communities in which we operate, with a clear definition of the ethical and social values we uphold. All stakeholders are encouraged to report any potential misconduct through Henkel's whistleblower system. We have established clear due diligence and compliance processes to identify and assess the potential adverse impacts of our business activities. Special protections against retaliation for whistleblowers are in place. Fairness and objectivity are top priorities in our procedures for pursuing reports of legal violations. To impart clear rules of conduct to our employees and especially to avoid any conflicts of interest in everyday

working situations, we focus on regular training courses and communication actions on compliance issues.

Impact, risk and opportunity management

Business conduct policies and corporate culture (G1-1)

Our corporate culture and protection of whistleblowers *ESRS 2.65; S1.20; S1.32; S1.33; S2.27; S2.28; S3.27; S3.28; S4.25; S4.26; G1.9; G1.10a, c, e, g; G1.11*

Corporate culture

Fostering a culture of diversity, equity and inclusion, teamwork and family spirit are cornerstones of our success. Only in a fair, healthy, and safe work environment will our employees be able to reach their full potential. It is a mindset that we want to represent and stand for at Henkel, but also beyond in society, having our employees serve as role models for future generations.

We are committed to fostering a respectful and inclusive culture that enables our employees to be their best every day. Henkel is committed to a diverse and inclusive workforce, recognizing it as a key strength that fosters talent retention, innovation and understanding of stakeholders. The Company promotes a culture of trust, teamwork, and respect with zero tolerance for harassment, bullying or discrimination. We provide our employees with opportunities that are equally accessible to all, enabling them to contribute to Henkel and grow both professionally and personally. Aspects of corporate culture are addressed and discussed at the meetings of the Management Board and Supervisory Board at least once a year and on an ad-hoc basis.

Whistleblower system and access to remedy

Our Code of Conduct, our values, our Leadership Commitments and other internal standards outline the high expectations for our behavior and business practices as well as that of our stakeholders. Possible violations of these standards, including breaches of applicable laws, can be reported by employees, stakeholders and all other individuals affected by our business activities through our whistleblower system. This includes risks to human rights and the environment, as well as violations of human rights or environmental obligations that arise from Henkel's business activities or suppliers. Potential compliance violations or human rights abuses related to actual or suspected breaches must be reported to Henkel's Compliance department immediately.

We have established clear due diligence and compliance processes to identify and assess potential negative impacts of our business activities. We also ensure access to remedy is established when necessary. Any compliance issues and potential violations are regularly reported to the Management Board, the Audit Committee of the Supervisory Board, the Shareholders' Committee and other local committees. In individual cases, actions are determined and their implementation is monitored according to the principle of "prevention, detection, response," based on a case-specific protocol. This includes investigations, reviews of remediation actions and documentation of cases. Possible remedies are classified based on the severity of the violation and the outcomes of any prior corrective actions.

Our ethical and compliant behavior includes strict compliance with whistleblower laws globally, including the EU Directive (EU) 2019/1937. The process ensures a confidential and fair process for reporting and addressing potential misconduct. Those who report suspected violations in good faith are protected and any kind of retaliation against them will not be tolerated. The reporting channels for whistleblowers are communicated to our employees and external stakeholders in an appropriate manner, including via the intranet and the internet. Henkel's central compliance organization can be reached through the following channels: via email (compliance.office@henkel.com), using the **web form** or either by name or anonymously via **Henkel's compliance hotline**. On our website, in the section **Whistleblower Process and Compliance Hotline**, we provide procedural guidelines for the grievance mechanism. This document is available in more than 40 languages.

Henkel is committed to handling whistleblower reports with the highest level of care, promptness and confidentiality, in full compliance with relevant data protection laws. Access to these reports is limited to the necessary members of Henkel's Compliance Group (both local and global) and, when needed, other relevant departments or external professional investigators or auditors for the purpose of conducting an investigation and taking appropriate action. Henkel ensures that all whistleblower reports are properly recorded and documented. The investigation process is guided by principles of procedural fairness and objectivity, leading to an impartial decision. Throughout the process, individuals involved are presumed innocent until evidence proves a violation has occurred. Henkel takes a strong stance against confirmed misconduct, which could result in disciplinary actions against those responsible. The effectiveness of the whistleblower process as a grievance mechanism is reviewed annually and on an ad hoc basis, and adjusted as needed.

Compliance management system

The principles described above are of fundamental importance for internal collaboration at Henkel and also extend to interactions with suppliers and business partners. Henkel's compliance culture involves continuous monitoring and improvement of the compliance process.

The Henkel Management Board bears the overall responsibility for the compliance organization, which ensures adherence to global laws and policies. The company-wide compliance organization is led by the Chief Compliance Officer (CCO) with global responsibility. The CCO is supported by the Corporate Compliance Office with the Head of Corporate Compliance & Data Protection, and by an interdisciplinary Compliance & Risk Committee, as well as by 50 local compliance officers worldwide. The various tasks and responsibilities are clearly defined. The Compliance Group is responsible for all compliance activities, coordinates training and education, monitors compliance with internal and external regulations, and supports the development and implementation of globally binding internal standards.

To impart clear rules of conduct to our employees, and especially to avoid any conflicts of interest in everyday working situations, we focus on regular training courses and communication measures. Our managers play a key role with regard to compliance. Given their position within the Company, they bear a special responsibility to set an example for employees. For this reason, all of our managers across the globe must participate in our mandatory Compliance eLearning Program and attend relevant training courses, usually several onboarding courses, as well as at least one specific training per year. The program addresses many different compliance topics, such as data protection, competition law and anti-corruption.

Further information on the scope of our sustainability policies, consideration of stakeholders and publication can be found in the section "Our policies to manage material sustainability matters" in the chapter "General Disclosures" (ESRS 2).

Metrics and targets

Targets related to corporate culture and whistleblowers *ESRS 2.81*

The topics "Corporate Culture" and "Whistleblowers" are managed through guidelines and our policies rather than aggregated targets. Our monitoring processes track the effectiveness of our policies and the progress of actions in relation to the main sustainability-related impacts, risks and opportunities.

Explanatory information on the non-financial statement of Henkel AG & Co. KGaA in accordance with Sections 289b and 315c of the German Commercial Code [HGB]

In addition to the aforementioned information regarding the Group in the combined non-financial Group statement, the following special aspects relating to Henkel AG & Co. KGaA are reproduced below.

Business activities

Henkel AG & Co. KGaA is operationally active in the two business units Adhesive Technologies and Consumer Brands, as well as being the parent Company of the Henkel Group.

As such, it is responsible for defining and pursuing Henkel's corporate objectives and also for the management, control and monitoring of Group-wide activities, including risk management and the allocation of resources. The operating business of Henkel AG & Co. KGaA represents only a portion of the business activity of the entire Henkel Group and is managed across the Group by the business units.

Matters relating to sustainability at Henkel AG & Co. KGaA are impacted by its own operating activities and those of its subsidiaries. Regarding sustainability issues and the risk position of Henkel AG & Co. KGaA, it is therefore appropriate to refer to the Group Sustainability Statement.

Non-financial statement

Pursuant to Section 289b and 315c of the German Commercial Code [HGB], we employed the European Sustainability Reporting Standards (ESRS) as the framework for our non-financial statement with respect to Henkel AG & Co. KGaA. Henkel AG & Co. KGaA is the parent company of the Henkel Group and is therefore responsible for all corporate decisions. Thus, with regard to the content of the non-financial statement for Henkel AG & Co. KGaA in accordance with Section 289b HGB, reference can be made to the Sustainability Statement relating to the Henkel Group.

Appendix to the Sustainability Statement

Appendix 1: Disclosures pursuant to Article 8 of Regulation (EU)
2020/852 (Taxonomy Regulation) – Tables

Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2025

Financial Year 2025	2025		Substantial Contribution Criteria							DNSH Criteria ("Does Not Significantly Harm")												
	Code (2)	CapEx (3)	Proportion of CapEx, 2025 (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy-aligned (A.1) or -eligible (A.2) CapEx, 2024 (18)	Category enabling activity (19)	Category transitional activities (20)			
Economic Activities (1)		in EUR m	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/ N	Y/ N	Y/ N	Y/ N	Y/ N	Y/ N	Y/ N	%	E	T			
A. TAXONOMY-ELIGIBLE ACTIVITIES																						
A.1 Environmentally sustainable activities (Taxonomy-aligned) ¹																						
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	1.9	0%	J	N/EL ²	N/EL	N/EL	N/EL	N/EL	J	J	J	J	J	J	J	0%		T			
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	CCM 7.5	1.9	0%	Y	N/EL ²	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0%	E				
Installation, maintenance and repair of renewable energy technologies	CCM 7.6	4.0	0%	Y	N/EL ²	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0%	E				
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		7.9	1%	1%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	1%					
Of which enabling		5.9	1%	1%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	1%	E				
Of which transitional		1.9	0%	0%						N	N	N	N	N	N	N	0%		T			

TABLE CONTINUED ON NEXT PAGE

Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2025

Financial Year 2025	2025		Substantial Contribution Criteria							DNSH Criteria ("Does Not Significantly Harm")												
Economic Activities (1)	Code (2)	CapEx (3)	Proportion of CapEx, 2025 (4)	Climate Change Mitigation (5)		Climate Change Adaptation (6)		Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)		Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy-aligned (A.1) or -eligible (A.2) CapEx, 2024 (18)	Category enabling activity (19)	Category transitional activities (20)
				Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL						Y; N; N/EL	Y; N; N/EL								
		in EUR m	%									Y/ N	Y/ N	Y/ N	Y/ N	Y/ N	Y/ N	Y/ N	%	E	T	
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) ¹																						
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL													
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	30.3	4%	EL	N/EL ²	N/EL	N/EL	N/EL	N/EL										3%			
Renovation of existing buildings	CCM 7.2																					
Installation, maintenance and repair of energy efficiency equipment	CE 3.2	45.3	5%	EL	N/EL ²	N/EL	N/EL	EL ³	N/EL										3%			
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	CCM 7.3	14.7	2%	EL	N/EL ²	N/EL	N/EL	N/EL	N/EL										1%			
Installation, maintenance and repair of renewable energy technologies	CCM 7.5	0.5	0%	EL	N/EL ²	N/EL	N/EL	N/EL	N/EL										0%			
Acquisition and ownership of buildings	CCM 7.6	1.4	0%	EL	N/EL ²	N/EL	N/EL	N/EL	N/EL										0%			
Manufacture of electrical and electronic equipment	CCM 7.7	164.6	20%	EL	N/EL ²	N/EL	N/EL	N/EL	N/EL										20%			
	CE 1.2	54.8	7%	N/EL	N/EL	N/EL	N/EL	EL	N/EL										4%			

TABLE CONTINUED ON NEXT PAGE

Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2025

Financial Year 2025	2025		Substantial Contribution Criteria							DNSH Criteria ("Does Not Significantly Harm")										
	Code (2)	CapEx (3)	Proportion of CapEx, 2025 (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy-aligned (A.1) or -eligible (A.2) CapEx, 2024 (18)	Category enabling activity (19)	Category transitional activities (20)	
Economic Activities (1)		in EUR m	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/ N	Y/ N	Y/ N	Y/ N	Y/ N	Y/ N	Y/ N	%	E	T	
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		311.7	37%	30%	0%	0%	0%	7%	0%								30%			
A. CapEx of Taxonomy-eligible activities (A.1 + A.2)		319.6	38%	31%	0%	0%	0%	7%	0%								30%			
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
CapEx of Taxonomy-non-eligible activities		524.0	62%																	
Total		843.6	100%																	

Abbreviations used in the templates: Y: Yes, N: No, EL: Taxonomy-eligible, N/EL: not Taxonomy-eligible, E: enabling activity, T: transitional activity

¹ The shaded area is not to be reported in accordance with Delegated Regulation (EU) 2023/2486.

² Although the activity description for the environmental objective of climate change adaptation is fulfilled, respective investment projects do not specifically contribute to this environmental objective. Corresponding CapEx is therefore identified as not Taxonomy-eligible for the environmental objective of climate change adaptation.

³ As the activity description is fulfilled, the activity is generally Taxonomy-eligible for the environmental objective circular economy. As corresponding investment projects are not carried out with the objective circular economy, these are always assigned to the objective climate change mitigation.

Proportion of turnover from products or services associated with Taxonomy-aligned economic activities – disclosure covering 2025

Financial Year 2025	2025		Substantial Contribution Criteria							DNSH Criteria ("Does Not Significantly Harm")							Proportion of Taxonomy-aligned (A.1) or -eligible (A.2) turnover, 2024 (18)	Category enabling activity (19)	Categorisation activity (20)
	Code (2)	Turnover (3)	Proportion of CapEx, 2025 (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)			
Economic Activities (1)		in EUR m	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/ N	Y/ N	Y/ N	Y/ N	Y/ N	Y/ N	Y/ N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)¹																			
None		0	0%	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N	N	N	N	N	N	N	0%		
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0%	0%	0%	0%	0%	0%	0%	N	N	N	N	N	N	N	0%		
Of which enabling		0	0%	0%	0%	0%	0%	0%	0%	N	N	N	N	N	N	N	0%	E	
Of which transitional		0	0%	0%						N	N	N	N	N	N	N	0%		T
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)¹																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
None		0	0%	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		0	0%	0%	0%	0%	0%	0%	0%								0%		
A. Turnover of Taxonomy-eligible activities (A.1 + A.2)		0	0%	0%	0%	0%	0%	0%	0%								0%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities		20,494.6	100%																
Total		20,494.6	100%																

Abbreviations used in the templates: Y: Yes, N: No, EL: Taxonomy-eligible, N/EL: not Taxonomy-eligible, E: enabling activity, T: transitional activity

¹ The shaded area is not to be reported in accordance with Delegated Regulation (EU) 2023/2486.

Proportion of OpEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2025

Financial Year 2025	2025		Substantial Contribution Criteria							DNSH Criteria ("Does Not Significantly Harm")										
	Code (2)	OpEx (3)	Proportion of OpEx, 2025 (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy-aligned (A.1) or -eligible (A.2) OpEx, 2024 (18)	Category enabling activity (19)	Category transitional activity (20)	
Economic Activities (1)		in EUR m	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/ N	Y/ N	Y/ N	Y/ N	Y/ N	Y/ N	Y/ N	%	E	T	
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1 Environmentally sustainable activities (Taxonomy-aligned) ¹																				
None		0	0%	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N	N	N	N	N	N	N	0%			
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0%	0%	0%	0%	0%	0%	0%	N	N	N	N	N	N	N	0%			
Of which enabling		0	0%	0%	0%	0%	0%	0%	0%	N	N	N	N	N	N	N	0%	E		
Of which transitional		0	0%	0%						N	N	N	N	N	N	N	0%		T	
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) ¹																				
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL											
None		0	0%	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%			
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		0	0%	0%	0%	0%	0%	0%	0%								0%			
A. OpEx of Taxonomy-eligible activities (A.1 + A.2)		0	0%	0%	0%	0%	0%	0%	0%								0%			
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
OpEx of Taxonomy-non-eligible activities		719.4	100%																	
Total		719.4	100%																	

Abbreviations used in the templates: Y: Yes, N: No, EL: Taxonomy-eligible, N/EL: not Taxonomy-eligible, E: enabling activity, T: transitional activity

¹ The shaded area is not to be reported in accordance with Delegated Regulation (EU) 2023/2486.

Proportion of CapEx/Total CapEx

	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	1%	31%
CCA	0%	0%
WTR	–	0%
CE	–	7%
PPC	–	0%
BIO	–	0%

CCM: Climate Change Mitigation, CCA: Climate Change Adaptation, WTR: Water and Marine Resources, CE: Circular Economy, PPC: Pollution Prevention and Control, BIO: Biodiversity and ecosystems

Proportion of OpEx/Total OpEx

	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	0%	0%
CCA	0%	0%
WTR	0%	0%
CE	0%	0%
PPC	0%	0%
BIO	0%	0%

CCM: Climate Change Mitigation, CCA: Climate Change Adaptation, WTR: Water and Marine Resources, CE: Circular Economy, PPC: Pollution Prevention and Control, BIO: Biodiversity and ecosystems

Proportion of turnover/Total turnover

	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	0%	0%
CCA	0%	0%
WTR	0%	0%
CE	0%	0%
PPC	0%	0%
BIO	0%	0%

CCM: Climate Change Mitigation, CCA: Climate Change Adaptation, WTR: Water and Marine Resources, CE: Circular Economy, PPC: Pollution Prevention and Control, BIO: Biodiversity and ecosystems

Registration form 1: Activities in the areas of nuclear energy and fossil gas

Row	Nuclear-energy-related activities	
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
	Fossil-gas-related activities	
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

Appendix 2: List of disclosure requirements

List of disclosure requirements followed in the preparation of the Sustainability Report based on the results of the materiality assessment

ESRS reference	Disclosure requirement	Section in the Sustainability Report	Page number
ESRS 2	BP-1	General basis for preparation	P. 151
	BP-2	Disclosures in relation to specific circumstances	P. 151-152
	GOV-1	The role of the administrative, management and supervisory bodies	P. 153-159
	GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	P. 159-160
	GOV-3	Integration of sustainability-related performance in incentive schemes	P. 160-162
	GOV-4	Statement on due diligence	P. 162
	GOV-5	Risk management and internal controls over sustainability reporting	P. 163-164
	SBM-1	Strategy, business model and value chain	P. 165-170
	SBM-2	Interests and views of stakeholders	P. 170-173
	SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	P. 173
	IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	P. 174-185
	IRO-2	Disclosure requirements in ESRS covered by this Sustainability Statement	P. 185
ESRS E1	SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	P. 186-191
	E1-1	Transition plan for climate change mitigation	P. 191-192
	E1-2	Policies related to climate change mitigation and adaptation	P. 192-193
	E1-3	Actions and resources related to climate policies	P. 193-199
	E1-4	Targets related to climate change mitigation and adaptation	P. 199-203
	E1-5	Energy consumption and mix	P. 203-204
	E1-6	Gross Scopes 1, 2, 3 and total GHG emissions	P. 205-215
	E1-7	GHG removals and GHG mitigation projects financed through carbon credits	P. 215
ESRS E2	E1-8	Internal carbon pricing	P. 215-216
	SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	P. 217-218
	E2-1	Policies related to pollution	P. 218-220
	E2-2	Actions and resources related to pollution	P. 220-221
	E2-3	Targets related to pollution	P. 221

TABLE CONTINUED ON NEXT PAGE

List of disclosure requirements followed in the preparation of the Sustainability Report based on the results of the materiality assessment

ESRS reference	Disclosure requirement	Section in the Sustainability Report	Page number
ESRS E3	SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	P. 222-224
	E3-1	Policies related to water and marine resources	P. 224-225
	E3-2	Actions and resources related to water and marine resources	P. 225-226
	E3-3	Targets related to water and marine resources	P. 226-227
	E3-4	Water consumption	P. 227-229
ESRS E4	SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	P. 230-233
	E4-1	Transition plan and consideration of biodiversity and ecosystems in strategy and business model	P. 240
	E4-2	Policies related to biodiversity and ecosystems	P. 240-242
	E4-3	Actions and resources related to biodiversity and ecosystems	P. 242-243
	E4-4	Targets related to biodiversity and ecosystems	P. 243-247
ESRS E5	E4-5	Impact metrics related to biodiversity and ecosystems change	P. 247
	SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	P. 248-251
	E5-1	Policies related to resource use and circular economy	P. 251-253
	E5-2	Actions and resources related to resource use and circular economy	P. 253-254
	E5-3	Targets related to resource use and circular economy	P. 255-257
ESRS S1	E5-4	Resource inflows	P. 257-260
	E5-5	Resource outflows	P. 260-263
	SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	P. 268-273
	S1-1	Policies related to own workforce	P. 273-276
	S1-2	Processes for engaging with own workers and workers' representatives	P. 276-277
	S1-3	Processes to remediate negative impacts and channels for own workers to raise concerns	P. 277
	S1-4	Actions and resources related to own workforce	P. 277-281
	S1-5	Targets related to own workforce	P. 281-282
	S1-6	Characteristics of company employees	P. 282-283
	S1-8	Collective bargaining coverage	P. 283-284
	S1-9	Diversity metrics	P. 284-285
	S1-10	Adequate wages	P. 285
	S1-14	Health and safety metrics	P. 285-286
	S1-16	Remuneration metrics	P. 286-287
	S1-17	Incidents, complaints and severe human rights impacts	P. 287

TABLE CONTINUED ON NEXT PAGE

List of disclosure requirements followed in the preparation of the Sustainability Report based on the results of the materiality assessment

ESRS reference	Disclosure requirement	Section in the Sustainability Report	Page number
ESRS S2	SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	P. 288-291
	S2-1	Policies related to workers in the value chain	P. 291-293
	S2-2	Processes for engaging with value chain workers about impacts	P. 293-294
	S2-3	Processes to remediate negative impacts and channels for value chain workers to raise concerns	P. 294
	S2-4	Actions and resources related to workers in the value chain	P. 294-299
	S2-5	Targets related to workers in the value chain	P. 299
ESRS S3	SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	P. 300-302
	S3-1	Policies related to affected communities	P. 302-303
	S3-2	Processes for engaging with affected communities about impacts	P. 303-304
	S3-3	Processes to remediate negative impacts and channels for affected communities to raise concerns	P. 304
	S3-4	Actions and resources related to affected communities	P. 304-305
	S3-5	Targets related to affected communities	P. 305
ESRS S4	SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	P. 306-308
	S4-1	Policies related to consumers and end-users	P. 309-310
	S4-2	Processes for engaging with consumers and end-users about impacts	P. 310-311
	S4-3	Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	P. 311
	S4-4	Actions and resources related to consumers and end-users	P. 312-315
	S4-5	Targets related to consumers and end-users	P. 315
ESRS G1	SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	P. 316-317
	G1-1	Business conduct policies and corporate culture	P. 317-319
	MDR-T	Targets related to corporate culture and whistleblowers	P. 319

Appendix 3: List of datapoints

List of datapoints in cross-cutting and topical standards that derive from other EU legislation

ESRS reference	Disclosure requirement and associated data point	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU Climate Law reference	Materiality	Page number
ESRS 2	GOV-1 Gender diversity in the management and supervisory bodies, Section 21, letter d	Indicator no. 13 in Annex 1, Table 1		Commission Delegated Regulation (EU) 2020/1816, Annex II		material	P. 154-157
	GOV-1 Percentage of management body members who are independent, Section 21, letter e			Commission Delegated Regulation (EU) 2020/1816, Annex II		material	P. 157
	GOV-4 Statement on due diligence, Section 30	Indicator no. 10 in Annex 1, Table 3				material	P. 162
	SBM-1 Participation in activities related to fossil fuels, Section 40, letter d, number i	Indicator no. 4 in Annex 1, Table 1	Article 449a of Regulation (EU) No. 575/2013; Commission Implementing Regulation (EU) 2022/2453, Table 1: Qualitative information on environmental risk, Table 2: Qualitative disclosures on social risks	Commission Delegated Regulation (EU) 2020/1816, Annex II		not material	–
	SBM-1 Participation in activities related to the production of chemicals, Section 40, letter d, number ii	Indicator no. 9 in Annex 1, Table 2		Commission Delegated Regulation (EU) 2020/1816, Annex II		not material	–
	SBM-1 Participation in activities related to controversial weapons Section 40, letter d, number iii	Indicator no. 14 in Annex 1, Table 1		Delegated Regulation (EU) 2020/1818, Article 12, Section 1, Delegated Regulation (EU) 2020/1816, Annex II		not material	–
	SBM-1 Participation in activities related to the cultivation and production of tobacco Section 40, letter d, number iv			Delegated Regulation (EU) 2020/1818, Article 12, Section 1, Delegated Regulation (EU) 2020/1816, Annex II		not material	–
ESRS E1	E1-1 Transition plan to achieve climate neutrality by 2050 Section 14				Regulation (EU) 2021/1119, Article 2, Section 1	material	P. 191-192

TABLE CONTINUED ON NEXT PAGE

List of datapoints in cross-cutting and topical standards that derive from other EU legislation

ESRS reference	Disclosure requirement and associated data point	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU Climate Law reference	Materiality	Page number
ESRS E1	E1-1 Companies exempt from the Paris-aligned benchmarks Section 16, letter g		Article 449a of Regulation (EU) No. 575/2013; Commission Implementing Regulation (EU) 2022/2453, Reporting template 1: Banking book – Climate change transition risk: Credit quality of risk positions by sector, emissions and remaining maturity	Delegated Regulation (EU) 2020/1818, Article 12, Section 1, letters d to g and Article 12, Section 2		material	P. 199
	E1-4 GHG emissions reduction targets Section 34	Indicator no. 4 in Annex 1, Table 2	Article 449a of Regulation (EU) No. 575/2013; Commission Implementing Regulation (EU) 2022/2453, Reporting template 3: Banking book – Climate change transition risk: Alignment metrics	Delegated Regulation (EU) 2020/1818, Article 6		material	P. 199-202
	E1-5 Energy consumption from fossil fuels broken down by source (only high climate impact sectors) Section 38	Indicator no. 5 in Annex 1, Table 1 and Indicator no. 5 in Annex 1, Table 2				material	P. 203
	E1-5 Energy consumption and energy mix, Section 37	Indicator no. 5 in Annex 1, Table 1				material	P. 203
	E1-5 Energy intensity related to activities in high climate impact sectors, Sections 40 to 43	Indicator no. 6 in Annex 1, Table 1				material	P. 204
	E1-6 Gross GHG emissions for Scope 1, 2 and 3 categories, and total GHG emissions Section 44	Indicators no. 1 and 2 in Annex 1, Table 1	Article 449a of Regulation (EU) No. 575/2013; Commission Implementing Regulation (EU) 2022/2453, Reporting template 1: Banking book – Climate change transition risk: Credit quality of risk positions by sector, emissions and remaining maturity	Delegated Regulation (EU) 2020/1818, Article 5, Section 1, Article 6 and Article 8, Section 1		material	P. 205-207
	E1-6 Intensity of gross GHG emissions Sections 53 to 55	Indicator no. 3 in Annex 1, Table 1	Article 449a of Regulation (EU) No. 575/2013; Commission Implementing Regulation (EU) 2022/2453, Reporting template 3: Banking book – Climate change transition risk: Alignment metrics	Delegated Regulation (EU) 2020/1818, Article 8, Section 1		material	P. 214

TABLE CONTINUED ON NEXT PAGE

List of datapoints in cross-cutting and topical standards that derive from other EU legislation

ESRS reference	Disclosure requirement and associated data point	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU Climate Law reference	Materiality	Page number
ESRS E1	E1-7 Removal of greenhouse gases and CO ₂ certificates Section 56				Regulation (EU) 2021/1119, Article 2, Section 1	material	P. 215
	E1-9 Risk position of the bench-mark portfolio with respect to climate-related physical risks Section 66			Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II		material	- (reporting obligation to be introduced in stages)
	E1-9 Breakdown of amounts by acute and chronic physical risk Section 66, letter a ESRS and E1-9 Location of significant assets with material physical risk Section 66, letter c		Article 449a of Regulation (EU) No. 575/2013; Commission Implementing Regulation (EU) 2022/2453, Sections 46 and 47; Reporting template 5: Banking book – Climate change physical risk: Exposures subject to physical risk			material	- (reporting obligation to be introduced in stages)
	E1-9 Breakdown of the carrying value of its real estate assets by energy efficiency classes Section 67, letter c		Article 449a of Regulation (EU) No. 575/2013; Commission Implementing Regulation (EU) 2022/2453, Section 34; Reporting template 2: Banking book – Climate change transition risk: Loans collateralized by immovable property – Energy efficiency of the collateral			material	- (reporting obligation to be introduced in stages)
	E1-9 Degree of exposure of the portfolio to climate-related opportunities Section 69			Commission Delegated Regulation (EU) 2020/1818, Annex II		material	- (reporting obligation to be introduced in stages)
ESRS E2	E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil Section 28	Indicator no. 8 in Annex 1, Table 1 Indicator no. 2 in Annex 1, Table 2 Indicator no. 1 in Annex 1, Table 2 Indicator no. 3 in Annex 1, Table 2				not material	–

TABLE CONTINUED ON NEXT PAGE

List of datapoints in cross-cutting and topical standards that derive from other EU legislation

ESRS reference	Disclosure requirement and associated data point	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU Climate Law reference	Materiality	Page number
ESRS E3	E3-1 Water and marine resources Section 9	Indicator no. 7 in Annex 1, Table 2				material	P. 224-225
	E3-1 Specific concept Section 13	Indicator no. 8 in Annex 1, Table 2				material	–
	E3-1 Sustainable oceans and seas Section 14	Indicator no. 12 in Annex 1, Table 2				material	–
	E3-4 Total amount of recycled and reused water, Section 28, letter c	Indicator no. 6.2 in Annex 1, Table 2				material	P. 227
	E3-4 Total water consumption in m ³ versus net revenue from own operations, Section 29	Indicator no. 6.1 in Annex 1, Table 2				material	P. 227
ESRS E4	ESRS 2 – SBM-3 – E4 Section 16, letter a, number i	Indicator no. 7 in Annex 1, Table 1				material	P. 233-236
	ESRS 2 – SBM-3 – E4 Section 16, letter b	Indicator no. 10 in Annex 1, Table 2				material	P. 233-236
	ESRS 2 – SBM-3 – E4 Section 16, letter c	Indicator no. 14 in Annex 1, Table 2				material	P. 236-240
	E4-2 Sustainable practices or concepts in land use and agriculture Section 24, letter b	Indicator no. 11 in Annex 1, Table 2				material	P. 240-242
	E4-2 Sustainable practices or concepts in oceans/seas Section 24, letter c	Indicator no. 12 in Annex 1, Table 2				material	P. 240-242
	E4-2 Concepts for addressing Section 24, letter d	Indicator no. 15 in Annex 1, Table 2				material	P. 240-242
ESRS E5	E5-5 Non-recycled waste Section 37, letter d	Indicator no. 13 in Annex 1, Table 2				material	P. 260
	E5-5 Hazardous and radioactive waste, Section 39	Indicator no. 9 in Annex 1, Table 1				material	P. 261
ESRS S1	ESRS 2 SBM3 – S1 Risk of forced labor, Section 14, letter f	Indicator no. 13 in Annex I, Table 3				not material	–
	ESRS 2 SBM3 – S1 Risk of child labor, Section 14, letter g	Indicator no. 12 in Annex I, Table 3				not material	–

TABLE CONTINUED ON NEXT PAGE

List of datapoints in cross-cutting and topical standards that derive from other EU legislation

ESRS reference	Disclosure requirement and associated data point	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU Climate Law reference	Materiality	Page number
ESRS S1	S1-1 Commitments on human rights policy Section 20	Indicator no. 9 in Annex I, Table 3 and Indicator no. 11 in Annex I, Table 1				material	P. 273-276
	ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labour Organization Conventions 1 to 8 Section 21			Commission Delegated Regulation (EU) 2020/1816, Annex II		material	P. 273-276
	S1-1 Procedures and measures to address human trafficking Section 22	Indicator no. 11 in Annex I, Table 3				material	P. 273-276
	S1-1 Concept or management system for the prevention of work-related accidents, Section 23	Indicator no. 1 in Annex I, Table 3				material	P. 273-276
	S1-3 Handling of complaints Section 32, letter c	Indicator no. 5 in Annex I, Table 3				material	P. 277
	S1-14 Number of fatalities and number and rate of work-related accidents, Section 88, letters b and c	Indicator no. 2 in Annex I, Table 3		Commission Delegated Regulation (EU) 2020/1816, Annex II		material	P. 285-286
	S1-14 Number of days lost due to injuries, accidents, fatalities, or illnesses, Section 88, letter e	Indicator no. 3 in Annex I, Table 3				material	P. 285-286
	S1-16 Unadjusted gender pay gap, Section 97, letter a	Indicator no. 12 in Annex I, Table 1		Commission Delegated Regulation (EU) 2020/1816, Annex II		material	P. 286-287
	S1-16 Annual total remuneration for members of the management bodies, Section 97, letter b	Indicator no. 8 in Annex I, Table 3				material	P. 286-287
	S1-17 Cases of discrimination Section 103, letter a	Indicator no. 7 in Annex I, Table 3				material	P. 287
	S1-17 Non-compliance with the UN Guiding Principles on Business and Human Rights and the OECD Guidelines Section 104, letter a	Indicator no. 10 in Annex I, Table 1 and Indicator no. 14 in Annex I, Table 3		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Article 12, Section 1		material	P. 287

TABLE CONTINUED ON NEXT PAGE

List of datapoints in cross-cutting and topical standards that derive from other EU legislation

ESRS reference	Disclosure requirement and associated data point	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU Climate Law reference	Materiality	Page number
ESRS S2	ESRS 2 SBM3 – S2 Significant risk of child labor or forced labor in the value chain, Section 11, letter b	Indicators no. 12 and 13 in Annex I, Table 3				material	P. 288-291
	S2-1 Commitments on human rights policy Section 17	Indicator no. 9 in Annex 1, Table 3 and Indicator no. 11 in Annex 1, Table 1				material	P. 291-293
	S2-1 Concepts related to value chain workers, Section 18	Indicators no. 11 and 4 in Annex 1, Table 3				material	P. 291-293
	S2-1 Non-compliance with the UN Guiding Principles on Business and Human Rights and the OECD Guidelines Section 19	Indicator no. 10 in Annex 1, Table 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Article 12, Section 1		material	P. 291-293
	S2-1 Due diligence policies on issues addressed by fundamental International Labour Organisation Conventions 1 to 8, Section 19			Commission Delegated Regulation (EU) 2020/1816, Annex II		material	P. 291-293
	S2-4 Issues and incidents related to human rights within the upstream and downstream value chain, Section 36	Indicator no. 14 in Annex 1, Table 3				material	P. 298
ESRS S3	S3-1 Commitments on human rights policy Section 16	Indicator no. 9 in Annex 1, Table 3 and Indicator no. 11 in Annex 1, Table 1				material	P. 302
	S3-1 Non-compliance with the UN Guiding Principles on Business and Human Rights, ILO principles, or OECD Guidelines Section 17	Indicator no. 10 in Annex 1, Table 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Article 12, Section 1		material	P. 303
	S3-4 Issues and incidents related to human rights, Section 36	Indicator no. 14 in Annex 1, Table 3				material	P. 305

TABLE CONTINUED ON NEXT PAGE

List of datapoints in cross-cutting and topical standards that derive from other EU legislation

ESRS reference	Disclosure requirement and associated data point	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU Climate Law reference	Materiality	Page number
ESRS S4	S4 S4-1 Concepts related to consumers and end-users Section 16	Indicator no. 9 in Annex 1, Table 3 and Indicator no. 11 in Annex 1, Table 1				material	P. 309-310
	S4-1 Non-compliance with the UN Guiding Principles on Business and Human Rights and the OECD Guidelines Section 17	Indicator no. 10 in Annex 1, Table 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Article 12, Section 1		material	P. 309-310
	S4-4 Issues and incidents related to human rights, Section 35	Indicator no. 14 in Annex 1, Table 3				material	P. 312-314
ESRS G1	G1-1 United Nations Convention against Corruption Section 10, letter b	Indicator no. 15 in Annex 1, Table 3				material	P. 318-319
	G1-1 Protection of whistleblowers Section 10, letter d	Indicator no. 6 in Annex 1, Table 3				material	P. 318-319
	G1-4 Fines for violations of anti-corruption and bribery laws Section 24, letter a	Indicator no. 17 in Annex 1, Table 3		Commission Delegated Regulation (EU) 2020/1816, Annex II		not material	–
	G1-4 Standards for addressing corruption and bribery Section 24, letter b	Indicator no. 16 in Annex 1, Table 3				not material	–

CONSOLIDATED FINANCIAL STATEMENTS

340	Consolidated statement of financial position	363	Notes to the consolidated financial statements – Notes to the consolidated statement of financial position
342	Consolidated statement of income	364	Goodwill and other intangible assets
343	Consolidated statement of comprehensive income	370	Property, plant and equipment
344	Consolidated statement of changes in equity	375	Other financial assets
346	Consolidated statement of cash flows	377	Other assets
348	Notes to the consolidated financial statements – Group segment report by business unit	377	Deferred taxes
350	Notes to the consolidated financial statements – Key financials by region	377	Inventories
351	Notes to the consolidated financial statements – Accounting principles and methods applied in preparation of the consolidated financial statements	378	Trade accounts receivable
		379	Cash and cash equivalents
		379	Assets and liabilities held for sale
		380	Issued capital
		382	Capital reserve
		382	Treasury shares
		383	Retained earnings
		383	Other components of equity
		383	Non-controlling interests
		383	Provisions for pensions and similar obligations

393	Other provisions	442	Group segment reporting by business unit and by region
395	Borrowings	447	Earnings per share
397	Other financial liabilities	448	Consolidated statement of cash flows
398	Other liabilities	452	Contingent liabilities
399	Trade accounts payable	452	Other unrecognized financial commitments
400	Income tax liabilities	452	Shareholdings in the capital of Henkel AG & Co. KGaA/Voting rights notifications
400	Financial instruments report	453	Related party disclosures
429	Notes to the consolidated financial statements – Notes to the consolidated statement of income	453	Exercise of exemption options
429	Sales and principles of revenue recognition	454	Remuneration of the corporate bodies
430	Cost of sales	456	Declaration of compliance with the Corporate Governance Code
430	Marketing, selling and distribution expenses	456	Subsidiaries and other investments
430	Research and development expenses	456	Auditor's fees and services
431	Administrative expenses	457	Notes to the consolidated financial statements – Subsequent events
431	Other operating income	458	Recommendation for the approval of the annual financial statements and the appropriation of the profit of Henkel AG & Co. KGaA
431	Other operating expenses	459	Corporate bodies of Henkel AG & Co. KGaA
431	Financial result		
432	Taxes on income		
436	Non-controlling interests		
437	Notes to the consolidated financial statements – Other disclosures		
437	Reconciliation of adjusted net income		
438	Payroll cost and employee structure		
438	Share-based payment plans		

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Assets

in million euros	Note	Dec. 31, 2024 ¹	%	Dec. 31, 2025	%
Goodwill	1	15,036	42.7	13,849	42.6
Other intangible assets	1	3,734	10.6	3,402	10.5
Property, plant and equipment	2	3,794	10.8	3,777	11.6
Other financial assets	3	233	0.7	205	0.6
Other assets	4	305	0.9	294	0.9
Deferred tax assets	5	1,110	3.1	936	2.9
Non-current assets		24,213	68.7	22,463	69.0
Inventories	6	2,571	7.3	2,376	7.3
Trade accounts receivable	7	3,530	10.0	3,386	10.4
Other financial assets	3	1,138	3.2	856	2.6
Income tax refund claims		287	0.8	274	0.8
Other assets	4	451	1.3	448	1.4
Cash and cash equivalents	8	2,889	8.2	2,708	8.3
Assets held for sale	9	168	0.5	23	0.1
Current assets		11,036	31.3	10,070	31.0
Total assets		35,248	100.0	32,533	100.0

¹ Amended following the updated allocation of the purchase price for the shares in Seal for Life Industries Intermediate Co., Seal for Life Global Dutch Holding B.V. and SFL Canusa Canada Ltd.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Equity and liabilities

in million euros	Note	Dec. 31, 2024 ¹	%	Dec. 31, 2025	%
Issued capital	10	438	1.2	438	1.3
Capital reserve	11	652	1.9	652	2.0
Treasury shares	12	-1,052	-3.0	-1,907	-5.9
Retained earnings	13	22,619	64.2	23,822	73.2
Other components of equity	14	-926	-2.6	-2,511	-7.7
Equity attributable to shareholders of Henkel AG & Co. KGaA		21,732	61.7	20,494	63.0
Non-controlling interests	15	90	0.3	86	0.3
Equity		21,822	61.9	20,581	63.3
Provisions for pensions and similar obligations	16	569	1.6	492	1.5
Other provisions	17	330	0.9	331	1.0
Borrowings	18	2,049	5.8	1,382	4.2
Other financial liabilities	19	610	1.7	578	1.8
Other liabilities	20	57	0.2	37	0.1
Deferred tax liabilities	5	720	2.0	715	2.2
Non-current liabilities		4,336	12.3	3,535	10.9
Other provisions	17	2,165	6.1	1,967	6.0
Borrowings	18	1,527	4.3	1,660	5.1
Trade accounts payable	21	4,242	12.0	3,840	11.8
Other financial liabilities	19	282	0.8	193	0.6
Other liabilities	20	399	1.1	414	1.3
Income tax liabilities	22	467	1.3	343	1.1
Liabilities held for sale	9	8	0.0	–	–
Current liabilities		9,090	25.8	8,418	25.9
Total equity and liabilities		35,248	100.0	32,533	100.0

¹ Amended following the updated allocation of the purchase price for the shares in Seal for Life Industries Intermediate Co., Seal for Life Global Dutch Holding B.V. and SFL Canusa Canada Ltd.

CONSOLIDATED STATEMENT OF INCOME

in million euros	Note	2024	%	2025	%	+/-
Sales	24	21,586	100.0	20,495	100.0	-5.1%
Cost of sales	25	-10,765	-49.9	-10,074	-49.2	-6.4%
Gross profit		10,820	50.1	10,421	50.8	-3.7%
Marketing, selling and distribution expenses	26	-6,132	-28.4	-5,789	-28.2	-5.6%
Research and development expenses	27	-634	-2.9	-630	-3.1	-0.6%
Administrative expenses	28	-1,176	-5.4	-1,191	-5.8	1.3%
Other operating income	29	111	0.5	152	0.7	37.5%
Other operating expenses	30	-159	-0.7	-145	-0.7	-8.5%
Operating profit (EBIT)		2,831	13.1	2,816	13.7	-0.5%
Interest income		101	0.5	96	0.5	-5.5%
Interest expense		-113	-0.5	-99	-0.5	-12.6%
Other financial result		-96	-0.4	-85	-0.4	-12.1%
Investment result		0	0.0	0	0.0	-57.0%
Financial result	31	-108	-0.5	-88	-0.4	-18.6%
Income before tax		2,723	12.6	2,729	13.3	0.2%
Taxes on income	32	-691	-3.2	-670	-3.3	-2.9%
Tax rate	in %	25.4		24.6		
Net income		2,032	9.4	2,058	10.0	1.3%
Attributable to non-controlling interests	33	25	0.1	23	0.1	-8.1%
Attributable to shareholders of Henkel AG & Co. KGaA		2,007	9.3	2,035	9.9	1.4%
Earnings per ordinary share – basic and diluted	in euros	4.78		4.90		2.5%
Earnings per preferred share – basic and diluted	in euros	4.80		4.92		2.5%

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

See Notes 16 and 23 for further explanatory information.

in million euros	2024	2025
Net income	2,032	2,058
Results subject to possible future reclassification:		
Exchange differences on translation of foreign operations and inflation adjustments according to IAS 29	622	-1,608
Gains/losses from derivative financial instruments (Hedge reserve)	-81	49
Gains/losses from debt instruments	0	0
Income taxes on these items	22	-15
Results not subject to future reclassification:		
Remeasurement of net liability from defined benefit pension plans	-8	88
Gains/losses from equity instruments	-8	-19
Income taxes on these items	10	-66
Other comprehensive income (net of taxes)	559	-1,572
Total comprehensive income for the period	2,591	486
Attributable to non-controlling interests	29	14
Attributable to shareholders of Henkel AG & Co. KGaA	2,562	473

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

See Notes 10 to 15 for further explanatory information.

	Issued capital		Capital reserve	Treasury shares	Retained earnings	Other components of equity			Shareholders of Henkel AG & Co. KGaA	Non-controlling interests	Total
	Ordinary shares	Preferred shares				Currency translation reserve	Hedge reserve	Reserve for equity and debt instruments			
in million euros											
At January 1, 2024	260	178	652	-1,054	21,363	-1,327	-171	20	19,922	77	19,999
Net income	–	–	–	–	2,007	–	–	–	2,007	25	2,032
Other comprehensive income (net of taxes)	–	–	–	–	2	618	-59	-8	555	4	559
Total comprehensive income for the period	–	–	–	–	2,010	618	-59	-8	2,562	29	2,591
Dividends	–	–	–	–	-771	–	–	–	-771	-18	-788
Share-based payments	–	–	–	–	18	–	–	–	18	–	18
Purchase of treasury shares	–	–	–	–	–	–	–	–	–	–	–
Use of treasury shares	–	–	–	2	0	–	–	–	2	–	2
Other changes in equity	–	–	–	–	1	–	–	–	1	1	2
Equity transactions with shareholders	–	–	–	2	-751	–	–	–	-750	-17	-766
At December 31, 2024	260	178	652	-1,052	22,619	-709	-229	12	21,732	90	21,822

TABLE CONTINUED ON NEXT PAGE

Consolidated statement
of changes in equity

	Issued capital		Capital reserve	Treasury shares	Retained earnings	Other components of equity			Shareholders of Henkel AG & Co. KGaA	Non-controlling interests	Total
	Ordinary shares	Preferred shares				Currency translation reserve	Hedge reserve	Reserve for equity and debt instruments			
in million euros											
At January 1, 2025	260	178	652	-1,052	22,619	-709	-229	12	21,732	90	21,822
Net income	–	–	–	–	2,035	–	–	–	2,035	23	2,058
Other comprehensive income (net of taxes)	–	–	–	–	23	-1,599	34	-20	-1,562	-10	-1,572
Total comprehensive income for the period	–	–	–	–	2,058	-1,599	34	-20	473	14	486
Dividends	–	–	–	–	-850	–	–	–	-850	-19	-869
Share-based payments	–	–	–	–	0	–	–	–	0	–	0
Purchase of treasury shares	–	–	–	-856	–	–	–	–	-856	–	-856
Use of treasury shares	–	–	–	0	–	–	–	–	0	–	0
Other changes in equity	–	–	–	–	-5	–	–	–	-5	2	-3
Equity transactions with shareholders	–	–	–	-855	-855	–	–	–	-1,710	-17	-1,727
At December 31, 2025	260	178	652	-1,907	23,822	-2,308	-196	-7	20,494	86	20,581

CONSOLIDATED STATEMENT OF CASH FLOWS

See Note 39 for further explanatory information.

in million euros	2024	2025
Operating profit (EBIT)	2,831	2,816
Income taxes paid	-574	-651
Amortization/depreciation/impairment/write-ups of intangible assets, property, plant and equipment, and assets held for sale	826	678
Gains/losses on disposal of intangible assets and property, plant and equipment, and from divestments	6	-46
Change in inventories	-122	93
Change in trade accounts receivable	-50	-31
Change in other assets	82	7
Change in trade accounts payable	187	-255
Change in other liabilities, provisions and equity items	-64	-76
Cash flow from operating activities	3,120	2,535
Purchase of intangible assets and property, plant and equipment, including payments on account	-626	-693
Acquisition of subsidiaries and other business units (net of cash and cash equivalents acquired)	-1,333	-57
Acquisition of associates and other investments	-13	-8
Proceeds on disposal of subsidiaries, other business units and investments (net of cash and cash equivalents disposed)	92	194
Proceeds on disposal of intangible assets and property, plant and equipment	16	18
Interest received	86	91
Change in other financial assets	-552	145
Cash flow from investing activities	-2,330	-310
Dividends paid to shareholders of Henkel AG & Co. KGaA	-771	-850
Dividends paid to non-controlling shareholders	-18	-19
Interest paid ¹	-103	-109
<i>Dividends and interest paid</i>	<i>-892</i>	<i>-978</i>

TABLE CONTINUED ON NEXT PAGE

Consolidated statement
of cash flows

in million euros	2024	2025
Repayment of bonds	–	-87
Issuance of long-term bank loans	244	–
Other changes in borrowings	979	-292
Redemption of lease liabilities	-146	-133
Allocations to pension funds	-51	-55
Other changes in pension obligations	16	141
Payments for the acquisition of treasury shares	–	-856
Other financing transactions	21	-31
Cash flow from financing activities	171	-2,291
Net change in cash and cash equivalents	961	-66
Effect of exchange rates on cash and cash equivalents and inflation adjustments according to IAS 29	-23	-115
Change in cash and cash equivalents	938	-181
Cash and cash equivalents at January 1	1,951	2,889
Cash and cash equivalents at December 31	2,889	2,708

Additional voluntary information: Reconciliation to free cash flow

in million euros	2024	2025
Cash flow from operating activities	3,120	2,535
Purchase of intangible assets and property, plant and equipment, including payments on account	-626	-693
Redemption of lease liabilities	-146	-133
Proceeds on disposal of intangible assets and property, plant and equipment	16	18
Net interest paid	-17	-18
Other changes in pension obligations	16	141
Free cash flow	2,362	1,850

¹ Including interest paid in connection with lease liabilities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

GROUP SEGMENT REPORT BY BUSINESS UNIT

	Adhesive Technologies	Consumer Brands	Operating business units total	Corporate	Henkel Group
in million euros					
Sales 2025	10,667	9,677	20,344	151	20,495
Proportion of Henkel Group sales	52%	47%	99%	1%	100%
Sales 2024	10,970	10,467	21,437	149	21,586
Change versus previous year	-2.8%	-7.5%	-5.1%	1.1%	-5.1%
Adjusted for foreign exchange	1.3%	-3.1%	-0.9%	–	-0.8%
Organic	1.5%	0.3%	0.9%	–	0.9%
Operating profit (EBIT) 2025	1,680	1,311	2,991	-175	2,816
Operating profit (EBIT) 2024	1,715	1,276	2,992	-161	2,831
Change versus previous year	-2.1%	2.7%	-0.0%	–	-0.5%
Return on sales (EBIT margin) 2025	15.8%	13.6%	14.7%	–	13.7%
Return on sales (EBIT margin) 2024	15.6%	12.2%	14.0%	–	13.1%
Adjusted operating profit (adjusted EBIT) 2025	1,779	1,400	3,179	-153	3,026
Adjusted operating profit (adjusted EBIT) 2024	1,817	1,419	3,236	-147	3,089
Change versus previous year	-2.1%	-1.3%	-1.8%	–	-2.0%
Adjusted return on sales (adjusted EBIT margin) 2025	16.7%	14.5%	15.6%	–	14.8%
Adjusted return on sales (adjusted EBIT margin) 2024	16.6%	13.6%	15.1%	–	14.3%
Capital employed 2025¹	10,581	11,225	21,806	93	21,899
Capital employed 2024 ¹	10,435	11,490	21,925	88	22,013
Change versus previous year	1.4%	-2.3%	-0.5%	–	-0.5%

TABLE CONTINUED ON NEXT PAGE

Notes to the consolidated
financial statements

	Adhesive Technologies	Consumer Brands	Operating business units total	Corporate	Henkel Group
in million euros					
Return on capital employed (ROCE) 2025	15.9%	11.7%	13.7%	–	12.9%
Return on capital employed (ROCE) 2024	16.4%	11.1%	13.6%	–	12.9%
Adjusted return on capital employed (adjusted ROCE) 2025	16.8%	12.5%	14.6%	–	13.8%
Adjusted return on capital employed (adjusted ROCE) 2024	17.4%	12.3%	14.8%	–	14.0%
Amortization/depreciation/impairment/write-ups of intangible assets and property, plant and equipment and assets held for sale 2025²	341	315	656	22	678
Of which impairment 2025	6	18	23	7	31
Of which write-ups 2025	-0	-13	-13	–	-13
Amortization/depreciation/impairment/write-ups of intangible assets and property, plant and equipment and assets held for sale 2024 ²	376	429	805	21	826
Of which impairment 2024	31	97	128	1	129
Of which write-ups 2024	-2	-10	-13	–	-13
Adjusted cost of sales 2025	5,638	4,241	9,879	146	10,024
Adjusted cost of sales 2024	5,825	4,685	10,510	154	10,664
Adjusted marketing, selling and distribution costs 2025	2,376	3,368	5,744	-2	5,743
Adjusted marketing, selling and distribution costs 2024	2,422	3,643	6,065	6	6,071
Additions to non-current assets 2025	478	367	845	25	870
Additions to non-current assets 2024	1,501	672	2,172	29	2,202
Operating assets 2025³	13,884	15,719	29,604	536	30,140
Operating liabilities 2025	3,706	4,378	8,084	443	8,527
Net operating assets 2025³	10,179	11,342	21,520	93	21,613
Operating assets 2024 ³	13,911	16,264	30,175	525	30,700
Operating liabilities 2024	3,864	4,634	8,499	437	8,935
Net operating assets 2024 ³	10,046	11,630	21,676	88	21,764

¹ Including goodwill at cost prior to any accumulated impairment.

² Including depreciation, impairment and write-ups of right-of-use assets.

³ Including goodwill at net carrying amounts.

KEY FINANCIALS BY REGION

Additional voluntary information

	Europe	IMEA	North America	Latin America	Asia-Pacific	Corporate	Henkel Group
in million euros							
Sales 2025¹	7,882	2,135	5,424	1,492	3,411	151	20,495
Sales 2024 ¹	8,048	2,289	6,029	1,636	3,434	149	21,586
Change versus previous year	-2.1%	-6.7%	-10.0%	-8.8%	-0.7%	–	-5.1%
Organic	-1.6%	12.1%	-1.0%	-0.5%	3.4%	–	0.9%
Proportion of Group sales 2025	38%	10%	26%	7%	17%	1%	100%
Proportion of Group sales 2024	37%	11%	28%	8%	16%	1%	100%
Adjusted operating profit (adjusted EBIT) 2025	1,526	200	678	127	648	-153	3,026
Adjusted operating profit (adjusted EBIT) 2024	1,579	213	650	203	591	-147	3,089
Change versus previous year	-3.3%	-6.1%	4.4%	-37.5%	9.6%	–	-2.0%
Adjusted return on sales (adjusted EBIT margin) 2025	19.4%	9.4%	12.5%	8.5%	19.0%	–	14.8%
Adjusted return on sales (adjusted EBIT margin) 2024	19.6%	9.3%	10.8%	12.4%	17.2%	–	14.3%

¹ By location of company.

ACCOUNTING PRINCIPLES AND METHODS APPLIED IN PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

General information

Henkel AG & Co. KGaA (Düsseldorf Regional Court, HRB 4724) is the parent company of the Henkel Group. Its registered office is Henkelstrasse 67, 40589 Düsseldorf, Germany. The Group is organized in two operational business units – Adhesive Technologies and Consumer Brands. Details of the business units' activities are discussed in the notes to the consolidated financial statements, Note 37, on pages 442 to 446 and the combined management report on pages 70 and 71.

The consolidated financial statements of Henkel AG & Co. KGaA as of December 31, 2025 have been prepared in accordance with International Financial Reporting Standards (IFRS Accounting Standards) as adopted per Regulation number 1606/2002 of the European Parliament and the Council on the application of international accounting standards in the European Union, and in compliance with Section 315e German Commercial Code [HGB]. The financial statements are based on the going concern principle. The consolidated financial statements are published in the commercial register.

The individual financial statements of the companies included in the consolidation have been prepared as of the same accounting date, December 31, 2025, as that of Henkel AG & Co. KGaA.

Members of the PwC organization or other independent firms of auditors instructed accordingly have audited the financial statements of the material companies included in the consolidation. The Management Board of Henkel

Management AG – which is the Personally Liable Partner of Henkel AG & Co. KGaA – prepared the consolidated financial statements on February 9, 2026 and approved them for forwarding to the Supervisory Board and for publication.

The functional currency of Henkel AG & Co. KGaA and the reporting currency of the Group is the euro. Unless otherwise indicated, all amounts are shown in million euros. All individual figures have been rounded. Addition may therefore result in deviations from the totals indicated. In order to improve the clarity and informative value of the consolidated financial statements, certain items are combined in the consolidated statement of financial position, the consolidated statement of income and the consolidated statement of comprehensive income, and then shown separately in the notes.

Scope of consolidation

In addition to Henkel AG & Co. KGaA as the ultimate parent company, the consolidated financial statements at December 31, 2025 include 13 German and 184 non-German companies in which Henkel AG & Co. KGaA has a dominating influence over financial and operating policies, based on the concept of control. The Group controls a company when it is exposed, or has rights, to variable returns from its involvement with the company and has the ability to affect those returns through its power over the company. Companies in which the stake held represents less than half of the voting rights are fully consolidated if Henkel AG & Co. KGaA controls them, as

defined in IFRS 10 (Consolidated Financial Statements), through contractual agreements or the right to appoint corporate bodies.

Henkel AG & Co. KGaA prepares the consolidated financial statements for the largest and the smallest groups of companies to which Henkel AG & Co. KGaA and its subsidiaries belong.

The following table shows the changes to the scope of consolidation in fiscal 2025 and in the previous year:

Scope of consolidation

	2024	2025
At January 1	197	206
Additions	30	8
Mergers	-14	-12
Disposals	-7	-4
At December 31	206	198

Details of the acquisitions and divestments made in the fiscal year can be found in the section “Acquisitions and divestments” below. The remaining changes to the scope of consolidation have no significant impact on the material items of the consolidated financial statements.

Subsidiaries which are of secondary importance to the Group and to the presentation of a true and fair view of our net assets, financial position and results of operations due to their inactivity or low level of activity are generally not included in the consolidated financial statements. For simplification purposes, investments in these subsidiaries are recognized at cost less any impairment. The total assets of these companies represent less than 1 percent of the Group’s total assets; their total sales and income (net of taxes) are also less than 1 percent of the Group totals.

Acquisitions and divestments

Acquisitions

In the 2025 fiscal year, Henkel completed several minor acquisitions, which had no significant impact on our net assets, financial position and results of operations.

In addition, Henkel signed an agreement in December 2025 to acquire Swiss-based ATP Adhesive Systems from Arsenal Capital Partners. ATP Adhesive Systems is a leading provider of high-performance, water-based specialty tapes for a wide range of end markets, including automotive, electronics, medical, construction and graphic applications. The group of companies expects sales of around 270 million euros in the 2025 fiscal year. The transaction is subject to customary closing conditions, including regulatory approvals. The acquisition is not expected to have any material effect on the net assets, financial position and results of operations of the Group.

The determination of the purchase price and the allocation of the purchase price to the acquired assets and liabilities in accordance with IFRS 3 (Business Combinations) for the minor acquisitions made in fiscal 2025 have not yet been finalized, as certain information relevant to the measurement is not yet available. The process of determining fair values requires discretionary judgments when making corresponding assumptions and estimates. These preliminary estimates are based on currently available information and will be updated during the measurement period, which may not exceed twelve months from the acquisition date, based on valuations performed by independent third parties, additionally available information and further analysis.

Divestments

Effective April 1, 2025, Henkel sold all of the shares in the subsidiaries JemPak Corporation and Retailer Brands LLC, which operate the retailer brands business in North America, thereby completing the strategic portfolio optimization process within the Consumer Brands business unit announced in February 2022. The selling price of the transaction minus the net working capital remaining in part with Henkel was 169 million euros and resulted in an inflow of cash of 109 million euros at the time of execution. The payment of the remaining purchase price was linked to the fulfillment of contractually defined services by Henkel during a transition phase of six to a maximum of 15 months. Henkel received this conditional purchase price payment in the full amount in fiscal 2025. This resulted in a cash inflow of 59 million euros. The loss of control over the subsidiary resulted in the derecognition of cash and cash equivalents of 5 million euros.

The net gain of the divestment before taxes was recognized in an amount of 8 million euros in other operating income. This amount includes, in particular, a gain of 29 million euros from the loss of control over the two subsidiaries, a loss of 1 million euros from the reclassification of currency translation reserves, plus impairment losses on assets, and transaction costs incurred, in connection with the divestment of other subsidiaries.

These divestments did not have any material effect on the net assets, financial position and results of operations.

Consolidation methods

The financial statements of Henkel AG & Co. KGaA and of the subsidiaries included in the consolidated financial statements were prepared on the basis of uniformly valid principles of recognition and measurement, applying the standardized year-end date adopted by the Group. Such entities are included in the consolidated financial statements as of the date on which the Group obtained control.

All intragroup receivables and liabilities, sales, income and expenses, as well as intragroup profits on transfers of non-current assets or inventories, are eliminated on consolidation.

The purchase method is used for capital consolidation. In business combinations, therefore, all hidden reserves and hidden charges in the entity acquired are revalued at the time of acquisition, and all identifiable intangible assets are separately recognized if they are clearly separable or if their recognition arises from a contractual or other legal right. Any difference arising between the acquisition cost and the (share of) net assets after purchase price allocation is recognized as goodwill. The goodwill attributable to subsidiaries is measured in the functional currency of the subsidiary.

Entities acquired are included in the consolidation for the first time as subsidiaries by offsetting the carrying amount of the respective parent company's investment in them against their assets and liabilities. Contingent consideration is recognized at fair value as of the date of first-time consolidation. Subsequent changes in value do not result in an adjustment to the valuation at the time of acquisition. Incidental costs relating to the acquisition of participating interests in entities are not included in the purchase price. Instead, they are recognized through profit or loss in the period in which they occur.

In the recognition of acquisitions of less than 100 percent of the shares in a company, non-controlling interests are measured at the fair value of the proportion of net assets that they represent. The Henkel Group uses the present access method to recognize put options granted on non-controlling interests, unless the acquisition of the outstanding non-controlling interests has already been realized from an economic viewpoint. This method requires the recognition of a financial liability, remeasured through equity, for the commitment associated with the put option granted. The non-controlling interests continue to be recognized in the statement of financial position and the statement of comprehensive income. Minority interests that have already been economically acquired are recognized using the anticipated acquisition method. Unlike the present access method, non-controlling interests are in this case not recognized in the statement of financial position and the statement of comprehensive income.

Changes in the shareholdings of subsidiary companies resulting in a decrease or an increase in the participating interests of the Group without loss of control are recognized directly in equity as transactions with shareholders.

As soon as the control of a subsidiary is lost, all the assets and liabilities and the non-controlling interests, and also the accumulated currency translation gains or losses, are derecognized. In the event that Henkel continues to own non-controlling interests in the non-consolidated entity, these are measured at fair value. The result of deconsolidation is recognized under other operating income or expenses.

Associates

An associate is a company over which the Group can exercise significant influence on the financial and operating policies without having control. Significant influence is generally presumed when the Group holds 20 percent or more of the voting rights. Where a Group company conducts transactions with an associate, the resulting profits or losses are eliminated in accordance with the share of the Group in that company.

As a rule, shares in associates are recognized using the equity method. For simplification purposes, investments in associated companies that are less relevant for the Group and for the presentation of a fair view of its net assets, financial position and results of operations, are recognized at cost less any impairment.

As of December 31, 2025, the Henkel Group did not hold any stakes in associated companies that were accounted for using the equity method.

Currency translation

General principles

The annual financial statements, including the hidden reserves and hidden charges of Group companies recognized by the purchase method, goodwill arising on consolidation, and the statement of cash flows, are translated into euros using the functional currency method outlined in IAS 21 (The Effects of Changes in Foreign Exchange Rates). The functional currency is the currency in which a foreign company predominantly generates funds and makes payments. The functional currency of the Group companies is generally the local currency of the company concerned. Assets and liabilities of subsidiaries of which the functional currency is not the currency of a hyperinflationary economy are translated at closing rates, while income and expenses are translated at the average rates for the year as an approximation of the actual rates at the date of the transaction. Equity items are recognized at historical exchange rates. The differences arising from using average rather than closing

rates are taken to equity and shown as other components of equity, or as non-controlling interests, and remain neutral in respect of net income until the shares in the Group company are divested.

In the subsidiaries' annual financial statements, transactions in foreign currencies are converted at the rates prevailing at the time of the transaction. Financial assets and liabilities in foreign currencies are measured at closing rates through profit or loss. For the main currencies in the Group, the following exchange rates have been used based on 1 euro:

Currencies

	ISO code	Average exchange rate		Exchange rate on December 31	
		2024	2025	2024	2025
Chinese yuan	CNY	7.79	8.12	7.58	8.23
Mexican peso	MXN	19.82	21.67	21.55	21.12
Polish zloty	PLN	4.31	4.24	4.28	4.22
Turkish lira	TRY	35.57	50.48	36.74	50.48
US dollar	USD	1.08	1.13	1.04	1.18

Financial reporting in hyperinflationary economies

Financial statements of subsidiaries of which the functional currency is the currency of a hyperinflationary economy as defined in IAS 29 (Financial Reporting in Hyperinflationary Economies) must be restated for the change in purchasing power resulting from inflation prior to conversion into the Group currency and before consolidation. Non-monetary items on the statement of financial position that are measured at cost or amortized cost, equity, and the amounts stated on the consolidated statement of income must be indexed on the basis of a general price index and represented at

current purchasing power from the time of initial recognition in the financial statements. Monetary items are not restated. Corresponding gains and losses from current inflation are recognized in financial result.

After restatement to current purchasing power, all items on the statement of financial position and all income and expenses on the consolidated statement of income are translated to the functional currency of the Group (euros) at the closing rate on the reporting date. When performing consolidation, Henkel recognizes changes resulting from the current inflation of the equity of its subsidiaries in the currency translation reserve.

Determining whether an economy is classifiable as hyperinflationary is based on qualitative and quantitative criteria, including in particular whether cumulative inflation has exceeded 100 percent over the past three years. On this basis, the Henkel Group has classified Türkiye as a hyperinflationary economy for the current and the previous reporting period and has applied IAS 29 accordingly. For the purpose of preparing the consolidated financial statements, a change of 30.2 percent in general purchasing power was assumed, with input from experts, as the actual inflation rate for the month of December 2025 was not yet available when the financial statements were being prepared. The price index published by TURKSTAT, the Turkish office of statistics, stood at 3,514 as of December 31, 2025. The price index stood at 2,685 as of December 31, 2024, and at 1,859 as of December 31, 2023. In fiscal 2025, a loss on the net monetary position from the adjustment to current purchasing power was recognized in the other financial result in an amount of 39 million euros (previous year: 58 million euros).

IAS 29 was not applied to subsidiaries in other economies classified as hyperinflationary due to their immaterial impact on the net assets, financial position and results of operations of the Henkel Group.

Recognition and measurement methods

Summary of selected measurement methods

Financial statement items	Measurement method
Assets	
Goodwill	Lower of initially recognized value of acquisitions per IFRS 3 and comparative figure following impairment testing at the level of the cash-generating units (impairment-only approach)
Other intangible assets	
With indefinite useful lives	Lower of cost and recoverable amount (impairment-only approach)
With definite useful lives	Amortized cost less any impairment losses
Property, plant and equipment	Depreciated cost less any impairment losses
Financial assets (categories per IFRS 9)	
Amortized cost	Amortized cost using the effective interest method
Fair value through profit or loss	Fair value with gains or losses recognized in the income statement
Fair value through other comprehensive income	Fair value with gains or losses recognized in other comprehensive income ¹
Other assets	(Amortized) cost
Inventories	Lower of cost and net realizable value
Assets held for sale	Lower of carrying amount and fair value less costs to sell
¹ Apart from impairment equivalent to the expected credit losses, and from effects arising from measurement in a foreign currency.	
Equity and liabilities	
Provisions for pensions and similar obligations	Present value of future obligations (projected unit credit method)
Other provisions	Settlement amount
Financial liabilities (categories per IFRS 9)	
Amortized cost	Amortized cost using the effective interest method
Fair value through profit or loss	Fair value with gains or losses recognized in the income statement
Other liabilities	Settlement amount

If relevant for the comprehension of the financial statements, the methods of recognition and measurement, which are basically unchanged from the previous year, are described in the notes relating to the individual items of the statement of financial position on these pages. The disclosures relevant for the Henkel Group with regard to IFRS 7 (Financial Instruments: Disclosures) showing the breakdown of our financial instruments by category, our methods for fair value measurement, and the derivative financial instruments that we use, are also provided as part of the report on our financial instruments (Note 23 on pages 400 to 428). Changes to International Financial Reporting Standards (IFRSs) that were applied for the first time in the year under review are discussed in the section entitled “New international accounting regulations according to International Financial Reporting Standards (IFRSs)” on pages 359 to 362. Changes in the methods of recognition and measurement arising from revised and new standards are applied retrospectively, provided that the effect is material and there are no alternative regulations. The consolidated statement of income from the previous year and the opening balance for this comparative period are amended as if the new methods of recognition and measurement had always been applied.

Accounting estimates, assumptions and discretionary judgments

Preparation of the consolidated financial statements is based on a number of accounting estimates and assumptions. These have an impact on the reported amounts of assets, liabilities and contingent liabilities at the reporting date, and the disclosure of income and expenses for the reporting period. The actual amounts may differ from these estimates.

The accounting estimates and their underlying assumptions are based on past experience and are continually reviewed. Changes in accounting estimates are recognized in the period in which the change takes place where such change exclusively affects that period. A change is recognized in the period in which it occurs and in later periods where such change affects both the

reporting period and subsequent periods. Estimations regarding the application of those IFRSs which have a significant impact on the consolidated financial statements are presented, in particular, in the explanatory notes on goodwill and other intangible assets (Note 1 on pages 364 to 369), right-of-use assets recognized in property, plant and equipment (Note 2 on pages 370 to 374), provisions for pensions and similar obligations (Note 16 on pages 383 to 392), other provisions (Note 17 on pages 393 and 394), financial instruments (Note 23 on pages 400 to 428), sales (Note 24 on pages 429 and 430), income taxes (Note 22 on page 400 and Note 32 on pages 432 to 436), and share-based payment plans (Note 36 on pages 438 to 442).

As a global corporation, we are increasingly confronted with a multitude of geopolitical uncertainties that can affect our business in the future. These include the ongoing war in Ukraine and the Middle East conflict, as well as the growing uncertainties in global trade and tariffs policy. With our “In the region, for the region” strategy, we are able to mitigate the direct impact of tariffs by reducing imports and exports of finished products and raw materials. In contrast, the indirect effects of global trade policy on the global economy and therefore also our business remain uncertain. In particular, forecasts of the demand for our products and the future development of prices for direct materials (raw materials, packaging, and goods and services purchased), which are expressed in estimates in connection with the determination of possible impairments of non-financial assets, such as goodwill and other intangible assets, therefore contain significantly greater uncertainties than usual (see Note 1 on pages 364 to 369). The indirect effects of increasing protectionism in many countries, as well as the ongoing war in Ukraine and the Middle East conflict, also make it more difficult to estimate the credit risks arising from defaulting customers when determining the impairment of our trade accounts receivable (see Note 23 on pages 418 to 421).

Material discretionary judgments are currently made in respect of the demarcation of the cash-generating units as explained in Note 1 on pages 364 to 369, the determination of the useful lives of trademarks and other rights as explained on page 363, an assessment of the classification of assets and liabilities as held for sale as explained in Note 9 on pages 379 and 380, an assessment of the impact of supplier finance programs on our trade accounts payable (for further details, please refer to Note 21 on page 399), and the segment report as explained in Note 37 on pages 442 to 446.

Climate disclosures

Climate change poses one of the biggest global challenges of our time. We see it as a factor that exacerbates existing risks, but also offers opportunities. Even though we do not assume that risks will arise from climate change that could jeopardize the survival of our business activities, such aspects do produce additional uncertainty when accounting for estimations, and have been considered accordingly. This holds particularly true, in Henkel's case, when determining the possible impairment of non-financial assets such as goodwill and other intangible assets. The corporate planning figures used for impairment testing therefore also incorporate climate aspects (see Note 1 on pages 364 to 369).

For many years now, Henkel has included sustainability as an integral component of its corporate strategy, incorporating a large number of measures aimed at mitigating climate risks and adjustment to them. The costs and

benefits of these measures are embedded in the Company's cost structures. Implementation occurs as part of the Climate Transition Plan, which serves as a strategic element of our approach to climate protection and whose measures and financial effects are integrated into the financial planning. In addition, climate and sustainability aspects are considered when making investment and financing decisions. Explanations and disclosures relating to this topic can be found in the sections discussing investments in startup companies and venture capital funds (Note 3 on pages 375 and 376), the description of the bonds issued under our Sustainable Finance Framework (Note 18 on pages 395 to 396), explanation of the characteristics of our supplier finance programs (Note 21 on page 399) and the description of our virtual power purchase agreements (Note 23 on pages 400 to 428).

Amendment of prior-year figures

The purchase price allocation for the shares acquired in fiscal 2025 in Seal for Life Industries Intermediate Co., Seal for Life Global Dutch Holding B.V., and SFL Canusa Canada Ltd., was finalized in fiscal 2025. The prior-year figures have been amended accordingly. The purchase price allocation for the Vidal Sassoon brand acquired in fiscal 2024, along with the associated consumer hair care business in China, was also finalized. However, this did not result in any adjustments to prior-year figures.

Amendments to the consolidated statement of financial position

in million euros	Dec. 31, 2024 reported	Amendments	Dec. 31, 2024 amended
Goodwill	14,992	44	15,036
Other intangible assets	3,789	-55	3,734
Property, plant and equipment	3,802	-8	3,794
Other financial assets	232	1	233
Deferred tax assets	1,115	-5	1,110
Non-current assets	24,235	-23	24,213
Inventories	2,568	3	2,571
Other assets	451	1	451
Current assets	11,031	4	11,036
Total assets	35,267	-18	35,248
Other provisions	329	1	330
Deferred tax liabilities	741	-21	720
Non-current liabilities	4,356	-20	4,336
Other liabilities	398	1	399
Current liabilities	9,089	1	9,090
Total equity and liabilities	35,267	-18	35,248

New international accounting regulations according to International Financial Reporting Standards (IFRSs)

Accounting methods applied for the first time in the year under review

	Mandatory for fiscal years beginning on or after
IAS 21 (Amendment) Lack of Exchangeability	January 1, 2025

IAS 21 (Amendment)

The amendments to IAS 21 incorporate extended guidelines for determining the relevant spot rates when recognizing foreign exchange transactions and converting foreign business operations if one currency is only convertible into another to a limited extent. In such instances, additional disclosures are required in the notes to the consolidated financial statements. Here, the standard-setter has provided a more precise definition of the exchangeability of a currency and clarifies the need to examine exchangeability on the reporting date for each specific type of transaction. If one currency cannot be exchanged for another, IAS 21 specifies that either an observable spot rate must be adopted unchanged, or a rate estimated on the basis of another methodology must be used for conversion. When discussing the translation of such foreign currency transactions, disclosures must be included in the notes to the consolidated financial statements in respect of

the restrictions on exchangeability and the rate used, and also with regard to the risks associated with the lack of exchangeability. If the functional currency of a foreign business operation is not exchangeable, summarized financial details of the foreign business operation must be included in the notes to the consolidated financial statements in addition to disclosures about the relevant company.

First-time application of the changes to the standards did not have any material effect on the net assets, financial position and results of operations of the Henkel Group.

Accounting regulations not yet applied

Although already adopted into EU law ("endorsement mechanism"), the following accounting regulations were not yet applicable in fiscal 2025 and were not voluntarily adopted early by the Henkel Group: These amendments primarily clarify cases of doubt in the application of the standards and resolve inconsistencies and are not expected to have any material impact on Henkel's consolidated financial statements.

Accounting regulations not yet applied

	Mandatory for fiscal years beginning on or after
IFRS 9 and IFRS 7 (Amendment I) Amendments to the Classification and Measurement of Financial Instruments	January 1, 2026
IFRS 9 and IFRS 7 (Amendment II) Contracts for Nature-dependent Electricity Supply	January 1, 2026
Annual Improvements Volume 11	January 1, 2026

IFRS 9 and IFRS 7 (Amendment I)

The amendments to IFRS 9 incorporate a right to choose when to derecognize financial liabilities settled using an electronic payment system. In addition, the existing guidelines on assessing whether the contractual cash flows of a financial asset consist solely of payments of principal and interest on the principal amount outstanding have been expanded for certain instruments. The newly incorporated regulations relate, among other things, to the

classification of financial assets of which the cash flows are linked to ESG conditions, to non-recourse financial assets and to contractually linked instruments. As part of the package of amendments, the disclosure requirements for financial instruments have also been expanded in IFRS 7. The additional disclosures relate to equity instruments for which changes in fair value are recognized in other comprehensive income, and to financial assets and liabilities that are measured at amortized cost or at fair value through other comprehensive income and have contractual terms that may change the date or amount of the contractual cash flows.

IFRS 9 and IFRS 7 (Amendment II)

With the amendments to IFRS 9 and IFRS 7, the standard-setter is addressing current challenges in the accounting treatment of contracts for electricity supply dependent on natural resources. Contracts for the physical purchase of electricity dependent on natural resources often do not qualify for the own-use exemption, as unused electricity is sold on the market and therefore does not serve own-use purposes. The contracts are therefore to be measured at fair value through profit or loss on the basis of the embedded derivatives. In the future, provided that the company has been and is expected to remain a net purchaser of electricity for the entire term of the contract, the contracts may be covered by the own-use exemption even if electricity sales take place due to the structure and functioning of the electricity market. As contingent transactions, they do not require recognition in the balance sheet. In addition, the amendments to IFRS 9 allow contracts for electricity supply dependent on nature to be used as hedging instruments in cash flow hedges by designating variable nominal volumes as underlying transactions. However, the amendments to IFRS 7 will require new disclosures in the notes to the financial statements.

Annual Improvements Volume 11

The collection of amendments includes minor amendments to IFRS 1 (First-time Adoption of International Financial Reporting Standards), IFRS 7, IFRS 9, IFRS 19 and IAS 7. These amendments primarily clarify cases of doubt in the application of the standards and resolve inconsistencies.

Accounting regulations not yet adopted into EU law

In fiscal 2025, the IASB issued the following standards and amendments to existing standards, which still have to be adopted into EU law before they become applicable:

Accounting regulations not yet adopted into EU law

	Mandatory for fiscal years beginning on or after
IAS 21 (Amendment) Translation to a Hyperinflationary Presentation Currency	January 1, 2027
IFRS 18 Presentation and Disclosure in Financial Statements	January 1, 2027
IFRS 19 Subsidiaries without Public Accountability: Disclosures (including amendments)	January 1, 2027

IAS 21 (Amendment)

The amendments to the standard clarify that the current exchange rate on the balance sheet date should be used to translate the financial position, financial performance, and cash flows from a non-hyperinflationary functional currency into a hyperinflationary presentation currency for the current period and the comparative period. In addition, provisions governing the transition from a formerly hyperinflationary to a non-hyperinflationary presentation currency and expanded disclosures in the notes are included in the standard.

The changes to IAS 21 are not expected to have any material effect on the net assets, financial position and results of operations of the Henkel Group.

IFRS 18

IFRS 18 replaces the existing standard IAS 1. As well as carrying forward existing regulations, it incorporates various additional requirements concerning the presentation of items of the primary financial statements. The new regulations predominantly relate to the structure of the statement of income, which, following the introduction of mandatory subtotals, is divided into the three new categories "Operating," "Investing" and "Financing." The "operating profit or loss before financing and taxes" required to be reported under IFRS 18, i.e. the total income and expenses allocated to the "Operating" and "Investing" categories, is conceptually more broadly understood as the operating profit (EBIT) currently reported by Henkel in the consolidated statement of income. As a result of the amendment, income and expenses from the remeasurement of operating monetary items in foreign currencies, as well as the results from hedging the risks associated with such items, may in future also be allocated to the "Operating" category. Up to now, the Henkel Group has reported these effects within financial result. Further individual aspects relating to the future reporting of income and expenses in Henkel's consolidated statement of income are currently being assessed.

IFRS 18 also requires additional disclosures on the statement of income to be included in the notes when applying the cost-of-sales (function-of-expense) method. These include an explanation of how certain types of operating expenses are recognized in the line items of the statement of income in accordance with the cost-of-sales method.

In addition, supplementary information on so-called management-defined performance measures is required. This includes company-specific performance measures that are used in public communications to convey an aspect of the financial performance of the entire company from the perspective of management. The reconciliation of these key figures to the subtotals reported in the consolidated statement of income is already explained in Note 34 on pages 437 and 438. Under IFRS 18, the income tax effects and the effects on non-controlling interests in relation to the adjustment components must be disclosed separately in the reconciliation. A more detailed description of the management-defined performance measures must also be provided and must explain, among other things, the aspect of the company's financial performance that the metrics are intended to communicate. The selection and definition of the key ratios that Henkel intends to use as management-defined performance measures under IFRS 18 has not yet been completed.

The new accounting standard also includes principles and guidelines on the aggregation and disaggregation of items in the primary financial statements that go beyond the guidelines of IAS 1. The first-time application of these options and the removal of existing options concerning the reporting of interest and dividends in the statement of cash flows in IAS 7 is not currently expected to have any material impact on Henkel's consolidated financial statements.

IFRS 18 is applicable retrospectively, which means that the comparative period (fiscal year 2026) must be restated when applying the standard for the first time. Henkel is not planning any voluntary early application.

IFRS 19 (including amendments)

The standard provides the option for certain companies to reduce the disclosure requirements in their individual financial statements or subgroup financial statements prepared in accordance with the IFRSs compared to the disclosure requirements that arise during regular application of all IFRS Accounting Standards. In order to apply IFRS 19, the company concerned must, at the end of the reporting period, be a subsidiary in accordance with IFRS 10, must not have public accountability, and must be included in consolidated financial statements or subgroup financial statements that are available to the public. The standard therefore has no impact on the consolidated financial statements of Henkel AG & Co. KGaA.

The amendments to IFRS 19 result in a reduction in disclosure requirements. In particular, certain disclosure objectives relating to supplier financing agreements, lack of currency exchangeability, Pillar Two arrangements, the classification and measurement of financial instruments, and non-current liabilities with covenants have been deleted. In addition, requirements that are intended solely as guidance have been removed, and disclosures on management-defined performance measures have been replaced by a reference to IFRS 18.

NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

The measurement and recognition policies for financial statement items are described in the relevant note.

Non-current assets

All non-current assets with definite useful lives are depreciated or amortized exclusively using the straight-line method on the basis of their estimated useful lives. The useful life estimates are reviewed annually. If facts or circumstances indicate the need for impairment, the recoverable amount is determined. It is measured at the higher of fair value less costs of disposal and value in use. Impairment losses are recognized if the recoverable amounts of the assets are lower than their carrying amounts. Impairment and scheduled amortization and depreciation are allocated to the functions in the statement of income.

The same standardized useful lives were applied in the fiscal year as in the previous year, as follows:

Useful life

in years	
Intangible assets with definite useful lives	3 to 20
Residential buildings	50
Office buildings	40
Research and factory buildings, workshops, stores and staff buildings	25 to 33
Plant facilities	10 to 25
Machinery	7 to 10
Office equipment	10
Vehicles	5 to 10
Factory and research equipment	2 to 5

The intangible assets with indefinite useful lives essentially comprise trademarks and other rights with no obvious time limitation on the generation of cash inflows. Given the consistency and strength of the brands, indefinite useful lives are assumed, and these intangible assets are not subject to scheduled amortization. Instead, they are subjected to impairment testing once a year and as indicated, as is also the case with goodwill. Impairment of trademarks and other rights is recognized in selling expenses, whereas goodwill impairment is included under other operating expenses.

1 Goodwill and other intangible assets

Cost

	Trademarks and other rights		Internally generated intangible assets with definite useful lives	Intangible assets in development	Goodwill	Total
	Assets with indefinite useful lives	Assets with definite useful lives				
in million euros						
At Jan. 1, 2024	3,040	1,755	789	54	13,614	19,252
Acquisitions ¹	222	116	–	–	970	1,307
Divestments	-8	-1	–	–	-5	-13
Additions	–	5	-3	53	–	54
Disposals	-6	-2	-44	–	-0	-52
Reclassifications to assets held for sale	–	-6	–	–	-55	-61
Reclassifications	-8	11	64	-66	-0	–
Translation differences	119	32	2	6	508	667
Adjustment to current purchasing power according to IAS 29	–	1	–	–	17	17
At Dec. 31, 2024/Jan. 1, 2025¹	3,358	1,910	808	46	15,049	21,171
Acquisitions	–	–	–	–	27	27
Divestments	–	–	–	–	–	–
Additions	–	2	0	59	–	61
Disposals	–	-5	-0	–	–	-5
Reclassifications to assets held for sale	-12	0	–	–	–	-12
Reclassifications	–	3	64	-67	–	–
Translation differences	-278	-99	-3	–	-1,225	-1,605
Adjustment to current purchasing power according to IAS 29	–	0	–	–	11	12
At Dec. 31, 2025	3,068	1,812	869	38	13,862	19,649

¹ Amended following the updated allocation of the purchase price for the shares in Seal for Life Industries Intermediate Co., Seal for Life Global Dutch Holding B.V. and SFL Canusa Canada Ltd.

Accumulated amortization/impairment

	Trademarks and other rights		Internally generated intangible assets with definite useful lives	Intangible assets in development	Goodwill	Total
	Assets with indefinite useful lives	Assets with definite useful lives				
in million euros						
At Jan. 1, 2024	126	1,551	578	3	12	2,270
Divestments	-8	-1	–	–	–	-9
Write-ups	–	–	–	–	–	–
Scheduled amortization	–	69	55	–	–	124
Impairment	11	18	14	0	–	43
Disposals	-6	-1	-44	–	–	-52
Reclassifications to assets held for sale	–	-6	–	–	–	-6
Reclassifications	–	-0	3	-3	–	–
Translation differences	1	27	2	–	0	30
Adjustment to current purchasing power according to IAS 29	–	0	–	–	1	1
At Dec. 31, 2024/Jan. 1, 2025	123	1,657	608	0	13	2,401
Divestments	–	–	–	–	–	–
Write-ups	–	–	–	–	–	–
Scheduled amortization	–	50	53	–	–	103
Impairment	10	1	2	–	–	13
Disposals	–	-5	-0	–	–	-5
Reclassifications to assets held for sale	-11	0	–	–	–	-11
Reclassifications	–	0	-0	–	–	–
Translation differences	-12	-86	-5	–	-0	-104
Adjustment to current purchasing power according to IAS 29	–	0	–	–	0	1
At Dec. 31, 2025	110	1,618	657	0	13	2,398

Net carrying amounts

	Trademarks and other rights		Internally generated intangible assets with definite useful lives	Intangible assets in development	Goodwill	Total
	Assets with indefinite useful lives	Assets with definite useful lives				
in million euros						
At December 31, 2025	2,959	193	213	37	13,849	17,251
At December 31, 2024 ¹	3,235	253	200	46	15,036	18,770

¹ Amended following the updated allocation of the purchase price for the shares in Seal for Life Industries Intermediate Co., Seal for Life Global Dutch Holding B.V. and SFL Canusa Canada Ltd.

Goodwill represents the future economic benefit of assets that are acquired through business combinations and are not individually identifiable and separately recognized, together with expected synergies. Goodwill upon first-time consolidation constitutes a positive difference between the cost of acquiring the entity and the amount of acquired identified assets and assumed liabilities existing at the time of acquisition and measured as specified in IFRS 3. Trademarks and other rights acquired for valuable consideration are stated at purchase cost, while internally generated software is stated at development cost.

Additions to intangible assets under development mostly reflect investments in digitalizing and consolidating our IT system architecture.

Goodwill as well as trademarks and other rights with indefinite useful lives are subjected to an impairment test once a year and also when indicators of impairment are present at the level of groups of cash-generating units (impairment-only approach). Testing is based on fair value less costs of

disposal. A discounted cash flow method is used to determine fair value (before deduction of costs of disposal), which is allocated to level 3 of the fair value hierarchy (see Note 23 on page 404). The estimated future cash flows are derived from the budget approved by the management bodies responsible, with the budgeted figures forming the basis for the impairment test. The assumptions upon which the essential budgeting and planning parameters are based reflect experience gained in the past, aligned to current information provided by external sources.

The impairment of goodwill is assessed at the level of global groups of cash-generating units. The identified groups of cash-generating units and the goodwill assigned to these groups at the carrying amount as of the reporting date of December 31, 2025 and at the prior year-end are indicated in the following table. Further details on the groups of cash-generating units can be found in the segment report in Note 37 on pages 442 to 446 and in the combined management report on pages 89 to 100.

Goodwill carrying amounts and valuation parameters

	December 31, 2024 ¹			December 31, 2025		
	Goodwill	Terminal growth rate	Weighted average cost of capital (after tax)	Goodwill	Terminal growth rate	Weighted average cost of capital (after tax)
Groups of cash-generating units in million euros						
Mobility & Electronics	2,701	1.50%	8.50%	2,468	1.50%	8.00%
Craftsmen, Construction & Professional	2,275	1.00%	8.50%	2,163	1.00%	8.00%
Packaging & Consumer Goods	1,947	1.50%	8.50%	1,828	1.50%	8.00%
Total Adhesive Technologies	6,923			6,462		
Consumer	6,627	1.00%	5.75%	6,040	1.00%	5.75%
Professional	1,485	1.00%	5.75%	1,347	1.00%	5.75%
Total Consumer Brands	8,112			7,387		

¹ Amended following the updated allocation of the purchase price for the shares in Seal for Life Industries Intermediate Co., Seal for Life Global Dutch Holding B.V. and SFL Canusa Canada Ltd.

The planning horizon on which impairment testing is based is four years. Planning assumptions included the potential adverse effects on business of the continued geopolitical tensions, such as those arising from the ongoing war in Ukraine and as a result of the Middle East conflict, although they themselves are subject to great uncertainty. With our “In the region, for the region” strategy, we are able to mitigate the direct impact of tariffs by reducing imports and exports of finished products and raw materials. Expected increases in the prices of direct materials (raw materials, packaging, and purchased goods and services) due to tariffs have been taken into account in the material price projection. Possible indirect effects of tariffs, for example because companies with which we have business relationships are more directly affected by tariffs or because the situation as a whole also has a negative impact on private consumer sentiment, were likewise reflected in the planning.

The expected average annual growth in sales in the groups of cash-generating units in Adhesive Technologies during the four-year detailed planning period is between 3 and 4 percent (previous year: 3 to 5 percent). Average sales growth of the groups of cash-generating units in the Consumer Brands business unit is 3 percent annually over the four-year planning horizon (previous year: 3 to 4 percent).

For the period after the four-year detailed planning horizon, a growth rate in cash flows of between 1 and 2 percent (previous year: 1 to 2 percent) is assumed for the purpose of goodwill impairment testing. This assumption includes, in particular, the passing-on of expected long-term inflation to our customers. Taking into account specific tax effects, the cash flows of the various cash-generating units are discounted at different rates reflecting the weighted average cost of capital (WACC) in each business unit, namely: 8.0 percent (previous year: 8.50 percent) after tax for Adhesive Technologies and 5.75 percent after tax for Consumer Brands (previous year: 5.75 percent).

Impairment of trademarks and other rights with indefinite useful lives is assessed at the level of either global cash-generating units (Adhesive Technologies) or regional cash-generating units (Consumer Brands).

As of December 31, 2025, as at the end of the previous year, most of the trademarks and other rights with indefinite useful lives are attributable to two cash-generating units. The carrying amount of the trademarks and other rights allocated to the regional cash-generating unit Consumer North America in the Consumer Brands business unit was 1.5 billion euros as of December 31, 2025 (previous year: 1.7 billion euros). For impairment testing purposes, a cost of capital of 6.07 percent after taxes (previous year: 6.13 percent) and a terminal growth rate of 1.0 percent (previous year: 1.0 percent) are applied. The average annual increase in sales in the cash-generating unit during the four-year detailed planning period is 1 percent (previous year: 1 percent). As of December 31, 2025, the carrying amount of the trademarks and other rights allocated to the cash-generating unit Professional North America in the Consumer Brands business unit was 311 million euros (previous year: 360 million euros). For impairment testing purposes, a cost of capital of 6.06 percent after taxes (previous year: 6.12 percent) and a terminal growth rate of 1.0 percent (previous year: 1.0 percent) are applied. The average annual increase in sales during the four-year detailed planning period is 3 percent (previous year: 5 percent). The carrying amounts of the other trademarks and other rights with indefinite useful lives are allocated to a large number of global (Adhesive Technologies) and regional (Consumer Brands) cash-generating units.

For the 2026 budget year, we expect continued modest growth in global economic output against headwinds in the form of higher inflation rates, ongoing uncertainty regarding geopolitical developments and a volatile trade policy environment. We expect prices for direct materials to increase compared to the annual average for 2025. The corporate planning process also incorporates the potential impacts of climate change. For example, expenses and investments relating to measures that support our net-zero targets, which reflect our business strategy aligned to a reduced-emission economy, are incorporated in corresponding operating and capital expenditure plans. These measures will be implemented as part of the Climate Transition Plan adopted in 2024, which serves as a strategic element of our approach to climate protection. The budget also considers climate-related opportunities, such as the progressing trend toward electromobility accompanied by increased demand for our adhesives for use in battery assemblies.

The influence of the volatile market environment that is currently prevailing in terms of inflation, interest rate trends and energy prices has been taken into consideration in sensitivity analyses, together with estimation uncertainties due to climate change and geopolitical tensions. Neither an increase in the weighted average cost of capital that Henkel regards as realistic nor a reduction in either the long-term growth rate or free cash flow would result in any goodwill impairment requirement for the cash-generating units or groups of cash-generating units.

As in the previous year, no impairment was recognized on goodwill in fiscal 2025. Impairment of 10 million euros was recognized on trademarks and other rights with indefinite useful lives in the year under review (previous year: 11 million euros) and relates to a trademark right in the Consumer Brands business unit in the North America region that was subsequently reclassified to assets held for sale.

The trademarks and other rights with indefinite useful lives with a net carrying amount totaling 2,959 million euros (previous year: 3,235 million euros) are established in their markets and will continue to be intensively promoted.

Moreover, there are no other statutory, regulatory or competition-related factors that limit our usage of our brand names.

The Company also intends to continue using the trademarks and other rights disclosed as having definite useful lives. In fiscal 2025, these assets and internally generated intangible assets with definite useful lives required recognition of impairment charges in an amount of 3 million euros (previous year: 33 million euros). In fiscal 2024, the impairments mainly related to trademark rights and associated technologies, together with software in both business units.

2 Property, plant and equipment

Cost

	Land, land rights and buildings	Plant and machinery	Factory and office equipment	Assets in the course of construction	Total
in million euros					
At Jan. 1, 2024	3,474	4,555	1,353	402	9,785
Acquisitions ¹	23	15	2	2	42
Divestments	-29	-49	-8	-7	-94
Additions to existing operations	69	115	73	303	561
Additions of right-of-use assets	176	11	32	-	219
Disposals	-114	-205	-117	-1	-430
Reclassifications to assets held for sale	-30	-149	-5	-8	-192
Reclassifications	75	180	39	-295	-
Translation differences	27	24	0	-3	42
Adjustment to current purchasing power according to IAS 29	15	31	7	-	54
At Dec. 31, 2024/Jan. 1, 2025¹	3,687	4,527	1,377	394	9,985
Of which: right-of-use assets	1,009	60	104	-	1,173
Acquisitions	14	5	0	-	20
Divestments	-	-	-	-	-
Additions to existing operations	89	146	81	309	624
Additions of right-of-use assets	104	5	29	-	139
Disposals	-127	-157	-118	-7	-409
Reclassifications to assets held for sale	-23	-0	-3	-	-27
Reclassifications	106	155	44	-305	-
Translation differences	-203	-223	-60	-6	-492
Adjustment to current purchasing power according to IAS 29	10	21	5	-	36
At Dec. 31, 2025	3,657	4,479	1,354	385	9,875
Of which: right-of-use assets	942	56	104	-	1,102

¹ Amended following the updated allocation of the purchase price for the shares in Seal for Life Industries Intermediate Co., Seal for Life Global Dutch Holding B.V. and SFL Canusa Canada Ltd.

Accumulated depreciation/impairment

	Land, land rights and buildings	Plant and machinery	Factory and office equipment	Assets in the course of construction	Total
in million euros					
At Jan. 1, 2024	1,730	3,236	1,048	28	6,042
Divestments	-24	-45	-8	-7	-83
Write-ups	-2	-10	–	–	-13
Scheduled depreciation	185	272	128	–	586
Impairment	24	63	5	-6	86
Disposals	-103	-197	-114	-0	-414
Reclassifications to assets held for sale	-14	-86	-4	–	-105
Reclassifications	0	0	-0	0	1
Translation differences	27	23	1	-0	51
Adjustment to current purchasing power according to IAS 29	7	23	5	–	35
At Dec. 31, 2024/Jan. 1, 2025	1,833	3,281	1,061	15	6,190
Of which: right-of-use assets	444	37	61	–	543
Divestments	–	–	–	–	–
Write-ups	-3	-5	-1	-4	-13
Scheduled depreciation	179	249	128	–	557
Impairment	7	-2	3	9	17
Disposals	-119	-152	-116	-6	-393
Reclassifications to assets held for sale	-13	1	-2	–	-14
Reclassifications	-1	1	0	-1	–
Translation differences	-91	-142	-41	1	-272
Adjustment to current purchasing power according to IAS 29	5	17	4	–	26
At Dec. 31, 2025	1,798	3,248	1,037	15	6,098
Of which: right-of-use assets	412	40	57	–	508

Net carrying amounts

	Land, land rights and buildings	Plant and machinery	Factory and office equipment	Assets in the course of construction	Total
in million euros					
At Dec. 31, 2025	1,858	1,232	318	370	3,777
Of which: right-of-use assets	530	16	47	–	594
At Dec. 31, 2024 ¹	1,854	1,246	316	378	3,794
Of which: right-of-use assets	564	23	44	–	631

¹ Amended following the updated allocation of the purchase price for the shares in Seal for Life Industries Intermediate Co., Seal for Life Global Dutch Holding B.V. and SFL Canusa Canada Ltd.

Property, plant and equipment includes land, land rights and buildings, plant and machinery, factory and office equipment, rights of use to corresponding leased assets, and assets in the course of construction. Special considerations relating to the recognition of right-of-use assets and separate disclosures regarding leases are discussed in the following section “Additional disclosures regarding leases.”

Additions are stated at purchase or manufacturing cost. The latter includes direct costs and appropriate proportions of necessary overheads. Borrowing costs for qualified assets per IAS 23 (Borrowing Costs) are currently not capitalized due to their lack of materiality. Cost figures are shown net of investment grants and allowances. As of December 31, 2025, investment grants of 110 million euros (previous year: 98 million euros) were deducted from purchase and manufacturing costs. Some of the grants are contingent upon certain terms and conditions being met, such as location guarantees. Henkel is sufficiently confident that these terms and conditions can be satisfied. Acquisition-related incidental costs incurred in order to make the asset ready for the intended use are capitalized. An overview of the primary investment projects undertaken during the fiscal year can be found on page 101 in the combined management report.

As was also the case in the previous year, as of December 31, 2025, no property, plant and equipment had been pledged as collateral for existing liabilities.

The periods over which the assets are depreciated are based on their estimated useful lives as set out on page 363. The depreciation and impairment charges are included in the cost of sales, selling, distribution and administrative expenses, and research and development expenses, in a ratio equivalent to the use of the asset. Write-ups in fiscal 2025 have been recognized in the cost of sales.

Additional disclosures regarding leases

In the course of its business operations, Henkel enters into various lease agreements as a lessee. The underlying assets primarily include office buildings and fixtures, production facilities and warehouses – all of which are recognized under land, land rights and buildings – as well as plant and machinery, and the vehicles and IT inventory classified as factory and office equipment.

Right-of-use assets are recognized initially at the value of the lease liability plus any lease payments made at or prior to provision of the leased asset, less any lease incentives received. Furthermore, additions include all initial direct costs incurred by the lessee together with the estimated cost of dismantling or returning the leased asset to the condition, and similar actions, required at the end of the lease term by the lease agreement. In the case of short-term leases and leases involving assets of low value, the Henkel Group exercises the option not to recognize a right-of-use asset or a lease liability.

In fiscal 2025, the Henkel Group recognized additions to right-of-use assets in property, plant and equipment of 139 million euros in total (previous year: 219 million euros), attributable mainly to land, land rights and buildings. Acquisitions accounted for additions of 0 million euros (previous year: 10 million euros). Additions are offset by scheduled depreciation and impairment which, in fiscal 2025, amounted to 132 million euros (previous year: 153 million euros). As of December 31, 2025, right-of-use assets amounted to 594 million euros (previous year: 631 million euros).

The depreciation recognized separately for the various categories of assets in the consolidated statement of income for the fiscal year is listed in the following table, together with further disclosures of lease-related expenses and income affecting Henkel as a lessee:

Effects on the consolidated statement of income of leases with Henkel as lessee

in million euros	2024	2025
Depreciation and impairment in the year under review	153	132
Of which: right-of-use assets in land, land rights and buildings	114	96
Of which: right-of-use assets in plant and machinery	14	11
Of which: right-of-use assets in factory and office equipment	25	25
Interest expenses on lease liabilities	25	25
Expenses relating to short-term leases	12	11
Expenses relating to leases of low-value assets	6	5
Expenses relating to variable lease payments not considered in the valuation of the lease liability	1	1
Income from subleases	5	3

Henkel paid 174 million euros in total for leases in fiscal 2025 (previous year: 189 million euros).

The Henkel Group uses the incremental borrowing rate to discount lease payments when measuring its lease liabilities. This rate is based on country-specific interest rates that are observable in the market and which are adjusted with regard to duration and credit risk. If no interest rates are observable for the relevant durations, they are derived from linear interpolation.

An analysis of the maturities of the lease liabilities of the Henkel Group is included with the disclosures on financial instruments in Note 23 on pages 400 to 428. In addition to the future payments from leases discussed there,

payment commitments of 7 million euros (previous year: 6 million euros) also existed as of the reporting date with regard to leases of material relevance to Henkel that have already been agreed but have not yet commenced and have therefore not yet been capitalized.

Some of Henkel's leases for land, land rights and buildings include optional lease periods. Contractually agreed payments in these optional lease periods are in the mid-triple-digit million euro range, as was also the case in the previous year. They are not included in the measurement of the lease liability because there is insufficient certainty that the options on the lease periods will be exercised.

3 Other financial assets

Analysis

in million euros	December 31, 2024 ¹			December 31, 2025		
	Non-current	Current	Total	Non-current	Current	Total
Receivables from non-consolidated subsidiaries and associates	–	0	0	–	0	0
Financial receivables from third parties	12	213	225	9	211	221
Derivative financial instruments	40	73	113	25	46	70
Investments in non-consolidated subsidiaries	3	–	3	4	–	4
Investments in associates	3	–	3	3	–	3
Other investments	138	–	138	119	–	119
Receivables from Henkel Trust e.V. and external pension funds	–	194	194	–	121	121
Securities and time deposits	20	544	564	33	403	435
Of which: readily monetizable	6	531	537	4	389	394
Financial collateral provided	–	19	19	–	2	2
Sundry financial assets	17	93	110	13	72	85
Total	233	1,138	1,371	205	856	1,061

¹ Amended following the updated allocation of the purchase price for the shares in Seal for Life Industries Intermediate Co., Seal for Life Global Dutch Holding B.V. and SFL Canusa Canada Ltd.

With the exception of investments, derivatives, securities and time deposits, all other financial assets are measured at amortized cost.

Of the receivables from non-consolidated subsidiaries and associates, 0 million euros is attributable to non-consolidated subsidiaries, as was also the case in the previous year.

The receivables from Henkel Trust e.V. and external pension funds relate to pension payments made by Henkel AG & Co. KGaA to retirees for which reimbursement can be claimed from Henkel Trust e.V. and external pension funds.

Of the short-term financial receivables from third parties in the fiscal year under review, 200 million euros (previous year: 200 million euros) relates to receivables from third parties in connection with EU emission rights swaps contracted by Henkel for the purpose of liquidity management.

The securities and time deposits essentially comprise time deposits, debt securities and shares in investment funds and are generally readily monetizable under our financial management arrangements with the exception of those securities and time deposits that are mandatory to cover our pension liabilities and can therefore not be monetized at short notice. In addition, the shares in investment funds are never used for liquidity management purposes and are therefore not classified as readily monetizable.

Other investments and securities and time deposits also include investments in startup companies and venture capital funds focusing on climate protection and sustainability. As of December 31, 2025, the carrying amount of these non-current financial assets was 20 million euros (previous year: 24 million euros) respectively. Sundry non-current financial assets include, among others, receivables from insurance companies.

Examples of sundry current financial assets include:

- Receivables from sureties and guarantee deposits amounting to 18 million euros (previous year: 26 million euros).
- Receivables from suppliers amounting to 16 million euros (previous year: 21 million euros).
- Receivables from employees amounting to 11 million euros (previous year: 12 million euros).

4 Other assets

Analysis

in million euros	December 31, 2024 ¹			December 31, 2025		
	Non-current	Current	Total	Non-current	Current	Total
Tax receivables	4	281	285	1	269	269
Payments on account	–	78	78	–	75	75
Overfunding of pension obligations	179	–	179	175	–	175
Reimbursement rights related to employee benefits	105	12	117	104	12	115
Deferred charges	11	61	72	8	68	76
Sundry other assets	6	19	25	7	24	31
Total	305	451	756	294	448	741

¹ Amended following the updated allocation of the purchase price for the shares in Seal for Life Industries Intermediate Co., Seal for Life Global Dutch Holding B.V. and SFL Canusa Canada Ltd.

5 Deferred taxes

Deferred taxes are recognized for temporary differences between the valuation of an asset or a liability in the financial statements and its tax base, for tax losses carried forward, and for unused tax credits. This also applies to temporary differences in valuation arising through acquisitions, with the exception of deferred tax liabilities relating to goodwill.

Deferred tax liabilities on taxable temporary differences related to shares in subsidiaries are recognized to the extent that a reversal of this difference is expected in the foreseeable future, or cannot be controlled.

Changes in the deferred taxes in the statement of financial position result in deferred tax expenses or income unless the underlying item is directly recognized in other comprehensive income. For items recognized directly in other comprehensive income, the associated deferred taxes are also recognized in other comprehensive income.

The valuation, recognition and breakdown of deferred taxes in respect of the various items in the statement of financial position are disclosed under Note 32 (Taxes on income) on pages 432 to 436.

6 Inventories

In accordance with IAS 2 (Inventories), reported under inventories are those assets that are intended to be sold in the ordinary course of business (finished products and merchandise), those in the process of production for such sale (work in progress) and those to be utilized or consumed in the course of manufacture or the provision of services (raw materials and supplies). Payments on account for purchasing inventories are likewise disclosed under the inventories heading.

When accounting for cash flow hedges under IFRS 9, the measurement effects from hedging instruments for acquiring non-financial assets are initially recognized in equity in the hedge reserve and included as part of the cost upon acquisition of the assets. The IFRS 9 basis adjustment shown under inventories relates to the results of currency hedges for the

procurement of inventories in a foreign currency and of hedging certain raw materials purchases against market price risks. Further information can be found in the financial instruments report in Note 23 on pages 400 to 428.

Inventories are measured at the lower of cost and net realizable value, with the cost element being determined using either the first in, first out (FIFO) or the moving average cost method. Manufacturing cost includes not only the direct costs but also appropriate portions of necessary overheads (for example goods inward department, raw material storage, filling, costs incurred through to the finished goods warehouse), production-related administrative expenses, the costs of the pensions of people who are employed in the production process, and production-related amortization/depreciation. The overhead add-ons are calculated on the basis of average capacity utilization. Not included, however, are interest expenses incurred during the manufacturing period.

The net realizable value is determined as an estimated selling price less costs yet to be incurred through to completion, and less necessary selling and distribution costs. Write-downs to the net realizable value are made if, at the measurement date, the carrying amounts of the inventories are above their realizable market values. The resultant valuation allowance as of December 31, 2025 amounted to 147 million euros (previous year: 178 million euros). The carrying amount of inventories recognized at net realizable value amounted to 537 million euros (previous year: 592 million euros). No inventories were pledged as security for liabilities in fiscal 2025 nor in the previous year.

Analysis of inventories

in million euros	Dec. 31, 2024 ¹	Dec. 31, 2025
Raw materials and supplies	718	624
Work in progress	146	155
Finished products and merchandise	1,692	1,585
Payments on account for merchandise	18	12
IFRS 9 basis adjustment	-2	-1
Total	2,571	2,376

¹ Amended following the updated allocation of the purchase price for the shares in Seal for Life Industries Intermediate Co., Seal for Life Global Dutch Holding B.V. and SFL Canusa Canada Ltd.

7 Trade accounts receivable

Trade accounts receivable amounted to 3,386 million euros (previous year: 3,530 million euros). They are all due within one year. Valuation allowances are recognized in respect of customer default risks. The expense arising from accrual of these valuation allowances, and income from the reversal of same, are recognized in selling and distribution costs. For an explanation of these valuation allowances and our risk management, please consult pages 418 to 421.

Trade accounts receivable

in million euros	Dec. 31, 2024	Dec. 31, 2025
Trade accounts receivable, gross	3,634	3,487
Less: cumulative valuation allowances on trade accounts receivable	103	101
Trade accounts receivable, net	3,530	3,386

Development of valuation allowances on trade accounts receivable

in million euros	2024	2025
Valuation allowances at January 1	112	103
Additions/Releases	3	11
Derecognition of receivables	-14	-9
Currency translation effects	1	-3
Other changes	0	-0
Valuation allowances at December 31	103	101

8 Cash and cash equivalents

Recognized under cash and cash equivalents are cash on hand, checks, credit at banks, and other financial assets with an initial term of not more than three months. In accordance with IAS 7, also recognized under cash equivalents are shares in money market funds which, due to their first-class credit rating and investment in extremely short-term money market securities, experience only minor value fluctuations and can be readily converted within one day into known amounts of cash. Utilized bank overdrafts are recognized in the statement of financial position as liabilities to banks.

The volume of cash and cash equivalents decreased compared to the previous year from 2,889 million euros to 2,708 million euros. Of this figure, 2,594 million euros (previous year: 2,755 million euros) relates to cash and 114 million euros (previous year: 134 million euros) to cash equivalents. The change in cash and cash equivalents is shown in the consolidated statement of cash flows.

9 Assets and liabilities held for sale

Assets and liabilities held for sale are assets and disposal groups that can be sold in their current condition at terms and conditions that are common and usual for such assets and disposal groups and for which sale is highly probable. Disposal must be expected within one year from the time of reclassification as held for sale. Disposal groups include a group of assets earmarked for sale or otherwise disposal together in a single transaction, together with the liabilities that are directly linked to these assets and transferred as part of the transaction.

Immediately before the reclassification of any assets and liabilities to the held-for-sale category, the relevant measurement rules for the balance sheet item are applied for the last time. For non-financial assets, this also involves performing an impairment test in accordance with IAS 36. Any impairment recognized in this context is reported in the consolidated statement of income in accordance with the rules formulated for the balance sheet item. After reclassification, scheduled amortization/depreciation is no longer recognized for the assets. Instead, the assets and disposal groups are recognized at the lower of carrying amount and fair value less costs of disposal (level 3). The fair value less costs of disposal is generally determined by current price negotiations with potential buyers. The expense from any write-down to fair value less costs of disposal is recognized under other operating expenses. Cash and cash equivalents and trade accounts receivable are carried at amortized cost.

Year on year, assets held for sale decreased from 168 million euros to 23 million euros. As of December 31, 2025, the Henkel Group held no liabilities for sale, compared to 8 million euros of liabilities held for sale at the end of the prior year.

The change in the assets and liabilities held for sale in fiscal 2025 was primarily attributable to the disposal of assets and liabilities associated with the retailer brands business in North America, which was divested during the reporting period within the Consumer Brands business unit. These included goodwill (54 million euros), property, plant and equipment (67 million euros), current assets (18 million euros) and non-current and current liabilities (8 million euros). An impairment of 19 million euros was recognized on assets held for sale that were transferred to the buyer in fiscal 2025 only after the transitional phase. The impairment was measured at fair value less costs to sell and recorded under other operating income as part of the net gain from the divestment before taxes.

In the case of one asset reclassified in fiscal 2024 to assets and liabilities held for sale, it was not possible to complete the sale by the reporting date. The Company still plans to dispose of the asset concerned. At the end of fiscal 2025, the relevant asset value was stated at 5 million euros (previous year: 7 million euros).

Assets and liabilities held for sale

in million euros	Dec. 31, 2024	Dec. 31, 2025
Goodwill	55	–
Other intangible assets	0	–
Property, plant and equipment	98	23
Inventories and trade accounts receivable	16	–
Provisions and other liabilities	-8	–
Net assets	160	23

10 Issued capital

Issued capital

in million euros	Dec. 31, 2024	Dec. 31, 2025
Ordinary bearer shares	260	260
Preferred bearer shares	178	178
Capital stock	438	438

Comprising: 259,795,875 ordinary shares, 178,162,875 non-voting preferred shares.

All shares are fully paid in. The ordinary and preferred shares are bearer shares of no par value, each of which represents a nominal proportion of the capital stock amounting to 1 euro. The liquidation proceeds are the same for all shares. The number of issued ordinary and preferred shares remained unchanged year on year.

The number of ordinary and preferred shares outstanding, i.e. the number of shares issued less treasury shares, decreased compared with the end of the previous year as a result of the share buyback program, which began on May 12, 2025 and is scheduled to end by March 31, 2026. As of December 31, 2025, the numbers amounted to 253,866,907 ordinary shares (previous year: 256,505,172) and 152,920,129 preferred shares (previous year: 162,856,627). As part of the current share buyback program for 2025/2026, preferred shares with a total value of up to 800 million euros and ordinary shares with a total value of up to 200 million euros (each excluding incidental

acquisition costs) may be repurchased. Further information on the share buyback and the use of treasury shares in fiscal 2025 can be found in Note 12 on page 382.

Pursuant to the resolution adopted by the Annual General Meeting on April 24, 2023, the Personally Liable Partner is authorized to purchase ordinary and/or preferred shares of the Company for any permissible purpose at any time until April 23, 2028 up to a maximum proportion of 10 percent of the capital stock existing at the time the resolution is adopted by the Annual General Meeting or at the time the authorization is exercised, whichever figure is lower. Equity derivatives (put and/or call options and/or forward contracts or a combination of same) can also be used for such purchase. The volume of any and all shares purchased using such derivatives must not exceed 5 percent of the capital stock existing at the effective date or at the time the authorization is exercised, whichever is lower. The term of the derivatives must not exceed 18 months in each case. The choice of derivative must ensure that the purchase of treasury shares acquired through exercising the derivative is not possible after April 23, 2028.

Moreover, by resolution of the Annual General Meeting of April 24, 2023, the Personally Liable Partner is authorized to utilize the acquired treasury shares for any permissible purpose, subject to the approval of the Shareholders' Committee and the Supervisory Board. To the exclusion of the pre-emptive rights of existing shareholders, treasury shares may, in particular, be transferred to third parties for the purpose of acquiring entities or participating interests in entities. Treasury shares may also be sold to third parties against payment in cash, provided that the selling price is not significantly below the quoted market price at the time of share disposal. Treasury shares may also be offered for purchase or transferred to members of the Company's staff, or managers and employees of affiliated companies, particularly in connection with share-based payment plans or employee participation programs. The shares may likewise be used to satisfy warrants or conversion rights granted by the Company. The Personally Liable Partner

was further authorized to withdraw treasury shares without further resolution by the Annual General Meeting.

Moreover, authorized capital was created by resolution of the Annual General Meeting on April 28, 2025 (Art. 6 (5) of the Articles of Association). Under the new resolution, the Personally Liable Partner is authorized, with the approval of the Supervisory Board and of the Shareholders' Committee to increase the capital of the Company at any time through to April 27, 2030, by up to a nominal amount of 81,633,000 euros in total from the issuance of up to 81,633,000 new non-voting preferred bearer shares for cash consideration. The new shares are to be treated in the same way as the existing preferred shares with respect to the distribution of profit or of the company's assets. The authorization may be utilized to the full extent allowed either once or several times in installments. The new non-voting preferred shares participate in profit distributions from the beginning of the fiscal year in which they are issued. To the extent permitted by law, the Personally Liable Partner may, with the approval of the Supervisory Board and of the Shareholders' Committee and in derogation from Section 60 (2) AktG, otherwise determine that the new shares shall participate in profits from the beginning of a fiscal year that has already elapsed and for which, at the time of their issuance, no resolution has yet been passed by the Annual General Meeting on the appropriation of profit.

Shareholders must be granted a pre-emptive subscription right. Pursuant to Section 186 (5) sentence 1 AktG, the new shares can be acquired by one or more banks, securities institutions or companies to be nominated by the Personally Liable Partner on condition that they offer them for purchase to the shareholders (indirect subscription right).

The Personally Liable Partner is authorized, with the approval of the Supervisory Board and the Shareholders' Committee, to determine the further details of the capital increase and its implementation, in particular the issuance amount (Authorized Capital 2025).

11 Capital reserve

The capital reserve comprises the amounts received in previous years in excess of the nominal value of preferred shares and convertible warrant bonds issued by Henkel AG & Co. KGaA.

12 Treasury shares

Treasury shares held by the Company – stated as 3,290,703 ordinary shares and 15,306,248 preferred shares as at December 31, 2024 – changed as follows in the year under review:

During the reporting period, a total of 8,605 preferred shares (equivalent to a nominal proportion of 0.01 million euros or 0.002 percent of the capital stock) were taken from treasury shares to fulfill commitments arising from the share-based Global Long Term Incentive Plan 2020⁺. Their issue to employees resulted in equity increasing by 0.6 million euros. Details of the share-based payment plans settled in equity instruments can be found in Note 36 on pages 438 to 442.

As part of the share buyback program launched on May 12, 2025 and scheduled to end by March 31, 2026, Henkel repurchased 2,638,265 ordinary shares in fiscal 2025 (equivalent to a nominal proportion of 2.6 million euros or 0.6 percent of the capital stock) at a total purchase price of 167.8 million euros paid on the stock exchange, and 9,945,103 preferred shares (equivalent to a nominal proportion of 9.9 million euros or 2.27 percent of the capital stock) at a total purchase price of 688.1 million euros paid on the stock exchange (all amounts exclude incidental acquisition costs). The average

price paid on the stock exchange was therefore 63.59 euros per ordinary share and 69.19 euros per preferred share. For details of the share buyback program, please refer to the summaries on our website.

Treasury shares are recognized at cost. The costs include both the amounts paid for the buybacks on the stock exchange, and payments and credits governed by reimbursement agreements with the bank that executed the share buyback program. Treasury shares are deducted from equity in the statement of financial position.

An irrevocable obligation to repurchase own shares from the bank conducting the share buyback resulted in the recognition of other financial liabilities amounting to 92 million euros against retained earnings during the year. As this obligation no longer existed as of December 31, 2025, the liability was derecognized against retained earnings without affecting net income.

The share buyback is based on the authorization granted by the Annual General Meeting of Henkel AG & Co. KGaA on April 24, 2023, for the purpose of allowing shareholders to participate in the success of the Company in addition to benefiting from our dividend policy.

As of December 31, 2025, treasury shares held by the Company amounted to

- 5,928,968 ordinary shares (equivalent to a nominal proportional of 5.9 million euros or 1.35 percent of the capital stock) and
- 25,242,746 preferred shares (equivalent to a nominal proportion of 25.2 million euros or 5.76 percent of the capital stock).

13 Retained earnings

Recognized in retained earnings are the following:

- Amounts allocated in the financial statements of Henkel AG & Co. KGaA in previous years
- Amounts allocated from consolidated net income less those amounts attributable to non-controlling interests
- Gains or losses from the sale of treasury shares
- Actuarial gains and losses recognized in equity
- Changes in reserves due to the accounting treatment of share-based payment plans
- The effects of acquisition or disposal of ownership interests in subsidiaries with no change in control
- Valuation effects following application of the present access method
- Impacts of first-time application of IFRSs

14 Other components of equity

Reported under this heading are differences recognized in equity arising from the currency translation of annual financial statements of foreign subsidiaries and from adjustments to current purchasing power in compliance with IAS 29, and also the effects arising from the valuation in other comprehensive income of financial assets in the “fair value through other comprehensive income” category and of derivative financial instruments designated in cash flow hedges and hedges of a net investment in a foreign operation. As of December 31, 2025, the difference attributable to shareholders of Henkel AG & Co. KGaA arising from currency translation had changed versus prior year by 1,599 million euros, from -709 million euros to -2,308 million euros.

15 Non-controlling interests

Recognized under non-controlling interests are equity shares held by third parties measured on the basis of the proportion of net assets they represent.

16 Provisions for pensions and similar obligations

Description of the pension plans

Employees in companies included in the consolidated financial statements have entitlements under company pension plans which are either defined contribution or defined benefit plans. These take different forms depending on the legal, financial and tax regimes of each country. The level of benefits provided is based, as a rule, on the length of service and on the income of the person entitled. Details of pension benefits for members of the Management Board are provided in the explanatory notes to the remuneration policy and in the remuneration report.

In defined benefit plans, the liability for pensions and other post-employment benefits is calculated at the present value of the future obligations (projected unit credit method). This actuarial method of calculation takes future trends in wages, salaries and retirement benefits into account.

The majority of the beneficiaries of these pension plans are located in Germany and the USA. The pension obligations are primarily financed via various external trust assets and pension funds that are legally independent of Henkel.

Active employees of Henkel in Germany participate in a defined contribution system, "Altersversorgung 2004 (AV 2004)," which was newly formed in 2004. AV 2004 is an employer-financed pension plan that reflects the personal income development of employees during their career at Henkel and thus provides a performance-related pension. Henkel guarantees a return on the Company's contributions. The benefit essentially consists of an annuity payable upon attainment of the statutory retirement age plus a lump-sum payment if the annuity threshold is exceeded in the employee's service period. In addition to retirement and disability pensions, the plan benefits include surviving spouse and surviving child benefits.

Employees at Henkel in Germany who started working for the Company after April 1, 2011 participate in the pension plan "Altersversorgung 2011 (AV 2011)." AV 2011 is an employer-financed, fund-linked retirement plan funded by contributions based on the income development of the employee. Henkel assures its employees that a lump-sum amount is available upon retirement, which is at least equivalent to the level of principal contributions made by Henkel. Henkel pays the pension contribution into an investment fund established for the purpose of the company pension plan.

Upon attaining statutory retirement age, employees can choose in both pension plans between an annuity through transfer of the superannuation lump sum to a pension fund, or a one-time payment, or payment in installments.

To provide protection under civil law of the pension entitlements of future and current pensioners of Henkel AG & Co. KGaA in Germany against insolvency, in 2005 we transferred assets to Henkel Trust e.V. The trustee invests the cash with which it has been entrusted in the capital market in accordance with investment policies laid down in the trust agreement. In fiscal 2021, we transferred the entitlements of most Henkel AG & Co. KGaA pensioners and their surviving dependents in Germany to an external pension fund. Plan assets were correspondingly transferred from Henkel Trust e.V. to the external pension fund. The non-insurance pension fund is subject to the German Insurance Supervision Act and thus falls under the control of the German Federal Financial Supervisory Authority (BaFin).

In addition, we also subsidize medical benefits for active and retired employees resident mainly in the USA. Under these programs, retirees are reimbursed a certain percentage of their refundable medical expenses. We recognize provisions during the employees' service period and pay out the promised benefits when they are claimed. The subsidies paid to active employees for medical services are recognized as a current expense and are therefore not included in the provisions for pensions and similar obligations.

The defined contribution plans are structured in such a way that the Company pays contributions to institutions on the basis of statutory or contractual terms or on a voluntary basis and has no further obligations regarding the payment of benefits to employees. The contributions for defined contribution plans, excluding multi-employer plans, for the reporting period amounted to 136 million euros (previous year: 141 million euros).

Multi-employer plans

Henkel provides defined pension benefits that are financed by more than one employer. Within the Henkel Group, benefits from multi-employer plans are provided for employees in the USA. The multi-employer plan in the USA is treated as a defined contribution plan because, due to the limited share of the contribution volume in the plan, the information available for each of the financing companies is insufficient for defined benefit accounting. Withdrawal from the multi-employer plan at the present time would incur a one-time expense of around 24 million euros (previous year: around 26 million euros). Payments into the multi-employer plan in fiscal 2025 amounted to 1 million euros (previous year: 1 million euros). We expect contributions of around 1 million euros in fiscal 2026. Henkel's share in the overall plan is less than 1 percent.

Assumptions

Group-wide, the obligations from our pension plans are valued by an independent external actuary at the end of the fiscal year. The calculations at the end of the fiscal year are based on the actuarial assumptions below. These are given as the weighted average. The mortality rates used are based on published statistics and experience relating to each country. In Germany, the assumptions in both the fiscal year and the previous year were based on the "Heubeck 2018G" mortality table. In the USA, the assumptions in each case were based on the modified "Pri-2012" mortality table. The valuation of pension obligations in Germany was based essentially on the assumption of a 2.0-percent increase in retirement benefits (previous year: 2.0 percent). As was also the case last year, the current portion of inflation that exceeded the anticipated long-term increase in pensions in Germany was taken into account in the year under review by increasing the obligation to retirees by a flat rate of 3.3 percent (previous year: 5.6 percent). This effect is recognized under actuarial losses as a change in the financial assumptions.

The discount rate is based on yields in the market for high-ranking corporate bonds on the respective due date. The currency and term of the underlying bonds are matched to the currency and expected maturities of the post-employment pension obligations.

Actuarial assumptions

	Germany		USA		Other countries ¹	
in percent	2024	2025	2024	2025	2024	2025
Discount rate	3.50	4.10	5.60	5.50	4.70	5.10
Income trend	3.50	3.50	3.50 ²	3.50	3.18	3.21
Retirement benefits trend	2.00	2.00	–	–	2.44	2.37
Expected increases in costs for medical benefits	–	–	8.25	7.91	4.80	4.77
in years						
Life expectancy at age 65 as of the valuation date for a person currently						
65 years old	22.6	22.7	21.8	21.9	22.5	21.5
40 years old	25.6	25.7	23.6	23.7	24.1	24.2

¹ Weighted average.

² Income trend based on the average age of the plan participants in the USA. The actual income trend assumption is based on an age-related scale.

Development of defined benefit plans

	Defined benefit obligation		Plan assets		Impact from the asset ceiling		Net defined benefit obligation (I - II + III)	
	I		II		III			
in million euros	2024	2025	2024	2025	2024	2025	2024	2025
At Jan. 1	4,143	4,187	3,789	3,797	21		375	390
Current service cost	72	69					72	69
Interest expense	158	161					158	161
Interest income			143	144	1		-142	-144
Other	-1	31	-0	-0			-1	31
Income and expenses recognized through profit or loss	228	261	142	144	1		87	118
Actuarial gains (-)/losses (+), due to								
Changes in demographic assumptions	-0	-3					-0	-3
Changes in financial assumptions	-43	-145					-43	-145
Experience adjustments	60	-0					60	-0
Income (+)/expense (-) from plan assets (excluding interest income or expenses)			-18	-64			18	64
Remeasurement of the asset ceiling					-22		-22	0
Items recognized in other comprehensive income (before deferred taxes)	16	-148	-18	-64	-22		12	-84
Employer contributions			51	55			-51	-55
Employee contributions	26	26	26	26			0	0
Retirement benefits paid from plan assets	-238	-248	-238	-248			0	0
Retirement benefits paid by employer	-36	-31					-36	-31
Plan settlement payments	-2	-0					-2	-0
Changes in the scope of consolidation	-3		1				-4	0
Translation differences	48	-101	44	-78			4	-23
Other changes	5	2	1	-0			5	2
At Dec. 31	4,187	3,948	3,797	3,631			390	317
Of which: overfunding of pension obligations (shown under other assets)							180	175
Of which: provisions for pensions and similar obligations							569	492
The amount at Dec. 31 is attributable to								
Germany	2,757	2,660	2,552	2,501			205	159
USA	636	549	469	407			167	142
Rest of the world	794	738	776	723			17	15

Development of reimbursement rights

in million euros	2024	2025
At Jan. 1	101	117
Interest income	5	6
Income and expenses recognized through profit or loss	5	6
Income (+)/expenses (-) from reimbursement rights (excluding interest income)	5	5
Items recognized in other comprehensive income (before taxes)	5	5
Employer contributions	7	8
Employee contributions	-	-
Retirement benefits paid from reimbursement rights	-8	-7
Changes in the scope of consolidation	-	-
Translation differences	7	-14
At Dec. 31	117	115

Other amounts recognized in the consolidated statement of income include gains or losses on plan settlements, past service cost, and administrative costs paid out of plan assets that are not attributable to the administration of plan assets.

The other expenses recognized in profit or loss in the reporting period, amounting to 31 million euros, are mainly attributable to past service costs due to plan changes in Germany and Greece. The effects in Germany resulted from adjustments to pension entitlements in certain case constellations. In Greece, severance payments were contractually increased.

Of the defined benefit obligation (DBO) amounting to 3,948 million euros (previous year: 4,187 million euros), 3,579 million euros (previous year: 3,808 million euros) is fully or partially covered by plan assets. 115 million euros (previous year: 117 million euros) is covered by reimbursement rights.

Of the total obligation,

- 1,399 million euros (previous year: 1,485 million euros) is attributable to active employees,
- 732 million euros (previous year: 753 million euros) is attributable to former employees with vested pension benefits, and
- 1,817 million euros (previous year: 1,948 million euros) is attributable to retirees.

The average weighted duration of pension obligations is 10 years (previous year: 11 years) for Germany, 7 years (previous year: 7 years) for the USA and 12 years (previous year: 13 years) for other countries.

In determining the net obligation, we take into account amounts that are not recognized due to asset ceiling restrictions. If the fair value of the plan assets exceeds the obligations arising from the pension benefits, an asset is recognized only if the reporting entity can also derive economic benefit from these assets, for example in the form of return flows or a future reduction in contributions (asset ceiling). In fiscal 2023, we recorded an amount of 21 million euros as an asset ceiling. This asset ceiling related to a portion of the plan assets of our companies in Belgium. In the prior year, these assets were transferred to an insurance company. Consequently, the assets can also be used for a future reduction in contributions and the funding of other plans of our companies in Belgium. Hence, as of year-end 2024, the need to account for an asset ceiling has been eliminated.

Within our consolidated statement of income, current service costs are allocated to the respective function on a cost-of-sales basis. Only the balance of interest expense for the defined benefit obligation and interest income for the plan assets and the asset ceiling is reported in financial result. All gains/losses from the termination, curtailment and amendment of plans are

recognized in other operating income/expenses. Employer contributions to state pension insurance are included as "Social security contributions and staff welfare costs" under Note 35 on page 438. In 2024, employer contributions to plan assets totaled 55 million euros (previous year: 51 million euros). Payments into pension funds in fiscal 2026 are expected to total 43 million euros.

The reimbursement rights covering a portion of the pension obligations in the USA are assets that are not protected against insolvency and therefore are not classified as plan assets under IAS 19.

The reimbursement rights indicated are available to the Group in order to cover the expenditures required to fulfill the respective pension obligations. Reimbursement rights and the associated pension obligations must, according to IAS 19, be shown unnetted in the statement of financial position.

Analysis of plan assets

	Dec. 31, 2024 ¹			Dec. 31, 2025		
	Quotation on active markets	No quotation on active markets	Total	Quotation on active markets	No quotation on active markets	Total
in million euros						
Shares	813	–	813	1,030	–	1,030
Europe	244	–	244	369	–	369
USA	149	–	149	243	–	243
Others	420	–	420	418	–	418
Bonds and hedging instruments	2,283	-72	2,211	1,866	-176	1,690
Government bonds	931	–	931	666	–	666
Corporate bonds	1,352	–	1,352	1,201	–	1,201
Derivatives	–	-72	-72	–	-176	-176
Alternative investments	–	365	365	–	370	370
Cash	–	299	299	–	376	376
Liabilities²	–	-194	-194	–	-121	-121
Other assets	–	112	112	–	99	99
Qualified insurance contracts	–	193	193	–	186	186
Total	3,096	702	3,797	2,896	734	3,631

¹ Adjustment of prior-year figures to separately reflect qualified insurance policies.

² Liability to Henkel AG & Co. KGaA from the assumption of pension payments for Henkel Trust e.V. and external pension funds.

The objective of the investment strategy for the global plan assets is the long-term security of pension payments. This is ensured by comprehensive risk management that takes into account the asset and liability portfolios of the defined benefit pension plans. Henkel pursues a liability-driven investment (LDI) approach in order to achieve the investment objective. This approach takes into account the structure of the pension obligations and manages the cover ratio of the pension plans. To improve this ratio, Henkel invests plan assets in a diversified portfolio for which the expected long-term yield is above the interest costs of the pension obligations.

In order to cover the risks arising from trends in wages, salaries and life expectancies, and to close the potential deficit between plan assets and pension obligations over the long term, additional investments are made in a return-enhancing portfolio as an add-on instrument that contains assets such as equities, emerging market bonds and real estate. The target portfolio structure of the plan assets is essentially determined in asset-liability studies. These studies are conducted regularly with the help of external advisors who assist Henkel in the investment of plan assets. They examine the actual portfolio structure, taking into account current capital market conditions, investment principles and the obligation structure, and can suggest adjustments to be made to the portfolio.

The expected long-term yield for individual plan assets is derived from the target portfolio structure and the expected long-term yields for the individual asset classes.

Risks associated with pension obligations

Our internal pension risk management function monitors the risks of all material pension plans Group-wide in compliance with local legal regulations. As part of the monitoring process, guidelines on the control and management of risks are adopted and continuously developed; these guidelines mainly govern funding levels, portfolio structure and actuarial assumptions. The objective of the financing strategy within the Group is to ensure that plan assets cover at least 90 to 100 percent of the present value of the funded

pension obligations. The contributions and investment strategies are intended to ensure complete coverage of the plans for the duration of the pension obligations.

Henkel's pension obligations are exposed to various market risks. These risks are counteracted by ensuring the required funding level and the structure of pension benefits. The risks relate primarily to changes in market interest rates, inflation, and life expectancy, as well as general market fluctuations. Pension obligations based on contractual provisions in Germany generally entail lifelong benefits payable when the employee reaches retirement age or in the case of incapacity or death.

In order to reduce the risks arising from the payment of lifelong benefits and inflation, pension benefits have been gradually converted since 2004 to what are known as modular benefits with a pension option, with the fund available being initially divided into an annuity and a lump-sum portion. Newly hired employees since 2011 receive a commitment based primarily on the lump-sum benefit. In principle, lump-sum benefits may also be paid out as an annuity through a pension fund. All benefits in Germany are financed through a provident fund (Vorsorgefonds) established for the purpose of the occupational pension scheme. Benefits for new employees since 2011, as well as a portion of the entitlements vested since 2004, are linked to the performance of this provident fund, resulting in a reduction in overall risk to the Company. The described adjustments within the pension structure reduce the financial risk arising from pension commitments in Germany. By linking the benefit to the capital investment, the net risk is also largely eliminated. An increase in the long-term inflation assumption would mainly affect the expected increase in pensions and the expected trend in pension-eligible salaries.

The pension obligations in the USA are based primarily on three retirement plans that are all closed to new employees. New employees receive pension benefits based on a defined contribution plan. The pension benefits generally have a lump-sum option which is usually exercised. When a pension becomes payable, the amount granted is determined on the basis of current market interest rates. As a result, the impact of a change to the interest rate used in the calculation is low compared to pension commitments entailing lifelong benefits. Additionally, in the USA, pensions paid once are not adjusted by amount, thus there are no direct risks during the pension payment period arising from pending pension adjustments. Inflation risks therefore result mainly from the salary adjustments awarded.

The effects of changes to assumptions with respect to medical benefits for employees and retirees in the USA are shown in the sensitivity analysis.

The analysis of our Group-wide pension obligations revealed no extraordinary risks.

Cash flows and sensitivities

In the next five years, the following payments from pension plans are expected:

Future payments for pension benefits

	Germany	USA	Other countries	Total
in million euros				
2026	194	62	46	302
2027	172	56	43	271
2028	178	53	45	276
2029	178	54	48	280
2030	175	48	48	271

The future level of the funded status and thus of the pension obligations depends on the development of the discount rate, among other factors. Companies based in Germany and the USA account for 81 percent of our pension obligations (previous year: 81 percent). The medical costs incurred after retirement by former employees of our subsidiaries in the USA are also recognized in the pension obligations for defined benefit plans. A rate of increase of 7.91 percent (previous year: 8.25 percent) was assumed. We expect this rate of increase to fall gradually to 4.0 percent by 2051 (previous year: 4.0 percent by 2050). The effects of a change in material actuarial assumptions for the present value of pension obligations are as follows:

Sensitivities – Present value of pension obligations at December 31, 2024

	Germany	USA	Other countries	Total
in million euros				
Present value of obligations	2,757	636	794	4,187
In the event of				
Rise in discount rate by 1.0pp	2,562	604	706	3,871
Reduction of discount rate by 1.0pp	2,994	675	905	4,574
Rise in future income increases by 0.5pp	2,757	638	806	4,201
Reduction of future income increases by 0.5pp	2,756	634	782	4,173
Rise in retirement benefits increases by 0.5pp	2,838	636	814	4,288
Reduction of retirement benefits increases by 0.5pp	2,681	636	773	4,091
Rise in medical costs by 0.5pp	2,757	637	794	4,188
Reduction of medical costs by 0.5pp	2,757	635	793	4,185

pp = percentage points

Sensitivities – Present value of pension obligations at December 31, 2025

	Germany	USA	Other countries	Total
in million euros				
Present value of obligations	2,660	549	738	3,948
In the event of				
Rise in discount rate by 1.0pp	2,491	521	662	3,674
Reduction of discount rate by 1.0pp	2,865	586	834	4,284
Rise in future income increases by 0.5pp	2,661	551	749	3,961
Reduction of future income increases by 0.5pp	2,660	548	728	3,936
Rise in retirement benefits increases by 0.5pp	2,732	549	758	4,039
Reduction of retirement benefits increases by 0.5pp	2,594	549	721	3,864
Rise in medical costs by 0.5pp	2,660	550	738	3,948
Reduction of medical costs by 0.5pp	2,660	549	739	3,947

pp = percentage points

The extension of life expectancy in Germany by one year would increase the present value of pension obligations by 3 percent (previous year: 3 percent). In the USA, an extension of life expectancy by one year would increase the present value of pension obligations by 2 percent (previous year: 2 percent).

It should be noted with respect to the sensitivities presented that, due to mathematical effects, the percentage change is not and does not need to be linear. Thus the percentage increases and decreases do not vary with the same absolute amount. Each sensitivity is independently calculated with no scenario analysis.

17 Other provisions

Development 2025

in million euros	At December 31, 2024 ¹	Acquisitions	Utilized	Released	Added	Other changes	At December 31, 2025
Restructuring provisions	178	–	-90	-21	94	-3	157
Of which: non-current	52	–	-11	-5	37	-15	57
Of which: current	126	–	-79	-16	57	11	100
Sales provisions	1,232	–	-826	-159	934	-21	1,158
Of which: non-current	12	–	-1	-0	0	-0	11
Of which: current	1,220	–	-825	-159	934	-21	1,147
Personnel provisions	679	0	-479	-41	426	-14	571
Of which: non-current	125	–	-12	-5	49	-25	132
Of which: current	554	0	-467	-36	377	11	439
Sundry provisions	407	-0	-77	-55	158	-22	411
Of which: non-current	142	-0	-2	-3	7	-13	131
Of which: current	266	-0	-75	-52	151	-9	281
Total	2,496	0	-1,472	-277	1,612	-61	2,298
Of which: non-current	330	-0	-27	-14	94	-53	331
Of which: current	2,165	0	-1,445	-264	1,518	-8	1,967

¹ Amended following the updated allocation of the purchase price for the shares in Seal for Life Industries Intermediate Co., Seal for Life Global Dutch Holding B.V. and SFL Canusa Canada Ltd.

Provisions are recognized for obligations toward third parties where the outflow of resources is probable and the expected obligation can be reliably estimated. Provisions are measured to the best estimate of the expenditures required in order to meet the current obligation as of the reporting date. Price increases expected to take place prior to the time of performance are included in the calculation. Provisions in which the interest effect is material are discounted to the reporting date at a pre-tax interest rate. For obligations in Germany, we have applied interest rates of between 2.8 and 4.4 percent (previous year: 2.8 and 3.7 percent).

Other changes in provisions include changes in the scope of consolidation, movements in exchange rates, compounding effects, and adjustments to reflect changes in maturity as time passes.

Provisions are recognized in respect of restructuring measures, on condition that work has begun on the implementation of a detailed, formal plan or such a plan has already been communicated. Additions to the restructuring provisions relate to the optimization of our production, logistics and sales and distribution structures.

Sales provisions cover expected refunds to customers and risks arising from pending transactions. Commitments to customers result in cash outflows in the following period.

Personnel provisions essentially cover expenditures likely to be incurred by the Group for variable, performance-related remuneration components.

Sundry provisions include, for example, provisions for warranties in production and engineering. Also included are provisions to cover the risk arising from legal disputes and proceedings, representing not just the cash outflows for the probable amount but also the anticipated cost of legal – for example civil-law – proceedings. The pending judicial and arbitration court proceedings or public authority proceedings relate in particular to issues of product liability, product deficiency, competition law, infringement of proprietary rights, patent law, tax law, environmental protection and legacy remediation.

The course and outcomes of legal disputes are inherently problematic and unpredictable. Based on the knowledge currently available, no material future impact on the net assets, financial position and results of operations of the Company is expected.

18 Borrowings

Analysis

in million euros	December 31, 2024			December 31, 2025		
	Non-current	Current	Total	Non-current	Current	Total
Bonds	1,810	100	1,910	1,155	621	1,777
Commercial paper ¹	–	387	387	–	331	331
Liabilities to banks ²	239	1,040	1,279	227	708	935
Total	2,049	1,527	3,576	1,382	1,660	3,042

¹ From the euro and US dollar commercial paper program (total volume: 2 billion US dollars and 2 billion euros).

² Obligations with floating rates of interest or interest rates pegged for less than one year.

Bonds

Issuer	Type	Nominal value	Carrying amounts excluding accrued interest		Market values excluding accrued interest ¹		Market values including accrued interest		Interest rate p.a.		Maturity
			Dec. 31, 2024	Dec. 31, 2025	Dec. 31, 2024	Dec. 31, 2025	Dec. 31, 2024	Dec. 31, 2025	2024	2025	
in million euros											
		70 million US dollars ²	67	–	66	–	66	–	1.042%	1.042%	7/7/2025
Henkel AG & Co. KGaA	Bond	25 million euros	25	–	25	–	25	–	0.120%	0.120%	7/10/2025
		350 million GB pounds ²	422	401	399	393	400	395	1.250%	1.250%	9/30/2026
Henkel AG & Co. KGaA	Bond	250 million US dollars ³	240	213	227	208	228	209	1.750%	1.750%	11/17/2026
Henkel AG & Co. KGaA	Bond	650 million euros ⁴	648	655	652	652	657	656	2.625%	2.625%	9/13/2027
Henkel AG & Co. KGaA	Bond	500 million euros	500	500	419	419	420	420	0.500%	0.500%	11/17/2032
Total			1,902	1,769	1,788	1,672	1,796	1,680			

¹ Stock market price at December 31.

² The interest and principal payments of the bonds denominated in US dollars and GB pounds are converted into euro payments through interest rate currency swaps and foreign exchange forward contracts.

³ The bond is designated as a hedging instrument in connection with a net investment in a foreign operation.

⁴ Coupon payments converted from fixed to floating through the use of interest rate swaps.

In fiscal 2021 and 2022, Henkel issued three sustainability-linked bonds with nominal values of 250 million US dollars, 650 million euros and 500 million euros respectively, recognized as current and non-current borrowings. The coupons on these bonds are fixed in principle and dependent on the achievement of certain sustainability performance targets relating to the sustainability of our packaging and to the reduction of greenhouse gas emissions. If these targets are not met by the specified date, the interest rate on the bonds will increase by an interest premium for the last interest period before the maturity date. In the case of the US dollar bond, the interest surcharge is 0.25 or 0.5 percentage points, depending on whether one or both targets are missed. Due to the failure to achieve the sustainability target for recycled plastic (SPT-3) by December 31, 2025, the interest premium at the time of repayment of the bond is 0.25 percentage points (previous year: 0 percentage points).

For the two bonds denominated in euros, the premium on the coupon at the end of the term is 0.375 and 0.75 percentage points respectively. Due to the failure to achieve the sustainability target for recycled plastic (SPT-3) as of December 31, 2025, the interest premium for the bond with a nominal value of 650 million euros is 0.375 percentage points for the last year of the bond's term (previous year: 0 percentage points), while for the bond with a nominal value of 500 million euros, it continues to be 0 percentage points (previous year: 0 percentage points).

In July 2025, Henkel repaid the US-dollar-denominated bond with a nominal value of 70 million US dollars and the euro-denominated bond with a nominal value of 25 million euros. In addition, in fiscal 2025, the bond denominated in British pounds with a nominal value of 350 million British pounds and the bond denominated in US dollars with a nominal value of 250 million US dollars were reclassified from non-current to current borrowings on account of the shorter residual term.

Current and non-current liabilities to banks decreased in fiscal 2025, as did current liabilities from commercial paper, in particular due to repayments from operating activities.

Liabilities to banks include financial collateral received from banks, in addition to loans and borrowings. Said collateral amounted to 47 million euros as of December 31, 2025 (previous year: 55 million euros).

19 Other financial liabilities

Analysis

in million euros	December 31, 2024			December 31, 2025		
	Non-current	Current	Total	Non-current	Current	Total
Lease liabilities	593	120	713	557	109	666
Liabilities to non-consolidated subsidiaries and associates	–	3	3	–	3	3
Liabilities to customers	1	52	52	0	48	49
Derivative financial instruments	0	76	76	–	23	23
Sundry financial liabilities	17	32	49	20	11	31
Total	610	282	893	578	193	771

Lease liabilities decreased year on year by 47 million euros to 666 million euros. For further details of lease liability measurement, please refer to Note 2 on pages 370 to 374.

Of the liabilities to non-consolidated subsidiaries and associated companies, 3 million euros (previous year: 3 million euros) is attributable to non-consolidated subsidiaries.

20 Other liabilities

Analysis

in million euros	December 31, 2024 ¹			December 31, 2025		
	Non-current	Current	Total	Non-current	Current	Total
Other tax liabilities	–	193	193	–	218	218
Liabilities to employees	5	49	54	5	48	53
Liabilities relating to employee deductions	0	39	39	–	40	40
Liabilities in respect of social security	0	25	25	0	28	28
Sundry other liabilities	52	93	144	32	80	113
Total	57	399	455	37	414	452

¹ Amended following the updated allocation of the purchase price for the shares in Seal for Life Industries Intermediate Co., Seal for Life Global Dutch Holding B.V. and SFL Canusa Canada Ltd.

Sundry other liabilities primarily comprise various income deferrals for other accounting periods amounting to 13 million euros (previous year: 12 million euros) and payments on account received, i.e. contract liabilities as defined in IFRS 15 (Revenue from Contracts with Customers) in the amount of 48 million euros (previous year: 67 million euros). On December 31, 2025, contract liabilities also included a deferral for the use of trademark rights in the amount of 44 million euros (previous year: 63 million euros). The reduction of this liability resulted in the recognition of revenues totaling 19 million euros in fiscal 2025 (previous year: 19 million euros).

21 Trade accounts payable

Trade accounts payable decreased from 4,242 million euros to 3,840 million euros. In addition to purchase invoices, they also relate to accruals for invoices outstanding in respect of goods and services received. They are all due within one year.

As part of its strategic supplier management concept, Henkel offers selected suppliers around the world the option to join its supplier financing programs. These programs involving four banks and one platform operator are, among other things, conditional upon the sustainability performance of the supplier, for example in respect of climate-relevant emissions and the use of natural resources, and enable suppliers to pre-finance individual invoices before they are due, thereby benefiting from favorable financing terms. Suppliers enter into financing arrangements with a bank or platform operator without Henkel's involvement to obtain premature payout of the invoice amount less an interest component from said bank or platform operator. Henkel pays the invoice amount to the bank or platform operator when it is due. Payment terms are within the customary limits for the industry.

Henkel has evaluated these programs, based on various indicators, and has concluded that the respective liabilities continue to bear the characteristics of trade accounts payable. Accordingly, the associated payments to the bank/platform operator are presented as cash outflows from operating activities. The carrying amounts of trade accounts payable that are part of a supplier finance arrangement amounted to 647 million euros as of December 31, 2025 (previous year: 747 million euros). Suppliers had already received payments from financial service providers for trade accounts payable with a carrying amount of 429 million euros as of December 31, 2025 (previous year: 497 million euros). The average payment term for trade accounts payable that are part of a supplier financing arrangement is between 84 and 137 days (previous year: 91 and 134 days), depending on the region. The average payment term for comparable liabilities that are not covered by such arrangements is between 46 and 97 days (previous year: 60 and 95 days). There were no material business combinations, foreign exchange effects or other non-cash effects that would have impacted the liabilities that are part of a supplier financing arrangement in fiscal 2025.

22 Income tax liabilities

Income tax liabilities include tax obligations and uncertain tax positions. The tax treatment of certain items and transactions is, in part, dependent on future recognition by the tax authorities or tax judiciary. Insofar as it is deemed likely that the tax authorities will not accept a tax position, this is taken into consideration when determining the income tax liabilities and other tax items, with the most probable or expected amount then being applied (per IAS 12 and IFRIC 23). The same assumptions are applied to both current and deferred taxes when accounting for uncertain tax positions.

Uncertain tax positions can arise when new tax regulations are applied or interpretations of existing tax regulations are amended. With regard to deferred tax assets, this gives rise to a tax risk in the low double-digit million range as of December 31, 2025 (previous year: mid- to high double-digit million euro range). In relation to current income taxes, there were opportunities in the low double-digit million euro range as of December 31, 2025. Occurrence of the underlying risk or underlying opportunity is not deemed to be particularly likely.

23 Financial instruments report

How Henkel recognizes and measures financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Within the Henkel Group, financial instruments are reported in the statement of financial position under trade accounts receivable, trade accounts payable, borrowings, other financial assets, other financial liabilities, and cash and cash equivalents.

Financial instruments are recognized once Henkel becomes a party to the contractual provisions of the financial instrument and thereby acquires rights or enters into comparable obligations relating to same. The recognition of financial assets takes place at the settlement date, with the exception of derivative financial instruments which are recognized at the trade date. All financial instruments are initially reported at their fair value. Only those trade accounts receivable without any material financing component are recognized at transaction price as defined in IFRS 15. Transaction costs are only capitalized if the financial instruments are not subsequently measured at fair value through profit or loss.

IFRS 9 specifies three categories for measuring financial assets:

- Measured at amortized cost
- Measured at fair value through profit or loss
- Measured at fair value through other comprehensive income

Classification of financial assets to one of the measurement categories is initially based on the structure of the contractual cash flows. Financial assets in respect of which cash flows occur at specified times and which solely represent interest and principal payments are classified depending on the business model under which they are held.

Financial instruments held for the purpose of collecting contractual cash flows are recognized at amortized cost using the effective interest method. All financial assets – with the exception of derivative financial instruments, other investments, certain financial investments presented under securities and time deposits or cash equivalents, and the virtual power purchase agreements included under sundry financial assets and liabilities – meet these criteria and are measured at amortized cost.

If the business model essentially requires the assets to be held – albeit with their sale remaining possible where necessary to cover liquidity needs, for example – said assets are recognized at fair value through other comprehensive income.

Financial instruments in respect of which cash flows are comprised entirely of interest and principal payments but which are not held within one of the two aforementioned business models, are recognized at fair value through profit or loss.

In addition, a risk provision must be accrued in the amount of expected credit losses for financial assets that are measured at amortized cost or at fair value through other comprehensive income. For more details, please refer to the notes on trade accounts receivable on page 378 and on credit risk on pages 418 to 422.

Financial assets in respect of which the cash flows are not comprised entirely of interest and principal payments are always recognized at fair value through profit or loss. At Henkel this is the case with derivative financial assets and shares in investment funds. As a rule, Henkel exercises its right to choose to recognize equity instruments at fair value through other comprehensive income. This approach is commensurate with the fact that, generally, the Company does not plan to sell the assets to benefit from short-term changes in their fair value. If these equity instruments are, nevertheless, sold or derecognized for some other reason, the valuation effects accumulated up to then in other comprehensive income are reclassified to retained earnings rather than the consolidated statement of income.

Financial liabilities must be allocated to one of the following measurement categories:

- Measured at amortized cost
- Measured at fair value through profit or loss

As a rule, Henkel recognizes financial liabilities at amortized cost using the effective interest method. Exceptionally, derivative financial liabilities, plus the virtual power purchase agreements and liabilities from contingent purchase price agreements included under sundry financial assets and liabilities, are measured at fair value through profit or loss.

Hedge accounting is applied in individual cases – where possible and economically sensible – in order to avoid profit and loss variations arising from fair value changes in derivative financial instruments. Fair value and cash flow hedges or hedges of a net investment in a foreign operation are designated within the Group depending on the type of underlying and the risk being hedged. Details relating to the hedging contracts transacted within the Group and how the fair values of the derivatives are determined are provided on pages 410 to 417. The carrying amounts of borrowings recognized in connection with a fair value hedge are adjusted for the valuation effect from the hedged risk.

Henkel currently exercises the fair value option in selected instances for financial assets if this reduces an accounting mismatch between the assets and the corresponding derivative financial instruments hedging material market risks. In the case of already contracted future purchases of non-financial assets containing embedded derivatives, Henkel exercises the option on a case-by-case basis to recognize the entire contract at fair value through profit or loss.

The following table summarizes the allocation of items on the statement of financial position to the financial instrument classes and compares the carrying amounts of the financial assets and liabilities with their respective fair values:

Comparison of carrying amounts and fair values of financial instruments

in million euros		Dec. 31, 2024 ¹	Dec. 31, 2024	Dec. 31, 2025	Dec. 31, 2025
Financial assets	Financial instruments class (valuation hierarchy of fair values)	Carrying amount	Fair value	Carrying amount	Fair value
Trade accounts receivable	Amortized cost	3,530		3,386	
Other financial assets		1,370		1,061	
Receivables from non-consolidated subsidiaries and associates	Amortized cost	0		0	
Financial receivables from third parties	Amortized cost	225		221	
Derivative financial instruments not included in a designated hedging relationship	Fair value through profit or loss (level 2)	42	42	18	18
Derivative financial instruments included in a designated hedging relationship	Derivatives included in a designated hedging relationship (level 2)	71	71	52	52
Derivative financial instruments included in a designated hedging relationship	Derivatives included in a designated hedging relationship (level 3)	0	0	–	–
Investments in non-consolidated subsidiaries and associates	Not assigned to any valuation category under IFRS 9	6		7	
Other investments	Fair value through other comprehensive income (level 3)	138	138	119	119
Receivables from Henkel Trust e.V. and external pension funds	Amortized cost	194		121	
Securities and time deposits	Amortized cost	316		161	
Securities and time deposits	Fair value through profit or loss (level 1)	228	228	241	241
Securities and time deposits	Fair value through profit or loss (level 2)	6	6	4	4
Securities and time deposits	Fair value through profit or loss (level 3)	14	14	28	28
Financial collateral provided	Amortized cost	19		2	
Sundry financial assets	Amortized cost	108		84	
Sundry financial assets	Fair value through profit or loss (level 3)	5	5	4	4
Sundry financial assets	Not assigned to any valuation category under IFRS 9	–4		–4	
Cash and cash equivalents	Amortized cost	2,889		2,708	
Cash and cash equivalents	Fair value through profit or loss (level 2)	0	0	0	0
Total		7,790		7,155	

TABLE CONTINUED ON NEXT PAGE

Comparison of carrying amounts and fair values of financial instruments

in million euros		Dec. 31, 2024 ¹	Dec. 31, 2024	Dec. 31, 2025	Dec. 31, 2025
Financial liabilities	Financial instruments class (valuation hierarchy of fair values)	Carrying amount	Fair value	Carrying amount	Fair value
Borrowings		3,576		3,042	
Bonds (not included in a designated hedging relationship)	Amortized cost (level 1)	1,257	1,139	1,116	1,023
Bonds (included in a designated hedging relationship)	Amortized cost (level 1) accounted for as part of a fair value hedge	653	657	660	657
Other borrowings	Amortized cost	1,666		1,266	
Trade accounts payable	Amortized cost	4,242		3,840	
Other financial liabilities		893		771	
Lease liabilities	Not assigned to any valuation category under IFRS 9	713		666	
Liabilities to non-consolidated subsidiaries and associates	Amortized cost	3		3	
Liabilities to customers	Amortized cost	52		49	
Derivative financial instruments not included in a designated hedging relationship	Fair value through profit or loss (level 2)	31	31	19	19
Derivative financial instruments included in a designated hedging relationship	Derivatives included in a designated hedging relationship (level 2)	44	44	4	4
Derivative financial instruments included in a designated hedging relationship	Derivatives included in a designated hedging relationship (level 3)	0	0	–	–
Sundry financial liabilities	Amortized cost	21		30	
Sundry financial liabilities	Fair value through profit or loss (level 3)	18	18	-7	-7
Sundry financial liabilities	Not assigned to any valuation category under IFRS 9	10		8	
Total		8,710		7,653	

¹ Amended following the updated allocation of the purchase price for the shares in Seal for Life Industries Intermediate Co., Seal for Life Global Dutch Holding B.V. and SFL Canusa Canada Ltd.

IFRS 13 (Fair Value Measurement) defines fair value as the price that would be payable in a principal market – or in the most favorable market, in the absence of the former – if an asset were to be sold or a liability transferred. Valuation parameters as close to market reality as possible must be used as input factors to determine fair value. The fair value hierarchy prioritizes the input factors used in the valuation methods in three descending levels, depending on market proximity:

- Level 1: Fair values which are determined on the basis of quoted, unadjusted prices in active markets.
- Level 2: Fair values which are determined on the basis of parameters for which either directly or indirectly derived market prices are available.
- Level 3: Fair values which are determined with the aid of parameters for which the input factors are not derived from observable market data.

The fair value of securities and time deposits, and bonds, classified as level 1, is based on the quoted market prices on the reporting date. Observable market data are used to measure the fair value of level 2 securities, time deposits and cash equivalents. If bid and ask prices are available, the mid price is used to determine the fair value. When measuring derivative financial instruments, the credit risk is determined by netting all financial assets, liabilities, collateral received and collateral provided for each counterparty to determine the net credit exposure. An explanation of the method used to

determine the fair values of derivative financial instruments can be found on pages 410 to 417.

For financial instruments measured at fair value in the statement of financial position and of which the fair value is allocated to level 3, the change in values in the reporting period is presented below:

Development of level 3 assets and liabilities 2024

	Derivative financial assets included in a designated hedging relationship	Derivative financial liabilities included in a designated hedging relationship	Other investments and securities	Sundry financial assets with embedded derivatives	Sundry financial liabilities with embedded derivatives	Sundry financial liabilities from contingent consideration
in million euros						
Carrying amount at January 1, 2024	0	1	136	4	-9	-
Purchases	-	-	22	-	-	29
Gains/losses (realized) recognized as other operating income or expenses	-	-	-	0	1	-3
Of which: attributable to assets and liabilities held at the end of the reporting period	-	-	-	0	1	-3
Gains/losses (realized) recognized in other financial result	-	-	-1	-	-	-
Of which: attributable to assets and liabilities held at the end of the reporting period	-	-	-1	-	-	-
Gains/losses recognized in other comprehensive income	-	-1	-8	-	-	-
Foreign exchange effects and other changes	-	-	3	-	-1	1
Carrying amount at December 31, 2024	0	0	152	5	-9	26

Development of level 3 assets and liabilities 2025

	Derivative financial assets included in a designated hedging relationship	Derivative financial liabilities included in a designated hedging relationship	Other investments and securities	Sundry financial assets with embedded derivatives	Sundry financial liabilities with embedded derivatives	Sundry financial liabilities from contingent consideration
in million euros						
Carrying amount at January 1, 2025	0	0	152	5	-9	26
Purchases	–	–	21	–	–	-17
Gains/losses (realized) recognized as other operating income or expenses	–	–	–	-1	1	-7
Of which: attributable to assets and liabilities held at the end of the reporting period	–	–	–	-1	1	-7
Gains/losses (realized) recognized in other financial result	–	–	2	–	–	–
Of which: attributable to assets and liabilities held at the end of the reporting period	–	–	2	–	–	–
Gains/losses recognized in other comprehensive income	-0	-0	-22	–	–	–
Foreign exchange effects and other changes	–	–	-7	–	1	-2
Carrying amount at December 31, 2025	–	–	147	4	-7	–

The derivative financial instruments categorized as level 3 are commodity forwards recognized in hedge accounting. In the absence of forward quotes in the market, the fair value is determined on the basis of bids obtained from several banks for new contracts involving similar products.

Changes in the fair values determined using this procedure are recognized in full in other comprehensive income and are presented in the hedge reserve. Reclassification of the corresponding amounts to the cost of hedged inventories is performed when the derivatives are realized. This occurs when the hedged inventories are recognized. There were no commodity futures transactions as at the reporting date of December 31, 2025.

Other investments and securities include shares in companies and in investment funds that are currently not intended for sale. The fair value of other investments and securities is based either on information derived from recent financing transactions, on a cost-based method, or on valuation using the discounted cash flow method taking into account the free cash flow of the share or fund investment. Appropriate risk-adjusted costs of capital are applied when using the discounted cash flow method.

The individual other investments and investment fund units are of minor importance for the presentation of the net assets and results of operations of the Henkel Group. If any conceivably realistic changes were to occur in the valuation parameters, the change in the fair values revealed by sensitivity analysis would not exceed in total a euro range in the mid-single-digit millions. Such changes are attributable virtually entirely to other investments and would be included in other comprehensive income. Changes in the fair values of securities are recognized in other financial result. No valuation results recognized in equity were reclassified to retained earnings in the year under review, nor in the previous year.

As part of our sustainability strategy to achieve our climate targets, we have entered into virtual power purchase (VPP) agreements in the USA and Europe. The renewable energy generation facilities underlying the agreements are managed by their respective operators. Henkel has no rights of determination or control over the use of the facilities. The benefits to the contract partners come in the form of two components: a cash flow that depends, among other things, on the development of the respective spot electricity price, and certificates that Henkel receives as proof of origin for electricity from renewable energies. The cash flow between Henkel and the operator serves to settle, on a monthly basis, the difference between the contractually fixed price per MWh of electricity produced and the respective spot electricity price when the electricity is fed into the grid. The agreed compensation payments between Henkel and the operator are limited to a maximum differential amount for Henkel, so that fluctuations in value arising from the agreements are limited. The annual production volume forecasted under the virtual power purchase agreement in the USA is 300,000 MWh. The agreement in Europe is for an annual production forecast of 200,000 MWh. The respective contract terms from start of operation of the wind farm/solar park are 10.5 years in the USA and 10 years in Europe respectively. Due to the derivatives embedded in the agreements, each contract is accounted for at fair value through profit or loss. The fair value allocated to level 3 is derived from the present value of the expected cash flows from the agreement.

The main valuation parameters for the virtual power purchase agreement entered into in the USA in fiscal 2020 are the expected electricity prices and the US dollar interest rate used for discounting. In addition to the expected electricity prices, a primary parameter for valuation of the virtual power purchase agreement executed in Europe in fiscal 2022 is the euro interest rate used for discounting. A change of 10 percent in the expected electricity prices or of 100 basis points in the discount rate would result in a change in the fair value of the virtual power purchase agreement concerned of 0 million euros.

At the time of initial recognition, the fair values of the virtual power purchase agreements were higher than the transaction price. The respective differences were deferred and will be recognized pro rata temporis as earnings in the statement of income over the term of the agreement, once operations commence at the wind farm or solar park on which the respective virtual power purchase agreement is based. The deferred difference is recognized in the statement of financial position, together with the positive or negative fair value of the agreement, under sundry financial assets or sundry financial liabilities.

Changes in the fair value and deferred amount are recognized in other operating income or other operating expenses in the statement of income. On January 1, 2025, the deferred difference recognized for the virtual power purchase agreement in the USA was 10 million euros (previous year: 11 million euros). In the reporting period, 1 million euros was recognized as other operating income (previous year: 1 million euros). The difference remaining as of December 31, 2025, after allowing for currency effects, was 8 million euros (previous year: 10 million euros). On January 1, 2025, the deferred difference recognized for the virtual power purchase agreement in Europe was 4 million euros (previous year: 4 million euros). In fiscal 2025, 0 million euros was recognized as other operating income (previous year: 0 million euros). The difference remaining as of December 31, 2025, was 3 million euros (previous year: 4 million euros).

The fair value of the contingent consideration reported under sundry financial liabilities in connection with the acquisition of the Vidal Sassoon brand and the related consumer hair care business in China is essentially tied to the fulfillment of contractually defined services by the seller during a transitional services phase. The assessments as to whether the services have been provided as contractually agreed will be made in 2024 and 2025 at six-monthly intervals from the date of acquisition. If the seller fails to meet one of three agreed performance indicators in any of the assessment periods, or only meets them in part, the purchase price liability is reduced by a maximum of a low single-digit million euro amount for each unmet performance indicator. Any corresponding changes will be recognized in other operating income or expenses. The agreement stipulates that Henkel will pay a maximum amount of 29 million euros. As of the reporting date, the purchase price liability has been fully paid, so that the acquisition no longer entails an obligation.

No reclassifications between the valuation categories or classes per IFRS 7, nor within the fair value hierarchy, were performed during the reporting period or in the comparable prior period.

Net gains and losses from financial instruments by category

The net gains and losses from financial instruments may be allocated to the following categories:

Net results by measurement category 2024

	Interest	Valuation allowances	Payments received for written-off and derecognized financial instruments	Fees	Other effects recognized through profit or loss	Valuation effects recognized through other comprehensive income	Reclassifications of valuation effects recognized through other comprehensive income	Total net results
in million euros								
Financial assets measured at amortized cost	75	-9	1	–	3	–	–	70
Financial assets measured at fair value through other comprehensive income (debt instruments)	–	–	–	–	–	0	–	0
Financial assets measured at fair value through other comprehensive income (equity instruments)	–	–	–	–	–	-9	–	-9
Financial assets and liabilities measured at fair value through profit or loss ¹	29	–	–	–	-5	-103	46	-36
Financial liabilities measured at amortized cost	-117	–	–	-6	-15	–	–	-138
Total net results 2024	-12	-9	1	-6	-17	-112	46	-113

¹ Including designated hedging instruments.

Net results by measurement category 2025

	Interest	Valuation allowances	Payments received for written-off and derecognized financial instruments	Fees	Other effects recognized through profit or loss	Valuation effects recognized through other comprehensive income	Reclassifications of valuation effects recognized through other comprehensive income	Total net results
in million euros								
Financial assets measured at amortized cost	82	-15	1	–	1	–	–	69
Financial assets measured at fair value through other comprehensive income (debt instruments)	–	–	–	–	–	–	–	–
Financial assets measured at fair value through other comprehensive income (equity instruments)	–	–	–	–	–	-23	–	-23
Financial assets and liabilities measured at fair value through profit or loss ¹	20	–	–	–	-64	169	-134	-10
Financial liabilities measured at amortized cost	-105	–	–	-11	-5	–	–	-121
Total net results 2025	-3	-15	1	-11	-69	146	-134	-85

¹ Including designated hedging instruments.

Reconciliation of net results to financial result

in million euros	2024	2025
Total net results	-113	-85
Less/plus results included in operating profit or in other comprehensive income	77	2
Foreign exchange effects	-12	45
Interest expense of pension obligations less interest income from plan assets and reimbursement rights	-11	-11
Other financial result (not related to financial instruments)	-49	-39
Financial result	-108	-88

No gains or losses were realized in the fiscal year from the derecognition of financial assets measured at amortized cost.

Derivative financial instruments and hedge accounting

Derivative financial instruments are measured at their fair value at the reporting date. Recognition of the gains and losses arising from fair value changes of derivative financial instruments is dependent upon whether hedge accounting rules are applicable. The Group ensures that its hedge accounting is consistent with the Group risk management objectives and strategy, and that a qualitative and forward-looking approach is adopted when assessing the effectiveness of its hedging transactions.

Hedge accounting is not applied for derivative financial instruments as long as their valuation is offset by direct compensatory changes in the fair values of the hedged items or the requirements for hedge accounting are not fulfilled. We recognize directly in the statement of income the fair value changes in these derivatives which, in economic terms, represent effective hedges within the framework of the Group strategy. In derogation from the above, hedges of intragroup financing arrangements in US dollars are recognized as cash flow hedges if their valuation effects cannot be fully eliminated in the consolidated financial statements.

In hedge accounting, derivative financial instruments are classified as instruments for hedging the fair value ("fair value hedge"), as instruments for hedging future cash flows ("cash flow hedge") or as instruments for hedging a net investment in a foreign operation ("hedge of a net investment in a foreign operation"). When closing the transaction, Henkel documents the relationship between the hedging instrument and the hedged item, together with the risk management objectives and strategies of the hedging transactions. All derivatives classified as hedging instruments are tied to specific committed and planned transactions. Henkel uses acknowledged methods – such as the "dollar offset method" or the "hypothetical derivative method" – to determine the effective portion of the hedges and any ineffective portions.

The following table provides an overview of the derivative financial instruments utilized and recognized within the Group, and their fair values:

Derivative financial instruments

in million euros	Nominal value		Positive fair value ²		Negative fair value ²	
	Dec. 31, 2024	Dec. 31, 2025	Dec. 31, 2024	Dec. 31, 2025	Dec. 31, 2024	Dec. 31, 2025
Currency risk						
Currency forwards ¹	8,633	8,633	60	59	-75	-23
Of which: for hedging loans within the Group	3,386	3,879	27	30	-16	-6
Of which: designated as cash flow hedges	2,550	1,994	19	34	-36	-4
Of which: designated as net investment hedge	228	114	–	7	-8	–
Cross-currency interest rate swaps ³	489	401	35	3	–	–
Of which: designated as cash flow hedges	489	401	35	3	–	–
Interest rate risk						
Interest rate swaps	1,081	671	18	8	–	–
Of which: designated as cash flow hedges ⁴	289	–	13	–	–	–
Of which: designated as fair value hedges	650	650	3	8	–	–
Commodity price risk						
Commodity forwards	4	–	–	0	0	-0
Of which: designated as cash flow hedges	4	–	–	0	0	-0
Total derivative financial instruments	10,208	9,235	113	70	-76	-23

¹ Maturity less than 1 year with the exception of forward exchange contracts for intragroup financing with a nominal volume of 200 million euros (previous year: 400 million euros) and a positive fair value of 21 million euros (previous year: 10 million euros), as well as hedges of a net investment in a foreign operation with a nominal volume of 114 million euros (previous year: 114 million euros) and a positive fair value of 7 million euros (previous year: -5 million euros).

² Fair values including accrued interest and excluding valuation allowance for counterparty credit risk of 0 million euros (previous year: 0 million euros).

³ Nominal value reporting year: 350 million British pounds and 70 million US dollars (previous year: 350 million British pounds and 70 million US dollars).

⁴ Nominal value reporting year: 0 million US dollars (previous year: 300 million US dollars).

We determine the fair value of forward exchange transactions and cross-currency interest rate swaps on the basis of the reference rates issued by the European Central Bank for the reporting date, taking into account forward premiums/forward discounts for the remaining term of the respective contract versus the contracted foreign exchange rate. Interest rate hedges are measured on the basis of discounted cash flows expected in the future, taking into account market interest rates applicable for the remaining term of the contracts. These are indicated for the two most important currencies

in the following table. It shows the interest rates quoted on the interbank market in each case on December 31.

Interest rates in percent p.a.

Terms, each to December 31	Euro		US dollar	
	2024	2025	2024	2025
1 month	2.91	1.93	4.32	3.67
3 months	2.67	1.93	4.30	3.65
6 months	2.12	1.93	4.25	3.58
1 year	1.98	1.94	4.18	3.43
2 years	1.99	2.02	4.08	3.31
5 years	2.03	2.32	4.04	3.46
10 years	2.06	2.69	4.07	3.80

In measuring derivative financial instruments, counterparty credit risk is taken into account with an adjustment to the unsecured fair values concerned, determined on the basis of credit risk premiums. The adjustment relating to fiscal 2025 amounts to 0 million euros (previous year: 0 million euros). Changes in credit risk are recognized through profit or loss in financial result.

Depending on their fair value and their maturity on the reporting date, derivative financial instruments are included in current or non-current financial assets (positive fair value) or in current or non-current financial liabilities (negative fair value).

Most of the currency forwards served to hedge risks arising from trade accounts receivable and payable, and those pertaining to Group financing.

Fair value hedges

A fair value hedge hedges fluctuations in the fair value of recognized assets and liabilities or unrecognized firm commitments which arise from a specific risk. The changes in the fair values of the hedging instruments and of the hedged items resulting from the hedged risk are simultaneously recognized through profit or loss in other financial result.

To hedge the fair value risk of a fixed-rate bond issued by Henkel AG & Co. KGaA in September 2022 with a nominal volume of 650 million euros, interest rate swaps with identical nominal volumes and the same term were used in both fiscal 2025 and the previous year as hedging instruments in a fair value hedge. The hedged underlying is recognized under non-current borrowings.

Fair value hedges and ineffective portions

in million euros	2024	2025
Carrying amounts of hedged items (net of accrued interest)	648	655
Of which: cumulative hedge-related adjustments	-1	3
Change in the carrying amounts of hedged items in the period	7	5
Change in the carrying amounts of the hedging instruments in the period	-7	-5
Ineffective portion	–	–

Cash flow hedges

A cash flow hedge hedges fluctuations in future cash flows from recognized assets and liabilities, unrecognized firm commitments, and highly probable forecasted transactions arising from a specific risk. The Henkel Group uses this instrument to hedge currency, interest rate, and commodity price risks. The effective portion of the change in fair value of the cash flow hedge is initially recognized in equity under cash flow hedge reserve. The ineffective portion of the change in value is recognized directly through profit or loss in financial result or operating profit, depending on the hedged item. Henkel exercises its right to choose to also initially recognize changes in value of non-designated components of hedging instruments – such as the forward component and foreign currency basis spreads of currency forwards and the foreign currency basis spreads of cross-currency interest rate swaps – in equity under hedging cost reserve. Amounts recognized in the reserves are released through profit or loss in the same period in which the hedged item

impacts profit or loss. If a cash flow hedge results in the recognition of a non-financial asset, the amounts recognized in equity are included as part of the cost when the asset is recognized ("basis adjustment").

Cash flow hedge reserve (net of deferred taxes)

	At Jan. 1	Hedge results	Reclassifications to the statement of income	Reclassifications to inventories (basis adjustment)	At Dec. 31
in million euros					
2025	-253	185	-157	-2	-227
2024	-209	-69	24	-0	-253

Hedging cost reserve (net of deferred taxes)

	At Jan. 1	Hedge results	Reclassifications to the statement of income	Reclassifications to inventories (basis adjustment)	At Dec. 31
in million euros					
2025	5	-34	23	1	-5
2024	3	-20	19	2	5

The reserves disclosed in equity essentially relate to currency hedges for past acquisitions, anticipated sales, planned inventory purchases, and for our foreign currency bonds. The cash flow hedge reserve of -205 million euros as of December 31, 2025 (previous year: -205 million euros) was attributable to results from hedges that were no longer subject to hedge accounting.

Currency risk

As part of its risk management, the Henkel Group hedges fluctuations in cash flows of planned sales and inventory purchases in foreign currencies against currency risk. Currency forwards or recognized receivables and payables are used as hedging instruments. They are all due within one year. In the case of currency forwards, no ineffective portions arise since the Group only designates the spot component as the hedging instrument. Changes in the non-designated components of the derivatives over the term of the hedge are recognized in the hedging cost reserve. The hedge ratio is determined individually, depending on the relevant strategy for each currency. The hedging rates for major currencies are shown in the following table:

Hedging rates for sales and inventory purchases

	2025	
	Nominal	Weighted hedging rate
in million euros		
US dollar	70	1.10
Canadian dollar	65	1.61
British pound	50	0.88
Chinese yuan	38	8.29
Australian dollar	19	1.79

An addition to the reserves (net of deferred taxes) of 79 million euros (previous year: -40 million euros) relates to currency hedges of planned inventory purchases and currency hedges of planned sales against fluctuating spot rates. Of the changes in hedge values recognized in equity in the reporting period, gains of 2 million euros (previous year: losses of 1 million euros) were reclassified to cost of hedged inventories without affecting profit or loss while gains within the framework of hedging planned sales of 51 million euros (previous year: losses of 8 million euros) were reclassified to operating profit. The positive and negative fair values of the derivatives contracted as a currency hedge of planned inventory purchases and as a currency hedge of budgeted sales amounted to 13 million euros (previous year: 9 million euros) and -4 million euros (previous year: -36 million euros) respectively. The cash flows from these currency derivatives, like the cash flows from the hedged inventory purchases and the hedged sales, are expected to occur and affect operating profit in the next fiscal year when the inventories are used and the sales revenue is realized.

In addition to the currency derivatives, foreign currency trade accounts payable are designated as hedging instruments for planned sales. The carrying amount of the liabilities designated as hedges amounted to 412 million euros (previous year: 582 million euros). The cash flows from these liabilities and the cash flows from the hedged sales are expected to occur, and affect operating profit, in the next fiscal year. The hedge transactions did not produce any ineffective portions.

In addition, hedges of existing and planned intragroup financing arrangements in US dollars are recognized as cash flow hedges if their valuation effects cannot be fully eliminated in the consolidated financial statements. The hedges do not contain any ineffective portions since the Group only designates the spot component as the hedging instrument. Changes in the non-designated components of the derivatives over the term of the hedge are recognized in the hedging cost reserve. In the year under review, hedging operations resulted in an addition to the reserves (net of deferred taxes) of -36 million euros (previous year: 27 million euros). Additions to the cash flow hedge reserve in the reporting year and the previous year were reclassified in full in each respective year to profit or loss. In fiscal 2025, gains of 46 million euros (previous year: losses of 24 million euros) were reclassified to other financial result, where the valuation effects from intragroup financing arrangements are also recognized. In the year under review, losses of 7 million euros (previous year: losses of 7 million euros) were reclassified through profit or loss from the hedging cost reserve to the interest result. As of December 31, 2025, the positive fair values of the respective derivatives totaled 21 million euros (previous year: 10 million euros). The cash flows from these currency derivatives, like the cash flows from the hedged intragroup financing arrangements, are expected to occur within the next three years.

In addition, cross-currency interest rate swaps or rolling currency forwards are used to hedge currency risks arising in connection with interest and principal payments in foreign currencies relating to Group funding. Fixed payments in foreign currencies are converted into fixed-rate payments in euros through cross-currency interest rate swaps. The hedging rates for the bonds issued in foreign currencies are shown in the table below:

Bond hedging rates

Bond maturity	2025	
	Nominal	Weighted hedging rate in euros
7/7/2025	70 million US dollars	1.12
9/30/2026	350 million GB pounds	0.88

The hedging instruments were entered into and designated in a manner that ensures no effective portions can arise. Changes in the non-designated foreign currency basis spreads over their duration are recognized in hedging cost reserve. The cash flows from the cross-currency interest rate swap that are attributable to the interest payments were recognized proportionately for the reporting period through profit or loss as an interest expense. The term of the cross-currency interest rate swaps is matched to the term of the respective bond.

Interest rate risk

Interest rate swaps with a nominal volume of 300 million US dollars expired in the reporting year. These interest rate swaps, which were designated as hedging instruments in the context of cash flow hedges, hedge part of the interest rate risk from our commercial paper program. Both in fiscal 2025 and the previous year, we contracted interest rate swaps to hedge the fair value risk of the fixed-rate bond issued in September 2022 with a nominal volume of 650 million euros. The interest rate swaps were designated as hedging instruments used in a fair value hedge. The interest rate swaps were used to convert the interest payments on the bond to variable payments.

Commodity price risk

Payments for planned commodity purchases are selectively hedged against fluctuations due to changes in the purchase prices of raw materials. Commodity forwards are used to hedge this risk. They are all due within one year. The Group only designates the commodity price component of the planned raw material purchases. Other price components, such as transportation costs, are not designated. Accordingly, there are no ineffective portions.

During fiscal 2025, the Henkel Group hedged no exposures to clearly identifiable palm kernel oil, kerosene and natural gas components. In accounting for designated hedging relationships concluded in the previous year, the gains arising from the derivatives designated as hedging instruments amounting to 0 million euros net of deferred taxes (previous year: gains of 0 million euros) were recognized as additions to the reserve for cash flow hedges. On expiry of the hedging relationships, losses of 0 million euros (previous year: losses of 0 million euros) recognized in equity in the fiscal year were reclassified directly to the cost of the hedged inventories (basis adjustment). As of December 31, 2025, there were no hedges of commodity price risk (previous year: 0 million euros).

Hedges of net investments in foreign operations

The accounting treatment of hedges of net investments in foreign operations against translation risk is similar to that applied to cash flow hedges. The gain or loss arising from the effective portion of the hedging instrument is recognized in the reserve for hedges of net investments in foreign operations, with the ineffective portion recognized directly through profit or loss. A bond issued by Henkel with a nominal volume of 250 million US dollars, which is included under current borrowings, and also the spot components of currency forwards, were used as hedging instruments. As of December 31, 2025, the positive and negative market values of these currency forwards amounted to 7 million euros (previous year: 0 million euros) and 0 million euros (previous year: -8 million euros) respectively. In addition, as of December 31, 2025, current liabilities to banks with a nominal volume

of 4,960 million Chinese yuan (previous year: 4,960 million Chinese yuan) were designated as hedging instruments. Of the nominal volume, 4,700 million Chinese yuan (previous year: 4,400 million Chinese yuan) are included in the hedging relationship. The carrying amount of these liabilities to banks was 603 million euros as of December 31, 2025 (previous year: 654 million euros). The design of the hedging relationships ensured there were no ineffective portions. For the non-designated forward component and the currency basis spreads of the currency forwards used as hedging instruments, Henkel exercises its right to also recognize these in equity in the hedging cost reserve insofar as they relate to the hedged item.

The gains or losses recognized directly in equity in connection with the hedges of net investments in foreign operations remain there until disposal of the net investment. The changes in non-designated components of hedges that are recognized in equity are reclassified pro rata temporis to the statement of income over the term of the hedge.

The reserve for hedges of net investments in foreign operations relates essentially to translation risks arising from net investments in Swiss francs, US dollars, Chinese yuan, Thai baht and British pounds. As of December 31, 2025, an amount of 30 million euros (previous year: 30 million euros) of the reserve was attributable to the results from hedges for which the associated contracts expired in previous years.

Reserve for hedges of net investments in foreign operations (net of deferred taxes)

	At Jan. 1	Addition (recognized in equity)	Release (recognized through profit or loss)	At Dec. 31
in million euros				
2025	23	14	–	37
2024	39	-17	–	23

Reserve for cost of hedges of net investments in foreign operations (net of deferred taxes)

	At Jan. 1	Addition (recognized in equity)	Release (recognized through profit or loss)	At Dec. 31
in million euros				
2025	-3	4	-0	0
2024	-4	2	-1	-3

Risks arising from financial instruments, and risk management

As a globally active corporation, Henkel is exposed in the course of its ordinary business operations to credit risks, liquidity risks and market risks (currency translation, interest rate and other price risks). The purpose of financial risk management is to restrict the exposure arising from operating activities through the use of selective derivative and non-derivative hedges. Henkel uses derivative financial instruments exclusively for the purposes of risk management. Without these instruments, Henkel would be exposed to higher financial risks. Changes in exchange rates, interest rates or commodity prices can lead to significant fluctuations in the fair values of the derivatives used. These variations in fair value should not be regarded in isolation from the hedged items, as derivative and hedged item constitute a unit in terms of countervailing fluctuations.

Management of currency, interest rate and liquidity risks is based on the treasury guidelines introduced by the Management Board, which are binding on the entire corporation. These guidelines define the targets, principles and competencies of the Group Treasury unit. They also describe the fields of responsibility and establish the distribution of these responsibilities between Group Treasury and Henkel's subsidiaries. The Management Board is regularly and comprehensively informed of all major risks and of all relevant hedging transactions and arrangements. A description of the objectives and fundamental principles adopted in capital management can be found in the combined management report on pages 105 and 106. There were no major risk clusters in the reporting period. Appropriate details are provided in the description of the individual risks.

Credit risk

In the course of its business activities with third parties, the Henkel Group is inherently exposed to global credit risk arising from both its operating business and its financial investments. This risk derives from the possibility of the contractual party not fulfilling its obligations.

The maximum credit risk arising from financial assets not subject to the impairment rules of IFRS 9 – excluding any collateral provided – is reflected by the carrying amounts of the financial assets recognized in the statement of financial position and presented as follows:

Maximum risk position

in million euros	Dec. 31, 2024	Dec. 31, 2025
Financial assets measured at fair value through profit or loss	294	296
Derivative financial instruments included in a designated hedging relationship	71	52
Equity instruments measured at fair value through other comprehensive income	138	119
Total carrying amounts	504	467

Given that collateral has been provided, the actual credit risk is significantly lower and is discussed in detail in the following. Other financial assets include 121 million euros representing receivables from Henkel Trust e.V. and an external pension fund (previous year: 194 million euros). Given the investment structure and rules of Henkel Trust e.V. and of the external pension fund, the credit risk is very minor. Further details of risk concentrations are discussed in the following.

Under IFRS 9, valuation allowances for expected credit losses (Expected Loss Model) must be recognized for all financial assets measured at amortized cost and for all debt instruments measured at fair value through other comprehensive income.

IFRS 9 provides a three-level method for this purpose. Valuation allowances are accrued on the basis either of the 12 months expected losses (level 1), or of the lifetime expected losses if the credit risk has increased significantly since initial recognition (level 2), or if the asset is credit-impaired (level 3). The simplified approach is adopted, however, for most of the financial assets, including trade accounts receivable with no material financing component. As such, the expected credit losses are always determined for the full lifetime of the financial instruments.

To calculate the expected credit losses, counterparties are grouped by similar credit default risks. Individual valuation allowances are made on a case-by-case basis in response to specific circumstances and risk indicators. Both empirical data, such as historical default rates, and forward-looking information, such as individual and macroeconomic circumstances, are considered when determining the amounts of the valuation allowances. If a counterparty's credit rating is deemed to be impaired – following noticeable changes in payment behavior or application for bankruptcy, for example –, all outstanding amounts relating to that counterparty are subjected to a valuation allowance. The level of expected loss is determined on the basis of individual assessment. Valuation allowances and increases thereto are always recognized through profit or loss. If the expected credit losses decrease, a corresponding amount of the risk provision is released through profit or loss.

A financial asset is derecognized if it is reasonably judged to be unlikely that the corresponding cash flows will be recoverable in part or in whole, for example after completion of insolvency proceedings or after consideration of other local law circumstances. If an outstanding receivable is judged to be unrecoverable, the valuation allowance already in place is utilized and the remaining net amount outstanding is stated as an expense and derecognized.

Trade accounts receivable and other financial assets in Henkel's operating business

In its operating business, Henkel is confronted by progressive concentration and consolidation on the customer side, as reflected in the receivables from individual customers. As of December 31, 2025, the USA, China and the Netherlands represented the highest risk concentration at country level. Of the total trade accounts receivable, customers based in the USA accounted for 18 percent as at the reporting date. The share of receivables from deliveries to customers based in China was 13 percent, and to customers based in the Netherlands 10 percent. The risk concentration was much lower at individual customer level. Receivables from customers with a high credit risk rating accounted for about 6 percent of all trade accounts receivable as at the reporting date. These risks are monitored regularly at the global and regional level and steps are taken to mitigate exposure.

Our credit risk management system operating on the basis of a globally applied corporate standard entitled "Customer Credit Management" ensures that credit risks are constantly monitored and bad debts minimized. This corporate standard, which applies to both new and existing customers, governs the risk classification and allocation of credit limits based on individual analyses of customers' creditworthiness derived from both internal and external financial information, and ensures the continuous monitoring of the risk of credit defaults and thus of bad debts. We monitor our key customer relationships at global, regional and local levels. In addition, risk-mitigating measures (such as trade credit insurance) are put in place for most countries and customers worldwide.

Collateral received and other safeguards include country-specific and customer-specific protection afforded by credit insurance, letters of credit in the export business and, for example, sureties, guarantees and cover notes. The credit risk associated with trade accounts receivable is, moreover, reduced globally through excess-of-loss credit insurance. The insurance covers trade accounts receivable starting at a specific amount and includes an aggregate first loss deductible as well as a small percentage deductible.

In order to reflect the fact that some of our customers might experience economic difficulties in connection with the impacts of the war in Ukraine and the conflict in the Middle East, or indeed current macroeconomic risks, higher credit default probabilities than in previous years were assumed in some cases when measuring valuation allowances on trade accounts receivable. These probabilities were determined on the basis of expert assessments regarding the economic impacts of the current developments and with reference to in-house and external information about the financial status of individual customers and customer groups.

Valuation allowances on trade accounts receivable by risk category as of December 31, 2024

	Probability of default¹	Gross before deduction of collateral and value-added tax in million euros	Net for deter- mining the valuation allowance in million euros	Valuation allowance in million euros
Risk categories				
Low risk	0.1%	1,661	792	3
Moderate risk	0.4% to 0.8%	1,405	570	13
High risk	2.3% to 16.0%	233	99	13
Individual assessment	individual	21	19	7
Default	100%	66	63	63
SMEs and microbusinesses	5.1%	111	90	5
Total		3,497	1,634	103

¹ Average likelihood of default before case-by-case analysis, and adjustments to reflect the impacts of the war in Ukraine, the Middle East crisis and of current macroeconomic risks.

Valuation allowances on trade accounts receivable by risk category as of December 31, 2025

Risk categories	Probability of default ¹	Gross before deduction of collateral and value-added tax in million euros	Net for determining the valuation allowance in million euros	Valuation allowance in million euros
Low risk	0.1%	1,523	698	2
Moderate risk	0.4% to 0.9%	1,466	567	12
High risk	2.5% to 15.4%	209	88	15
Individual assessment	individual	14	12	7
Default	100%	65	62	62
SMEs and microbusinesses	5.1%	100	80	4
Total		3,378	1,507	101

¹ Average likelihood of default before case-by-case analysis, and adjustments to reflect the impacts of the war in Ukraine, the Middle East crisis and of current macroeconomic risks.

Of the gross amount before deduction of collateral and value-added tax of 3,378 million euros (previous year: 3,497 million euros), positions worth in total 1,871 million euros (previous year: 1,863 million euros) were deducted for which no valuation allowances were required. Of this figure, 1,656 million euros (previous year: 1,581 million euros) relates to collateral received, and 215 million euros (previous year: 282 million euros) to refundable sales tax. Accordingly, the net base for determining valuation allowances was 1,507 million euros (previous year: 1,634 million euros).

The carrying amount of trade accounts receivable of which the term was renegotiated because they would have otherwise been more than 30 days overdue, was 6 million euros (previous year: 3 million euros). Receivables of 62 million euros (previous year: 63 million euros) were written off in full, but not yet derecognized as they are still subject to ongoing collection proceedings.

Apart from for financial receivables from third parties amounting to 221 million euros (previous year: 225 million euros), no valuation allowances exist in respect of other financial assets in our operating business because the credit risk is considered to be very low. A valuation allowance of 16 million euros exists for financial receivables from third parties (previous year: 19 million euros).

Financial investments

Credit risks also arise from financial investments such as cash at banks, securities and the positive fair value of derivatives. Such exposure is limited by our Group Treasury specialists through the selection of counterparties with strong credit ratings, and limitations on the amounts allocated to individual investments. In financial investments and derivatives trading with German and international banks, we only enter into transactions with counterparties of high financial standing. We invest primarily in securities from issuers with an investment grade rating. Our cash deposits can be liquidated at short notice. Our financial investments are broadly diversified across various counterparties and various financial assets. Credit ratings and investment limits are continuously monitored and steps taken if fixed thresholds for ratings and credit default swaps (CDS) are exceeded. To minimize the credit risk, we agree netting arrangements with counterparties to offset bilateral receivables and obligations involving those counterparties. We additionally enter into collateral agreements with selected banks, on the basis of which reciprocal sureties are established at least twice a month to secure the fair values of contracted derivatives and other claims and obligations. The netting arrangements only provide for a contingent right to offset transactions conducted with a contractual party. Accordingly, associated amounts can be offset only under certain circumstances, such as the insolvency of one of the contractual parties. Thus, the netting arrangements do not meet the offsetting criteria under IAS 32 (Financial Instruments: Presentation). The following table provides an overview of financial assets and financial liabilities from derivatives that are subject to netting, collateral or similar arrangements:

Financial assets and financial liabilities from derivatives subject to netting, collateral, or similar arrangements

	Gross amount recognized in the statement of financial position ¹		Amount eligible for offsetting		Financial collateral received/provided		Net amount	
At December 31 in million euros	2024	2025	2024	2025	2024	2025	2024	2025
Financial assets	113	70	75	14	55	47	-17	10
Financial liabilities	76	23	75	14	19	2	-18	7

¹ Fair values excluding valuation allowance of 0 million euros relating to counterparty credit risk (previous year: 0 million euros).

In addition to netting and collateral arrangements, investment limits are set, based on the ratings of the counterparties, in order to minimize credit risk. These limits are monitored and adjusted regularly. When determining the limits, we also apply certain other indicators, such as the pricing of credit default swaps by the banks. A valuation allowance of 0 million euros exists to cover the remaining credit risk relating to the positive fair values of derivatives (previous year: 0 million euros).

In the case of financial assets held by Henkel in connection with EU emission rights swap contracts, the underlying emission rights are provided as collateral to the Henkel Group. They may be utilized even if the debtor is not in default of payment, since Henkel is only committed to returning the same number and specification of emission rights. The fair value of the non-financial assets held as collateral as of December 31, 2025 was 200 million euros (previous year: 204 million euros). Because the financial assets are fully backed, the credit risk was classified as absolutely minor, and no valuation allowance was recognized.

Liquidity risk

Liquidity risk is defined as the risk of an entity failing to meet its financial obligations at any given time. We mitigate this risk through our long-term management strategy of using financing instruments in the shape of bonds issued in different currencies with variously staggered terms. This is possible thanks to our existing bond issuance programs with a total volume of 10 billion euros and 15 billion Chinese yuan (approx. 2 billion euros). We predominantly invest cash in financial assets traded in a liquid market in order to ensure that they can be sold at any time to receive liquid funds or to manage liquidity in the short term. We also use our US dollar and euro commercial paper programs comprising 2 billion US dollars and 2 billion euros respectively for short-term liquidity management. In order to ensure the financial flexibility of Henkel at any time, the liquidity within the Group is largely centralized and managed across the Group through the use of cash pools. In addition, the Henkel Group has at its disposal a confirmed syndicated credit line of 2.0 billion euros. The term of this credit line was extended for one more year in July 2025 and extends up to July 2030 with an additional one-year extension option. Additionally, Henkel has access to bilateral loans of 0.1 billion euros with a revolving term of up to one year. Our credit rating is regularly assessed by the rating agencies S&P, Moody's and Scope Ratings. We intend to maintain our financial strategy within a "single A" target corridor.

As part of its strategic supplier management concept, Henkel offers selected suppliers around the world the option to participate in its supplier finance arrangements (supplier finance programs). Further details are discussed in Note 21 on page 399. The payment targets agreed with suppliers for the relevant trade accounts payable are not contractually tied to the existence of supplier finance arrangements. They are used to finance suppliers and do not therefore expose Henkel to any material liquidity or concentration risk.

Overall, the liquidity risk of the Group is therefore very low.

The maturity structure of the original and derivative financial liabilities within the scope of IFRS 7 based on undiscounted cash flows, and thus the risk cluster in relation to liquidity risk, is shown in the following table:

Cash flows from financial liabilities 2024

	Dec. 31, 2024 Carrying amounts	Remaining term			Dec. 31, 2024 Total cash flow
		Up to 1 year	Between 1 and 5 years	More than 5 years	
in million euros					
Bonds	1,910	122	1,459	508	2,088
Commercial paper ¹	387	387	–	–	387
Liabilities to banks	1,279	1,040	239	–	1,279
Lease liabilities	713	141	399	276	816
Trade accounts payable	4,242	4,242	–	–	4,242
Sundry financial instruments ²	104	87	18	–	104
Original financial instruments	8,634	6,018	2,114	783	8,916
Derivative financial instruments	76	76	–	–	76
Total	8,710	6,094	2,114	783	8,992

¹ From the euro and US dollar commercial paper program (total volume: 2 billion euros and 2 billion US dollars).

² Sundry financial instruments include amounts due to customers, and finance bills.

Cash flows from financial liabilities 2025

	Dec. 31, 2025 Carrying amounts	Remaining term			Dec. 31, 2025 Total cash flow
		Up to 1 year	Between 1 and 5 years	More than 5 years	
in million euros					
Bonds	1,777	642	677	508	1,827
Commercial paper ¹	331	331	–	–	331
Liabilities to banks	935	721	239	–	960
Lease liabilities	666	114	351	255	721
Trade accounts payable	3,840	3,840	–	–	3,840
Sundry financial instruments ²	89	62	27	–	89
Original financial instruments	7,637	5,709	1,295	762	7,766
Derivative financial instruments	23	23	–	–	23
Total	7,660	5,732	1,295	762	7,789

¹ From the euro and US dollar commercial paper program (total volume: 2 billion euros and 2 billion US dollars).

² Sundry financial instruments include amounts due to customers, and finance bills.

Market risk

Market risk exists where the fair value or future cash flows of a financial instrument may fluctuate due to changes in market prices. Market risks primarily take the form of currency risk, interest rate risk and commodity price risk.

Group Treasury manages currency exposure and interest rates centrally for the Group and is therefore responsible for all transactions involving financial derivatives and other financial instruments. Trading, Treasury Controlling and Settlement (front, middle and back offices) are separated both physically and in terms of organization. The parties to the contracts are German and international banks which Henkel monitors regularly, in accordance with Group-wide corporate treasury guidelines, for creditworthiness and the quality of their quotations. Financial derivatives are used to manage currency exposure, interest rate and other price risks in connection with operating activities and the resultant financing requirements, again in accordance with the corporate treasury guidelines. Financial derivatives are entered into solely for hedging purposes.

The currency and interest rate risk management of the Group is supported by an integrated treasury system which is used to identify, measure and analyze the Group's currency exposure and interest rate risks. In this context, "integrated" means that the entire process from the conclusion of financial transactions to their entry in the accounts is covered. Much of the currency trading takes place on internet-based, multibank trading platforms. The foreign currency transactions concluded are automatically transferred into the treasury system. The currency exposure and interest rate risks reported by all subsidiaries under standardized reporting procedures are likewise integrated into the treasury system by data transfer. As a result, it is possible to retrieve and measure at any time all currency and interest rate risks across the Group and all derivatives entered into to hedge the exposure to these risks. The treasury system supports the use of various risk concepts.

Market risk is monitored on the basis of sensitivity analyses and value-at-risk computations. Sensitivity analyses enable estimation of potential losses, future gains, fair values or cash flows of instruments susceptible to market

risks arising from one or several selected hypothetical changes in foreign exchange rates, interest rates, commodity prices or other relevant market rates or prices over a specific period. We use sensitivity analyses in the Henkel Group because they enable reasonable risk assessments to be made on the basis of direct assumptions (e.g. an increase in interest rates). Value-at-risk analyses reveal the maximum potential future loss of a certain portfolio over a given period based on a specified probability level.

Currency risk

The global nature of our business activities results in a large number of cash flows in different currencies.

This transaction risk arises from possible exchange rate fluctuations causing changes in the value of future foreign currency cash flows. The hedging of the resultant exchange rate risks forms a major part of our central risk management activity. Transaction risks arising from our operating business are partially avoided by the fact that we manufacture our products in those countries in which they are sold. Residual transaction risks on the operating side are proactively managed by Group Treasury. This includes the overall

assessment of the currency risk and the development of appropriate hedging strategies. The objective of currency hedging is to reduce volatility while taking hedging costs into account. Because we limit our potential losses, any negative impact on profits is restricted. The transaction risk arising from major financial payables and receivables is extensively hedged. In order to manage these risks, we primarily utilize currency forwards and cross-currency interest rate swaps. The derivatives are designated as cash flow hedges and recognized accordingly in the financial statements or measured at fair value through profit or loss. The currency risk that exists within the Group in the form of transaction risk initially affects equity in the case of cash flow hedges, while all changes in the value of the other derivatives are recognized directly in the statement of income.

The following table shows the risk exposure for Henkel's major currencies. The risk arises mainly from imports and exports by Henkel AG & Co. KGaA and its foreign subsidiaries. Due to the international nature of its activities, the Henkel Group has a portfolio of more than 50 different currencies.

Currency risk exposure¹

	December 31, 2024			December 31, 2025		
in million euros	Total currency risk exposure before currency hedging	Of which: from planned transactions	Net currency risk exposure after currency hedging	Total currency risk exposure before currency hedging	Of which: from planned transactions	Net currency risk exposure after currency hedging
US dollar	589	851	91	602	698	139
Mexican peso	75	49	24	95	50	38
Australian dollar	85	74	56	86	76	56
Chinese yuan	91	57	14	80	50	12
British pound	90	79	60	75	66	16
Others	1,027	840	710	981	784	674
Total	1,957	1,949	955	1,919	1,724	936

¹ Transaction risk.

The value-at-risk pertaining to the transaction risk of the Henkel Group as of December 31, 2025 amounted to 48 million euros after hedging (previous year: 40 million euros). The value-at-risk shows the maximum expected risk of loss in a year as a result of currency fluctuations. Our value-at-risk analysis within the internal risk reporting system assumes a time horizon of one year and a one-sided confidence interval of 95 percent, as it comprehensively reflects the risk associated with one fiscal year. We adopt the variance-covariance approach as our basis for calculation. Volatilities and correlations are determined using historical data. The value-at-risk analysis is based on the book positions, the derivative financial instruments and the operating planned positions in foreign currency, with a forecasting horizon of up to 12 months.

Interest rate risk

Interest rate risk encompasses all potentially negative influences on profits, equity or cash flow in current or future reporting periods arising from changes in interest rates. In the case of fixed-interest financial instruments, changing capital market interest rates result in a fair value risk, as the attributable fair values fluctuate depending on those capital market interest

rates. In the case of floating-interest financial instruments, a cash flow risk exists because the interest payments may be subject to future fluctuations.

The financing and cash investment activities of the Henkel Group mainly take place on international money and capital markets. The resultant financial liabilities and cash deposits are exposed to the risk of changing interest rates. The aim of our centralized interest rate management is to reduce this risk by choosing fixed or floating interest rate contracts and by using interest rate derivatives. Only those derivative financial instruments that can be modeled, monitored and assessed in the risk management system may be used to hedge the interest rate risk.

Henkel's interest management strategy is essentially aligned to optimizing the net interest result for the Group. The decisions made in interest management relate to the bonds, liabilities to banks and commercial paper put in place to secure Group liquidity, the securities and time deposits used for cash investments, and other interest-bearing financial instruments, such as intragroup financing arrangements. The financial instruments exposed to interest rate risk are primarily denominated in euros and US dollars.

Depending on forecasts with respect to interest rate developments, Henkel enters into derivative financial instruments, primarily interest rate swaps, in order to optimize the interest rate lock-down structure. In the event of an expected rise in interest rate levels, Henkel protects its positions by transacting additional interest rate derivatives as effective hedging instruments. In addition to interest obligations arising from the fixed-rate US dollar bond, Henkel enters into cross-currency interest rate swaps to convert the bond denominated in British pounds into fixed-rate euro obligations. Financial instruments with interest rates pegged for less than twelve months are

included in the calculation on a time-weighted basis. Interest rate swaps were used to convert the interest on the euro bond issued in September 2022 to floating interest. All other financial instruments bear floating interest rates. The US dollar interest rate risk of intragroup financing arrangements was mitigated by a long-term currency hedge with a nominal volume of 200 million US dollars.

Our exposure to interest rate risk at the reporting dates was as follows:

Interest rate risk exposure

	Carrying amounts			
	December 31, 2024		December 31, 2025	
	Interest rate risk exposure before interest hedge	Interest rate risk exposure after interest hedge	Interest rate risk exposure before interest hedge	Interest rate risk exposure after interest hedge
in million euros				
Fixed-interest financial instruments				
Euro	-987	-337	-1,150	-500
US dollar	-302	-591	-375	-375
Others	-467	-467	-45	-45
Total	-1,757	-1,395	-1,570	-920
Floating-interest financial instruments				
Euro	1,439	789	1,350	700
US dollar	-567	-278	-293	-293
Chinese yuan	-266	-266	-476	-476
Polish zloty	109	109	111	111
Others	952	952	987	987
Total	1,667	1,306	1,679	1,029

The calculation of the interest rate risk is based on sensitivity analyses that assume a parallel shift of 100 basis points in the interest curves of all currencies. When analyzing fair value risk, we calculate the hypothetical fair value loss or gain of the relevant fixed-interest financial instruments as of the reporting date.

The risk of interest rate fluctuations with respect to the earnings of the Henkel Group per the basis point value (BPV) analysis as described above is shown in the following table.

Interest rate risk

in million euros	2024	2025
Based on an interest rate change of 100 basis points	28	20
Of which:		
Cash flow through profit and loss	13	10
Fair value recognized in equity through other comprehensive income	15	9

As part of our interest rate risk management, we also draw up further analyses and scenarios to assess risk. When issuing sustainability-linked bonds, Henkel also committed to meet certain sustainability performance targets. Failure by Henkel to meet these targets would result in a prospective increase in the interest rate on the bonds (see Note 18 on pages 395 and 396).

Commodity price risk

Uncertainty with respect to commodity price development impacts the Group. Purchase prices for raw materials can affect the net assets, financial position and results of operations of Henkel. The risk management strategy put in place by the Group management for safeguarding against procurement market risk is described in more detail in the risks and opportunities report on page 133. As a small part of the risk management strategy, cash-settled commodity forwards are entered into on the basis of forecasted purchasing requirements in order to hedge future uncertainties with respect to commodity prices. Cash-settled commodity forwards are only used by Henkel where there is a direct relationship between the hedging derivative and the physical underlying. Henkel uses hedge accounting for these hedging transactions, thus limiting the temporary exposure to price risks related to holding commodity forwards. Developments in fair values and the resultant risks are continuously monitored.

NOTES TO THE CONSOLIDATED STATEMENT OF INCOME

24 Sales and principles of revenue recognition

Sales relate exclusively to revenues from contracts with customers and, at 20,495 million euros (previous year: 21,586 million euros), came in below the level of the previous year.

Sales encompass the consideration received for the transfer of goods and services less direct sales deductions such as customer-related rebates, credits and other benefits paid or granted. Sales revenues are recognized once control of the goods has been transferred, or the service provided. The timing of transfer of control of the goods to a customer is determined by the underlying contract and the terms and conditions of supply stipulated therein, or by international trade rules.

Sales represent the consideration that Henkel will likely receive in exchange for transferring the goods or providing the service. Sales revenues may only be recognized when no substantial adjustments to the cumulative recognized revenue are expected.

Pursuant to IFRS 15, Henkel does not recognize sales revenues for products that it expects to be returned. In addition, empirical experience has shown that customers are justified in expecting invoice amounts to be reduced in certain instances. The amounts of these expected refunds are also not recognized as sales. Henkel draws on past return and refund statistics to quantify the expected returns and refunds; these are separated by business unit and legal entity, and are subject to ongoing calculation and adjustment.

Mathematical estimates and assumptions are made with regard to the underlying analysis period for determining, among other factors, the return and refund rates and the amount of sales to be adjusted by such rates, and also with regard to observable volatilities.

Henkel agrees payment terms that are standard in our industry; contracts with customers do not contain any material financing components.

Warranty obligations do not constitute a separate performance obligation and are recognized as provisions in accordance with IAS 37 (Provisions, Contingent Liabilities and Contingent Assets).

Services are generally provided in conjunction with the sale of goods, and recorded once the service has been performed. The amount of sales revenues relating to the provision of services is less relevant than that attributable to the transfer of goods.

For information on opening and closing balances of, and valuation allowances on receivables from contracts with customers in fiscal 2025, please refer to our discussion of trade accounts receivable in Note 7 on page 378.

A breakdown of sales by business unit and region can be found in the Group segment report by business unit on pages 348 and 349 and the key financials by region on page 350.

Henkel exercises its elective right to refrain from disclosing transaction prices relating to any remaining performance obligations, since the respective prerequisites are fulfilled.

Interest income is recognized on a time-proportional basis, taking into account the outstanding principal and the applicable interest rate. Dividend income from investments is recognized when the shareholders' right to receive payment is legally established.

25 Cost of sales

Cost of sales amounted to 10,074 million euros (previous year: 10,765 million euros).

It comprises the cost of products and services sold and the purchase cost of merchandise sold. Cost of sales includes the directly attributable cost of materials and primary production cost, plus indirect production overheads including the production-related amortization/depreciation and impairment of intangible assets and property, plant and equipment.

26 Marketing and sales expenses

Marketing, selling and distribution expenses decreased from 6,132 million euros to 5,789 million euros.

In addition to marketing organization and selling and distribution expenses, this item comprises, in particular, advertising, sales promotion and market research expenses. Also included here are the expenses of technical advisory services for customers, valuation allowances on trade accounts receivable and amortization charges and impairment losses on trademarks and other rights.

27 Research and development expenses

At 630 million euros, research and development expenses were lower year on year (previous year: 634 million euros).

The capitalization of research expenses is not permitted. Development expenditures are recognized as an asset if all the criteria for recognition are met, the research phase can be clearly distinguished from the development phase, and the expenditures can be attributed to distinct project phases. Currently, the criteria set out in IAS 38 (Intangible Assets) for recognizing development expenditures are not all met with respect to product and technology developments. This is due to a high level of interdependence within these developments and the difficulty of assessing which products will eventually be marketable.

28 Administrative expenses

Administrative expenses in the year under review totaled 1,191 million euros (previous year: 1,176 million euros).

Administrative expenses include personnel and material costs relating to the Group Management, Human Resources, Purchasing, Accounting and IT functions, as well as the costs of managing and administering the business units.

29 Other operating income

Other operating income

in million euros	2024	2025
Gains on disposal of non-current assets and business units	11	56
Release of provisions	7	2
Insurance claim payouts	8	7
Sundry operating income	85	87
Total	111	152

Profits from the disposal of fixed assets and the sale of businesses and operations in the amount of 8 million euros in fiscal 2025 relate to the profit from the sale of the retail brands business in North America. A further 36 million euros relates to income arising from a divestment made in the past. Sundry operating income relates to a number of individual items arising from ordinary operating activities, such as grants and subsidies, tax refunds for indirect taxes, and similar income.

30 Other operating expenses

Other operating expenses

in million euros	2024	2025
Losses on disposal of non-current assets and business units	-16	-10
Adjustments to pension provisions	-	-28
Sundry operating expenses	-143	-107
Total	-159	-145

Sundry operating expenses include a number of individual items arising from ordinary operating activities, such as fees, provisions for litigation and third-party claims, other taxes, and similar expenses. In the previous year, sundry operating expenses also included expenses of 38 million euros arising from the reclassification of currency translation reserves in connection with the discontinuation of our business activities in Venezuela.

31 Financial result

Financial result

in million euros	2024	2025
Interest result	-12	-3
Other financial result	-96	-85
Investment result	0	0
Total	-108	-88

Interest result

in million euros	2024	2025
Interest and similar income from third parties	89	89
Interest result from currency forwards hedging financial assets	12	7
Interest income	101	96
Interest to third parties	-108	-98
Interest result from currency forwards hedging financial liabilities	-5	-1
Interest expense	-113	-99
Total	-12	-3

Other financial result

in million euros	2024	2025
Interest result from net obligation (pensions)	-16	-17
Interest income from reimbursement rights (IAS 19)	5	6
Expenses from currency losses	-76	-73
Income from currency gains	55	47
Other financial expenses	-103	-63
Other financial income	38	15
Total	-96	-85

Changes to the fair value of the forward component of currency forwards used to hedge the currency risks associated with financial assets and liabilities are disclosed under interest result. The forward component of a currency forward reflects the interest rate differential between two currencies at the time the transaction is entered into and thus has the character of interest. The results from the development of the fair value of the other components of the currency forwards, in particular the spot component, are shown as currency gains or losses in other financial result.

Losses from adjustments to current purchasing power of the non-monetary assets and liabilities and of the equity of our subsidiary in Türkiye of -39 million euros (previous year: -58 million euros) are recognized in other financial expenses. Please see Note 23 on pages 409 and 410 for information on the net results of the financial instruments by measurement category per IFRS 7, and the reconciliation of same to financial result.

32 Taxes on income

The breakdown of income tax expense/income reads as follows:

Income before tax and analysis of taxes

in million euros	2024	2025
Income before tax	2,723	2,729
Current taxes	598	536
Deferred taxes	93	134
Taxes on income	691	670
Tax rate	25.4%	24.6%

Components of tax expense and income

in million euros	2024	2025
Current tax expense in the reporting year	606	583
Current tax expense global minimum tax (Pillar Two)	3	2
Current tax adjustments for prior years	-11	-49
Current taxes	598	536
Deferred tax expense from temporary differences	105	80
Deferred tax income/expense from unused tax losses and other carry-forwards	39	48
Deferred tax income/expense from tax credits	-10	4
Deferred tax expense from changes in tax rates	-	7
Change in valuation allowances on deferred tax assets	-41	-5
Deferred taxes	93	134

Deferred tax expense by items on the statement of financial position

in million euros	2024	2025
Intangible assets	97	38
Property, plant and equipment	9	3
Financial assets	-14	22
Inventories	-5	1
Other receivables and other assets	-4	-18
Special tax items	-1	-3
Provisions	-43	39
Liabilities	9	1
Tax credits	-1	1
Unused tax losses and other carry-forwards	46	50
Total	93	134

The following reconciliation statement offers a summary of the individual company reports prepared on the basis of the tax rates applicable in each country, taking into account consolidation procedures. It indicates how the expected tax charge, based on the tax rate applicable to Henkel AG & Co. KGaA of 31.2 percent, is reconciled to the effective tax charge disclosed.

The phased reduction in corporate income tax rates in Germany from 2028 onward has been taken into account for non-current assets and liabilities.

Tax reconciliation statement

in million euros	2024	2025
Income before tax	2,723	2,729
Tax rate (including trade tax) of Henkel AG & Co. KGaA	31.2%	31.2%
Expected tax charge	850	852
Tax reductions due to differing tax rates abroad	-169	-168
Tax reductions for prior years	-34	-54
Tax increases due to changes in tax rates	-	7
Tax reductions due to the valuation of deferred tax assets relating to unused tax losses and other carry-forwards and temporary differences	-41	-5
Tax reductions due to tax-free income and other items	-76	-96
Tax reductions arising from additions and deductions for local taxes	-19	-25
Tax increases due to withholding taxes	101	53
Tax increases due to non-deductible expenses	76	104
Global minimum tax (Pillar Two)	3	2
Tax charge disclosed	691	670
Tax rate	25.4%	24.6%

Deferred taxes are calculated on the basis of tax rates that apply in the individual countries at the year-end date or which have already been legally decided. In Germany, there is a uniform corporate income tax rate of 15 percent plus a solidarity surcharge of 5.5 percent. After taking into account trade tax, this yields an overall tax rate of 31.2 percent. Deferred tax assets and liabilities are netted where they involve the same tax authority and the same tax creditor.

The deferred tax assets and liabilities stated on the reporting date relate to the following items of the consolidated statement of financial position, unused tax losses and tax credits:

Allocation of deferred taxes

in million euros	Deferred tax assets		Deferred tax liabilities	
	Dec. 31, 2024 ¹	Dec. 31, 2025	Dec. 31, 2024 ¹	Dec. 31, 2025
Intangible assets	525	480	1,180	1,091
Property, plant and equipment	28	27	110	106
Financial assets	7	5	84	105
Inventories	26	23	1	1
Other receivables and other assets	166	95	228	137
Special tax items	–	–	18	14
Provisions	885	710	96	63
Liabilities	184	142	33	12
Tax credits	4	3	–	–
Unused tax losses and other carry-forwards	315	265	–	–
Amounts netted	-1,030	-814	-1,030	-814
Financial statement figures	1,110	936	720	715

¹ Amended following the updated allocation of the purchase price for the shares in Seal for Life Industries Intermediate Co., Seal for Life Global Dutch Holding B.V. and SFL Canusa Canada Ltd.

The deferred tax assets relating to provisions in the financial statement of 710 million euros (previous year: 885 million euros) result in part from recognition and measurement differences with respect to pension obligations. Of the deferred tax assets on unused tax losses and other carry-forwards, 111 million euros (previous year: 145 million euros) is attributable to tax loss carry-forwards, 141 million euros (previous year: 152 million euros) to other carry-forwards, and 13 million euros (previous year: 18 million euros) to interest carry-forwards. The deferred tax liabilities of 1,091 million euros (previous year: 1,180 million euros) relating to intangible assets are mainly attributable to business combinations. Deferred tax liabilities of 93 million euros (previous year: 82 million euros) relating to the retained earnings of foreign subsidiaries have been recognized due to the fact that these earnings will be distributed in the future.

There was no valuation allowance for deferred tax assets on temporary differences in the year under review. In the previous year, a valuation allowance of 58 million euros was reversed.

We have summarized in the following table the expiry dates of unused tax losses and tax credits for which no deferred tax assets have been recognized.

Expiry dates of unused tax losses and other carry-forwards without deferred tax assets thereon

in million euros	Unused tax losses corporate income tax		Unused tax losses state/local taxes		Interest and other carry-forwards		Capital losses		Tax credits	
	Dec. 31, 2024	Dec. 31, 2025	Dec. 31, 2024	Dec. 31, 2025	Dec. 31, 2024	Dec. 31, 2025	Dec. 31, 2024	Dec. 31, 2025	Dec. 31, 2024	Dec. 31, 2025
Expire within										
1 year	3	2	–	–	–	–	–	–	–	–
2 years	17	–	–	–	–	–	–	–	–	–
3 years	5	–	–	–	–	–	–	–	–	–
more than 3 years	1	–	693	545	–	–	187	431	59	50
May be carried forward without restriction	151	152	88	90	159	145	9	8	16	16
Total	177	154	781	635	159	145	196	439	75	66

Of the unused tax losses for local income taxes without recognition of deferred tax assets, 545 million euros (previous year: 693 million euros) is mainly attributable to unused US state tax losses (tax rate 5.5 percent; previous year: 5.2 percent).

In some countries, different tax rates apply to unused tax losses arising from losses on the disposal of assets than to operating profits, and in some cases losses on the disposal of assets may only be offset against gains on the disposal of assets.

A valuation allowance of 6 million euros for deferred tax assets arising from corporate tax loss carry-forwards was reversed in the reporting year (previous year: 5 million euros). A valuation allowance of 3 million euros was reversed in the reporting year for deferred tax assets on tax credits (previous year: no reversal).

For one company in Germany that generated trade tax losses in the previous year, an excess of deferred tax assets totaling 591 million euros (previous year: 703 million euros) was recognized on temporary differences, other carry-forward expenses, and tax loss carry-forwards. In addition, a total of 24 million euros (previous year: 72 million euros) was recognized as an excess of deferred tax assets on unused tax losses and temporary differences for a company in the Netherlands that suffered tax losses in the current year. Where necessary, measures were taken to ensure the availability of sufficient taxable income in future, so that our current position based on tax-aligned income planning is that the deferred tax assets can be realized.

Income taxes in other comprehensive income¹

in million euros	Dec. 31, 2024	Dec. 31, 2025
Deferred taxes from actuarial gains and losses on pension obligations	-10	66
Deferred taxes from the hedging of currency and interest rate risks	-22	15
Total of income taxes in other comprehensive income	-32	81

¹ (-) Tax income/(+) Tax expense.

As an international corporation, Henkel is tax domiciled in around 80 countries and subject to the OECD's "Pillar Two" model rules. Germany has adopted "Pillar Two" legislation, which came into force on January 1, 2024.

Henkel observes the obligatory exception to temporary non-recognition of deferred taxes per IAS 12 Amendment of May 23, 2023, so that any future associated tax burdens/tax relief will initially not produce any deferred tax effect.

33 Non-controlling interests

The amount shown here represents the proportion of net income and losses attributable to other shareholders of consolidated subsidiaries.

In the 2025 fiscal year, net income of 23 million euros was attributable to non-controlling interests (previous year: net income of 25 million euros).

The non-controlling interests included in the Henkel Group at the end of fiscal 2025 had no material impact on our net assets, financial position and results of operations. The Group has no joint operations or unconsolidated structured entities.

OTHER DISCLOSURES

34 Reconciliation of adjusted net income

in million euros	2024	2025	+/-
Operating profit (EBIT) (as reported)	2,831	2,816	-0.5%
One-time income	-3	-39	-
One-time expenses	60	137	-
Restructuring expenses	202	112	-
Adjusted operating profit (adjusted EBIT)	3,089	3,026	-2.0%
Adjusted return on sales in %	14.3	14.8	0.5pp
Financial result (adjusted)	-62	-57	-8.7%
Taxes on income (adjusted)	-759	-741	-2.3%
Adjusted tax rate in %	25.1	25.0	-0.1pp
Adjusted net income	2,269	2,229	-1.8%
Attributable to non-controlling interests	25	23	-8.2%
Attributable to shareholders of Henkel AG & Co. KGaA	2,243	2,206	-1.7%
Adjusted earnings per ordinary share in euros	5.34	5.31	-0.6%
Adjusted earnings per preferred share in euros	5.36	5.33	-0.6%
At constant exchange rates	0	0	4.7%

One-time income in fiscal 2025 mainly includes gains related to a divestment made in the past.

The one-off expenses in fiscal 2025 relate to incidental costs of 48 million euros in connection with acquisitions and divestments and an adjustment of pension provisions in the amount of 28 million euros. In addition, 19 million euros relates to expenses from the formation of provisions for legal disputes. One-off expenses of 11 million euros pertain to a divestment made in the past and a further 10 million euros to the impairment of a trademark right. In connection with the merger of the previous business units Beauty Care and Laundry & Home Care into the Consumer Brands business unit, one-off expenses of 6 million euros were incurred in the year under review.

The restructuring expenses substantially comprise payments related to the termination of employment relationships, impairment losses on non-current assets and inventories, and expenses connected with the termination of business relationships with business partners. Of the restructuring expenses in fiscal 2025, 50 million euros is attributable to cost of sales (previous year: 101 million euros) and 21 million euros to marketing, selling and distribution expenses (previous year: 39 million euros). In addition, 16 million euros out of the total restructuring expenses is attributable to research and development expenses (previous year: 2 million euros) and 25 million euros to administrative expenses (previous year: 21 million euros). In fiscal 2024, restructuring expenses of 38 million euros were also reported under other operating expenses.

The financial result for fiscal year 2025 was adjusted for the net loss of 31 million euros arising from the inflation adjustment of non-monetary assets and liabilities, as well as equity in Türkiye in connection with the application of accounting requirements for hyperinflationary economies (previous year: 46 million euros).

Taxes on income amounting to 741 million euros (previous year: 759 million euros) reflect the tax effects of the adjustments to operating profit (EBIT).

35 Payroll cost and employee structure

Payroll cost¹

in million euros	2024	2025
Wages and salaries	3,234	3,064
Social security contributions and staff welfare costs	540	536
Pension costs	185	191
Total	3,960	3,790

¹ Excluding personnel-related restructuring expenses of 94 million euros (previous year: 90 million euros).

Number of employees per function¹

	2024	2025
Production and engineering	23,900	23,300
Marketing, selling and distribution	12,500	12,550
Research and development	2,750	2,800
Administration	8,300	8,700
Total	47,500	47,300

¹ Basis: annual average number of full-time employees, excluding apprentices and trainees, work experience students and interns; figures rounded.

36 Share-based payment plans

Long-term variable cash-settled share-based remuneration (Long Term Incentive, LTI) as part of Management Board remuneration

Since the start of fiscal 2023, the Long Term Incentive (LTI) plan for Management Board members has been designed as a long-term cash-settled share-based remuneration component per IFRS 2 (Share-Based Payment). It comprises a four-year forward-looking performance period divided into a three-year period for measuring target achievement (performance measurement period) and a subsequent one-year lock-up period. The LTI is a rolling program. As such, a new LTI tranche with a four-year performance period is issued every year.

At the start of each LTI tranche, a certain number of virtual shares are awarded provisionally to begin with. This number is calculated by dividing the LTI target amount by the average price of Henkel preferred shares over the last 30 stock exchange trading days immediately prior to the start of the performance period. The number of virtual shares that are ultimately awarded is determined at the end of the three-year performance measurement period by multiplying the number of provisionally awarded virtual shares by the weighted target achievement of the three performance criteria – adjusted return on capital employed (adjusted ROCE with a 60-percent weighting), relative total shareholder return (TSR with a 20-percent weighting) and ESG targets (20-percent weighting). Separate targets are set at the beginning of each year for each of the three years in the performance measurement period. The ultimate number of virtual shares is subject to a subsequent lock-up period of one year. The final payment amount at the end of the performance period is determined by multiplying the number of ultimately awarded virtual shares by the average price of Henkel preferred shares over the last 30 stock exchange trading days immediately prior to the end of the performance period. In addition, Management Board members receive a dividend equivalent to the aggregate of the dividends paid over the

respective four-year performance period for each virtual share that is ultimately awarded. The remuneration payable under an LTI tranche is capped. Further details regarding the LTI as a part of Management Board remuneration can be found in the remuneration report, which is published separately.

To avoid non-payment of an LTI in 2026 due to extending the performance period of the LTI from three years to four years, the LTI tranche 2023 has been split into two sub-tranches for purposes of transitioning to the new remuneration policy. Accordingly, under the first sub-tranche of the new LTI program (LTI tranche 2023), 50 percent of the ultimately awarded virtual shares will be paid out at the end of the three-year performance measurement period in 2026, while the remaining 50 percent will be payable under the second sub-tranche as scheduled at the end of the one-year lock-up period in 2027.

As the Management Board members' LTI rights vest as soon as the first year of a performance measurement period ends, a provision is already accrued in full for the anticipated payment amount until the end of the first year. Additions to the provision are made pro rata temporis over the course of a year. At the end of the first year and on each subsequent reporting date during the performance period, the provision is reviewed on the basis of the fair value per virtual share. All changes to the measurement of this provision are reported under payroll cost.

In the year under review, 101,231 virtual shares were provisionally awarded as part of the program (previous year: 115,004 virtual shares). Effective as of the December 31, 2025 reporting date, measurement of the provisions for all outstanding tranches was based on a total of 338,236 virtual shares awarded provisionally at the start of the relevant tranche (previous year: 115,004 virtual shares). The addition to the provision for the share-based LTI as part of Management Board remuneration recognized in payroll cost in fiscal 2025 totaled 3 million euros (previous year: 12 million euros). The carrying amount of the provision as of December 31, 2025 was 25 million

euros (previous year: 21 million euros) and applies only to vested entitlements.

Share Ownership Guideline in the context of Management Board remuneration

The obligation to purchase and hold shares (Share Ownership Guideline) is a key element of the remuneration policy for Management Board members. Management Board members must invest at least 25 percent of the net amount paid out as performance-related remuneration (STI and LTI) at the end of a fiscal year in Henkel preferred shares until such time as their shareholdings equate to a specified minimum investment amount derived from their basic remuneration (ordinary Management Board member: equivalent to their basic remuneration; Chair of the Management Board: twice their basic remuneration). The shares are placed in a blocked custody account with correspondingly restricted access and must be held by the Management Board members for the entire duration of their tenure. Management Board members can opt to invest more each year or can add existing shares to their portfolio. The purchase price at the time of the respective acquisition is decisive for fulfillment of the share acquisition and holding obligation.

All members of the Management Board have fulfilled their obligations to purchase shares in accordance with the Share Ownership Guideline, so no further shares need to be purchased using members' variable remuneration.

Global Long Term Incentive Plan (LTI Plan) 2020⁺

The Global LTI Plan 2020⁺ introduced on January 1, 2017 provides for share-based remuneration settled with preferred shares of Henkel AG & Co. KGaA. The treasury shares are granted on condition that members of the plan are employed for four years by Henkel AG & Co. KGaA or one of its subsidiaries in a position senior enough to qualify for participation, and that they are not under notice during that period. This minimum period of employment pertains to the calendar year in which the treasury shares are granted and the three subsequent calendar years. A performance-related investment amount is pledged to eligible employees at the start of each four-year cycle.

Target achievement is determined, and the investment amount for the cycle specified, at the end of the first calendar year. At the start of the second calendar year, this investment amount – after deduction of taxes and social security contributions, where applicable – is used to purchase treasury shares on the stock exchange, which are then transferred to the employees. The number of shares transferred to each employee on the basis of the investment amount is determined by the actual market price (stock exchange price) of the shares at the time of purchase. The shares are subject to a lock-up period that ends upon completion of the relevant four-year cycle. During this time, the employees participate in all share price developments. Once the lock-up period has expired, the employees may dispose of the shares as they wish. Employees who do not become eligible to participate in the Global LTI Plan 2020⁺ until after the start of the respective cycle participate on a pro-rata basis in the cycles already in progress. The dividends attributable to the shares during the lock-up period are reinvested in preferred shares.

The investment amount specified in the first year of the cycle based on target achievement is recognized as a proportionate payroll cost spread over the four-year performance period. As the Global LTI Plan 2020⁺ provides for settlement using treasury shares, the allocations are recognized in equity. If treasury shares are granted at the end of the performance measurement period, equity is reduced accordingly with no effect on profit or loss. Additional employer contributions and other payments that do not constitute part of the investment amount and are not settled with treasury shares are recognized under other provisions.

The Global LTI Plan 2020⁺ was replaced by the Global LTI Plan 2023 from January 1, 2023 onward. The cycles within the new plan now only run for three years. As such, due to the switch to the Global LTI Plan 2023, no further cycle relating to the Global LTI Plan 2020⁺ commenced in fiscal 2022. The Global LTI Plan 2020⁺ therefore acted as an incentive for the last time in the cycle 2021–2024.

Development of the number of shares for the Global LTI Plan 2020⁺

	2024	2025
Outstanding entitlements at the end of the previous year	1,028,289	843,770
Entitlements freely available on January 1	-178,267	-867,520
Entitlements granted in the year	46,209	12,876
Entitlements forfeited in the year	-32,548	-1,437
Shares resulting from conversion of dividend payments in the year	30,873	25,481
Entitlements that became vested in the year	-50,787	-13,170
Outstanding entitlements on December 31	843,769	–

In fiscal 2025, an equity-increasing payroll cost of 1 million euros was recognized in connection with the Global LTI Plan 2020⁺ (previous year: equity increase of 19 million euros). All entitlements have been freely available to beneficiaries of the last cycle from 2021 to 2024 since January 1, 2025.

Global Long Term Incentive Plan (Global LTI Plan) 2023 for employees

The Global LTI Plan 2023 was introduced on January 1, 2023 to replace the Global LTI Plan 2020⁺. The Global LTI Plan 2023 provides for variable cash remuneration over a performance and measurement period of three years. The LTI is a rolling program. As such, a new cycle with a three-year performance measurement period commences every year. At the start of each cycle, beneficiaries are awarded an opportunity defined as a fixed percentage derived from their individual base salary. At the end of the three-year cycle it is multiplied by the average target achievement over the measurement period of defined performance indicators and paid out to the employees. Exceptionally, employees moving to different positions in other countries may be eligible for premature payment at the time of the change.

One exception from these general conditions relates to eligible employees at the highest level of the hierarchy, to whom 45 percent of the potential benefit is awarded as virtual shares. The number of virtual shares awarded is determined at the start of each three-year performance measurement period – usually January 1 – by dividing 45 percent of the overall opportunity awarded by the average price of Henkel preferred shares over the first 15 stock exchange trading days in January of the first fiscal year of the performance measurement period. The value of a virtual share on the settlement date equates to the average price of Henkel preferred shares over the first 15 stock exchange trading days in January of the year following the three-year performance measurement period. The dividends attributable to the virtual shares during the performance measurement period are reinvested in virtual shares. At the end of the three-year performance measurement period, the virtual shares are paid to the employees in cash.

The remuneration under the Global LTI Plan 2023 is payable on condition that members of the plan have been employed for three years by Henkel AG & Co. KGaA or one of its subsidiaries in a position senior enough to qualify for participation and that they were not under notice during that period. This minimum period of employment pertains to the calendar year of the award and the two subsequent calendar years.

The performance indicators of relevance for the current fiscal year for all current cycles are specified by the Management Board at the start of the fiscal year. For fiscal 2025 and the previous year, LTI remuneration is dependent on the weighted target achievement of three performance criteria – adjusted return on capital employed (adjusted ROCE), relative total shareholder return (TSR) and ESG targets. Given the dependence on relative TSR and the award to beneficiaries at the highest level of the hierarchy of virtual shares as part of the opportunity, the Global LTI Plan 2023 constitutes a long-term cash-settled share-based remuneration program per IFRS 2 for all beneficiaries. The cash remuneration payable to the executives under the LTI is redetermined on each reporting date based on anticipated target

achievement, the number of virtual shares awarded and the closing price of Henkel preferred shares and is recognized as an expense pro rata temporis over the period of service of the employee. Appropriate provisions are accrued. All changes to the measurement of this provision are reported under payroll cost.

The addition to the LTI 2023 provision for all hierarchy levels recognized in payroll cost totaled 41 million euros in fiscal 2025 (previous year: 34 million euros), while an amount of 5 million euros (previous year: 4 million euros) was withdrawn for payout to employees. The carrying amount of the provision was 78 million euros as at December 31, 2025 (previous year: 46 million euros).

Development of the number of virtual shares for the Global LTI Plan 2023

	2024	2025
Virtual shares at the end of the previous year	32,135	65,161
Virtual shares granted in the year	31,392	28,060
Virtual shares forfeited in the year	–	-11,467
Virtual shares resulting from conversion of dividend payments in the year	1,634	2,493
Virtual shares on December 31	65,161	84,247

The fair value of each virtual share as of the reporting date was 69.58 euros (closing date of Henkel preferred shares on December 30, 2025; previous year: 84.70 euros, closing date on December 29, 2024).

Employee share plan

Since 2001, Henkel has been offering its employees a share plan whereby employees can voluntarily invest up to 4 percent of their salary capped at a maximum amount of 4,992 euros each year in Henkel preferred shares. As was also the case in the previous year, in 2025 Henkel rewarded each euro invested by employees with a bonus of 33 eurocents, which was also invested in Henkel preferred shares. Employees can dispose freely of these bonus shares after a lock-up period of three years on condition that they remain employed by Henkel AG & Co. KGaA or one of its subsidiaries without being under notice during that period. The employee share plan constitutes a share-based remuneration program as defined in IFRS 2 that is serviced through equity instruments.

Under the plan, the Henkel Group paid its employees a bonus of 9 million euros in Henkel preferred shares in fiscal 2025 (previous year: 8 million euros). Because of the revolving nature of the plan, this bonus was recognized directly as a payroll cost for reasons of simplification. The sale of bonus shares forfeited by employees lowered the payroll cost by 0 million euros in 2025 (previous year: 1 million euros). The following table summarizes the outstanding entitlements of employees from bonus shares in fiscal 2025 and the previous year.

Development of the number of shares for the employee share plan

	2024	2025
Outstanding entitlements on January 1	372,085	320,453
Entitlements granted in the year	103,049	119,341
Entitlements forfeited in the year	-6,882	-4,568
Shares resulting from conversion of dividend payments in the year	4,786	4,715
Entitlements that became vested/freely available in the year	-152,585	-128,489
Outstanding entitlements on December 31	320,453	311,452

37 Group segment reporting by business unit and by region

The Group segment report examines the activities of the Henkel Group by operating segments; selected regional information is also provided on a voluntary basis. In keeping with the requirements of IFRS 8 (Operating Segments) and as in the previous year, the two business units – Adhesive Technologies and Consumer Brands – were identified as operating segments in fiscal 2025. The operating segments also constitute the reportable segments. The segment report corresponds to the way in which the Henkel Group managed its operating business internally in fiscal 2025, and the Group's internal reporting structure.

Reportable segments

Adhesive Technologies

The operating segment Adhesive Technologies offers a broad and globally leading portfolio of high-impact solutions in adhesives, sealants and functional coatings. It is made up of three business areas – Mobility & Electronics, Packaging & Consumer Goods, and Craftsmen, Construction & Professional.

Our Mobility & Electronics business area offers our international customers in the automotive and electronics sectors, as well as industrial key accounts, tailor-made system solutions, specialized technical services and a technology portfolio that addresses global trends such as electrification, connectivity, autonomous driving and industrial defossilization.

In the Packaging & Consumer Goods business area, we offer innovative solutions for manufacturers of consumer goods and branded products around the globe. We use our technology portfolio and market expertise to address global consumer trends, such as the demand for more sustainable products and for a circular economy, and the requirement to ensure the maximum possible levels of food safety.

In the Craftsmen, Construction & Professional business area, we offer high-impact solutions for private consumers and craftsmen, the construction trade, and for manufacturing and professional maintenance in more than 800 industries. We develop innovations for transformative products and customer solutions on strong global brand platforms and respond to global technology trends, such as sustainable construction and DIY, smart production processes, and preventive maintenance.

Consumer Brands

The Consumer Brands operating segment operates worldwide in the Laundry & Home Care and Hair business areas. Both business areas have focused brand portfolios and offer consumer-relevant innovations. In the Laundry & Home Care business area, we offer fabric cleaning and fabric finishing detergents, laundry additives, dishwashing products, and hard surface and toilet cleaners. In the Hair business area, we offer hair styling, hair coloring and hair care products. In our Other Consumer Businesses area, Henkel is represented in selective markets primarily that of body care products.

The products in our Laundry & Home Care and Other Consumer Businesses areas are marketed and sold exclusively within our Consumer business. The Hair business area comprises brands and products that are distributed under the Consumer business, as well as those that are offered exclusively as part of our Professional business. The Consumer business and the Professional business are designed as two distinct functions from both an organizational and strategic perspective to ensure that we optimally serve the different customer groups and fulfill the divergent needs of the businesses concerned.

Principles of Group segment reporting

In determining the assets and liabilities, we apply essentially the same principles of recognition and measurement as in the consolidated financial statements. We have valued net operating assets in foreign currencies at average exchange rates.

The Group measures the performance of its segments on the basis of a segment income variable referred to internally and in our reporting procedures as “adjusted EBIT,” which is calculated by adjusting operating profit (EBIT) for one-time expenses and income, and also for restructuring expenses (see Note 34 on pages 437 and 438).

The reportable segments account for 0 million euros (previous year: 3 million euros) of the one-time income and for 83 million euros (previous year: 44 million euros) of the one-time expenses. Of the restructuring expenses, 105 million euros (previous year: 204 million euros) is attributable to the reportable segments. Of these restructuring expenses, 50 million euros (previous year: 84 million euros) is attributable to the Adhesive Technologies business unit and 55 million euros (previous year: 119 million euros) to the Consumer Brands business unit.

For reconciliation with the figures for the Henkel Group, Group management overheads are reported under Corporate together with income and expenses that cannot be allocated to the individual business units.

For reconciliation with the pre-tax earnings of the Henkel Group, please refer to the consolidated statement of income and the financial result reported therein.

Proceeds transferred between the segments only exist to a negligible extent and are therefore not separately disclosed.

Operating assets, provisions and liabilities are assigned to the segments in accordance with their usage or origin. Where usage or origin is attributable to several segments, allocation is effected on the basis of appropriate ratios and keys.

Reconciliation between net operating assets/capital employed and financial statement figures

	Net operating assets		Financial statement figures	Net operating assets		Financial statement figures
	Annual average ¹ 2024	December 31, 2024	December 31, 2024 ⁴	Annual average ¹ 2025	December 31, 2025	December 31, 2025
in million euros						
Goodwill at carrying amounts	14,360	14,992	15,036	14,227	13,849	13,849
Other intangible assets and property, plant and equipment (including assets held for sale)	7,562	7,759	7,697	7,342	7,202	7,202
Deferred taxes	–	–	1,110	–	–	936
Inventories	2,555	2,568	2,571	2,580	2,376	2,376
Trade accounts receivable from third parties	3,724	3,530	3,530	3,596	3,386	3,386
Intragroup trade accounts receivable	1,865	1,939	–	1,767	1,670	–
Other assets and tax refund claims ²	633	623	2,415	629	564	2,077
Cash and cash equivalents	–	–	2,889	–	–	2,708
Operating assets/Total assets	30,700	31,411	35,248	30,140	29,046	32,533
Liabilities	8,935	9,196	13,427	8,527	8,298	11,953
Of which:						
Trade accounts payable to third parties	4,110	4,241	4,242	3,958	3,840	3,840
Intragroup trade accounts payable	1,865	1,939	–	1,767	1,670	–
Other provisions and other liabilities ² (financial and non-financial)	2,961	3,010	3,845	2,802	2,788	3,520
Net operating assets	21,764	22,215	–	21,613	20,748	–
– Goodwill at carrying amounts	14,360	14,992	–	14,227	13,849	–
+ Goodwill at cost ³	14,609	15,265	–	14,513	14,146	–
Capital employed	22,013	22,488	–	21,899	21,045	–

¹ The annual average is calculated on the basis of the 12 monthly figures.

² We take only amounts relating to operating activities into account in calculating net operating assets.

³ Before deduction of accumulated impairment.

⁴ Amended following the updated allocation of the purchase price for the shares in Seal for Life Industries Intermediate Co., Seal for Life Global Dutch Holding B.V. and SFL Canusa Canada Ltd.

Discussion of the key financials by region

For regional and geographic analysis purposes, we allocate sales to countries on the basis of the country-of-origin principle. Non-current assets are allocated in accordance with the domicile of the international company to which they pertain.

Sales and non-current assets in Germany and abroad

in million euros	2024	2025
Sales	21,586	20,495
Germany	2,434	2,400
Abroad	19,152	18,095
Of which: USA	5,547	4,969
Of which: China	1,778	1,857
Non-current assets as of Dec. 31¹	22,888	21,322
Germany	2,472	2,693
Abroad	20,416	18,629
Of which: USA	12,711	11,133

¹ Excluding financial instruments, deferred tax assets and overfunding of pension liabilities.

In fiscal 2024 and 2025, no individual customer accounted for more than 10 percent of total sales.

38 Earnings per share

Earnings per share

	2024		2025	
	Reported	Adjusted	Reported	Adjusted
in million euros				
Net income attributable to shareholders of Henkel AG & Co. KGaA	2,007	2,243	2,035	2,206
Dividends, ordinary shares	518	518	524	524
Dividends, preferred shares	332	332	329	329
Total dividends	850	850	853	853
Retained earnings, ordinary shares	707	851	729	834
Retained earnings, preferred shares	449	541	453	519
Retained earnings	1,156	1,392	1,182	1,353
Number of outstanding ordinary shares ¹	256,505,172	256,505,172	255,490,904	255,490,904
Dividend per ordinary share	in euros 2.02	2.02	2.05 ³	2.05
Of which: preliminary dividend per ordinary share ²	in euros 0.02	0.02	0.02	0.02
Retained earnings per ordinary share	in euros 2.76	3.32	2.85	3.26
Earnings per ordinary share (basic/diluted)⁴	in euros 4.78	5.34	4.90	5.31
Number of outstanding preferred shares ¹	162,849,645	162,849,645	158,916,376	158,916,376
Dividend per preferred share	in euros 2.04	2.04	2.07 ³	2.07
Of which: preferred dividend per preferred share ²	in euros 0.04	0.04	0.04	0.04
Retained earnings per preferred share	in euros 2.76	3.32	2.85	3.26
Earnings per preferred share (basic/diluted)⁴	in euros 4.80	5.36	4.92	5.33

¹ Weighted annual average of preferred and ordinary shares.

² See sections entitled "Corporate governance" and "Composition of issued capital/Shareholders' rights" in the combined management report.

³ Proposal to shareholders for the Annual General Meeting on April 27, 2026.

⁴ There are currently no dilutive effects.

39 Consolidated statement of cash flows

The consolidated statement of cash flows shows the movements in cash and cash equivalents, distinguishing between changes in cash and cash equivalents from operating activities, investing activities and financing activities in accordance with the requirements of IAS 7. Changes in financial funds due to exchange rate movements are presented separately and are not included in cash flow from operating activities, cash flow from investing activities or cash flow from financing activities.

The composition of cash and cash equivalents is discussed in Note 8 on page 379. In some countries, there are administrative hurdles to the transfer of money to the parent company or to other Group companies. The cash and cash equivalents attributable to these countries amounted to 149 million euros as of December 31, 2025 (previous year: 150 million euros).

Cash flows of subsidiaries whose functional currency is that of a hyperinflationary economy are presented at current purchasing power. They are therefore adjusted using the relevant conversion factors from the date on which each respective transaction took place.

Cash flow from operating activities is calculated using the indirect method by adjusting the operating profit for non-cash items and adding cash inflows and outflows not reflected in the operating profit. The necessary adjustments to operating profit include in particular depreciation and amortization, impairment losses and write-ups of intangible assets, property, plant and equipment and assets held for sale, as well as changes in provisions, other assets and liabilities, and in net working capital. In addition, payments for income taxes are included in cash flows from operating activities.

In fiscal 2025, non-cash impairment on intangible assets, property, plant and equipment and assets held for sale reported under "Amortization/depreciation/impairment/write-ups of intangible assets, property, plant and equipment, and assets held for sale" by which operating profit was corrected, amounted to 30 million euros (previous year: 129 million euros).

Cash flows from investing activities are calculated directly and occur essentially as a result of outflows for the purchase, and inflows from the disposal, of intangible assets and property, plant and equipment, subsidiaries and other business units, and investments. Also included are cash inflows and outflows relating to other financial assets, as well as interest received on cash and cash equivalents.

In the year under review, the cash outflow for investments in subsidiaries and other business units and the cash inflow from proceeds on disposal of subsidiaries, other business units and investments related essentially to the transactions discussed in the section "Acquisitions and divestments" on pages 352 and 353.

The change in other financial assets in the 2025 fiscal year resulted mainly from proceeds from the sale of securities.

The cash flow from financing activities, which is also determined directly, mainly comprises dividends paid, interest paid, payments for the acquisition of treasury shares as part of our share buyback program, the change in financial funds from borrowing and repaying financial liabilities, and the changes in pension obligations resulting from funding activities. Cash flows from the forward components of currency forwards contracted with Group-external parties in order to hedge intragroup financing arrangements are netted under interest paid. The incoming payments from forward components of currency forwards recognized here amounted to 7 million euros in fiscal 2025 (previous year: 12 million euros), while outgoing payments amounted to 1 million euros (previous year: 5 million euros).

The other changes in borrowings in fiscal 2025 are essentially due to payments in the amount of 263 million euros (previous year: cash inflows of 927 million euros) from the repayment of current liabilities to banks. Payments made and received in connection with our revolving short-term commercial paper financing program resulted – netted – in cash outflows from financing activities of 24 million euros in fiscal 2025 (previous year: cash inflows of 94 million euros). Other changes in pension obligations include payment receipts of 200 million euros in fiscal 2025 constituting the refund of pension payments to retirees for which a right of reimbursement exists with respect to Henkel Trust e.V. and an external pension fund. The prior-year reimbursement recognized in cash flow from financing activities amounted to 100 million euros.

Further explanation of the development of the individual cash flows can be found in the discussion of the financial position of the Henkel Group in the management report on page 105.

Free cash flow indicates how much cash is actually available for acquisitions and dividends, reducing debt and for allocations to pension funds.

Reconciliation of assets and liabilities reflected in cash flow from financing activities 2024

	Derivative assets and liabilities	Receivables from Henkel Trust e.V. and other external pension funds and reimbursement rights	Provisions for pensions and similar obligations	Borrowings	Lease liabilities	Other assets and liabilities ¹	Total
in million euros							
At January 1, 2024	82	277	-535	-2,269	-624	-18	-3,087
Changes in cash flows (Cash flow from financing activities)	-10	17	18	-1,119	171	-11	-935
Of which:							
Interest paid ²	-17	–	–	91	25	-11	87
Issuance and repayment of bonds, assumption and repayment of non-current bank liabilities and other changes in borrowings ³	7	–	–	-1,210	–	–	-1,204
Redemption of lease liabilities	–	–	–	–	146	–	146
Allocations to pension funds and other changes in pension obligations	–	17	18	–	–	–	35
Payments for the acquisition of treasury shares	–	–	–	–	–	–	–
Interest income and expenses recognized in financial result	17	5	-16	-92	-25	14	-96
Additions of lease liabilities	–	–	–	–	-219	–	-219
Acquisition or disposal of subsidiaries	–	–	4	–	-9	–	-5
Foreign exchange effects	-0	7	-4	-53	-14	–	-64
Changes in fair value	-18	5	-12	-43	7	–	-62
Sundry	–	–	-24	–	1	–	-23
At December 31, 2024	71	311	-569	-3,576	-713	-15	-4,492

¹ These include commitments and entitlements relating to incidental tax expenses.

² Differs from the cash flow statement due to fees and other financial charges relating to the procurement of money and loans.

³ Differs from the cash flow statement due to currency differences and the currency results of intragroup financing and capital transactions, and changes in financial liabilities to third parties.

Reconciliation of assets and liabilities reflected in cash flow from financing activities 2025

	Derivative assets and liabilities	Receivables from Henkel Trust e.V. and other external pension funds and reimbursement rights	Provisions for pensions and similar obligations	Borrowings	Lease liabilities	Other assets and liabilities ¹	Total
in million euros							
At January 1, 2025	71	311	-569	-3,576	-713	-15	-4,492
Changes in cash flows (Cash flow from financing activities)	32	-72	-15	454	158	–	557
Of which:							
Interest paid ²	-12	–	–	81	25	–	93
Issuance and repayment of bonds, assumption and repayment of non-current bank liabilities and other changes in borrowings ³	44	–	–	373	–	–	417
Redemption of lease liabilities	–	–	–	–	133	–	133
Allocations to pension funds and other changes in pension obligations	–	-72	-15	–	–	–	-87
Interest income and expenses recognized in financial result	13	6	-17	-81	-25	3	-101
Additions of lease liabilities	–	–	–	–	-139	–	-137
Acquisition or disposal of subsidiaries	–	–	–	–	1	–	1
Foreign exchange effects	0	-14	23	131	50	–	190
Changes in fair value	-84	5	84	29	-0	–	34
Sundry	–	–	3	–	2	–	3
At December 31, 2025	32	236	-492	-3,042	-666	-12	-3,945

¹ These include commitments and entitlements relating to incidental tax expenses.

² Differs from the cash flow statement due to fees and other financial charges relating to the procurement of money and loans.

³ Differs from the cash flow statement due to currency differences and the currency results of intragroup financing and capital transactions, and changes in financial liabilities to third parties.

40 Contingent liabilities

Compared to provisions, contingent liabilities are subject to much greater uncertainty as they represent either a potential obligation or a current obligation where payment is unlikely or the amount of the obligation cannot be estimated with sufficient reliability.

Estimating the financial impact from contingent liabilities pertaining to risks arising from legal disputes and proceedings that do not meet the criteria for recognition as provisions is not expedient due to the uncertainty surrounding the likelihood of resolution and amount of resource outflow involved.

Within the Henkel Group, contingent liabilities also exist with respect to warranty agreements and to guarantees assumed with respect to public authorities. At December 31, 2025, these contingent liabilities amounted to 5 million euros (previous year: 8 million euros). At the end of 2025, there were also contingent liabilities of 26 million euros for possible obligations in connection with a planned acquisition.

41 Other unrecognized financial commitments

As of the end of 2025, commitments arising from orders for property, plant and equipment amounted to 109 million euros (previous year: 105 million euros).

As of the reporting date, payment commitments under the terms of agreements for capital increases and share purchases contracted prior to December 31, 2025 amounted to 24 million euros (previous year: 17 million euros).

42 Shareholdings in the capital of Henkel AG & Co. KGaA/Voting rights notifications

The following information was available regarding notifiable shareholdings in accordance with Section 160 (1) no. 8 AktG:

Henkel AG & Co. KGaA, Düsseldorf, has been notified that, on March 19, 2025, the proportion of voting rights held by the members of the Henkel family share-pooling agreement represented in total a share of 61.85 percent of the voting rights (160,677,029 votes) in Henkel AG & Co. KGaA (ISIN DE0006048408). The voting rights are held by

- 143 members of the families of the descendants of Fritz Henkel, the Company's founder,
- 18 foundations set up by members of those families,
- three trusts set up by members of those families,
- two private limited companies (GmbH) set up by members of those families, and
- twelve limited partnerships with a limited company as general partner (GmbH & Co. KG),

under a share-pooling agreement as defined in Section 34 (2) German Securities Trading Act [WpHG].

No party to the share-pooling agreement is obliged to notify that it has reached or exceeded 3 percent or more of the total voting rights in Henkel AG & Co. KGaA, whether with or without the addition of voting rights expressly granted under the terms of usufruct agreements.

Dr. Simone Bagel-Trah, Germany, is the authorized representative of the parties to the Henkel family share-pooling agreement.

On September 17, 2025, BlackRock, Inc., Wilmington, Delaware, USA, gave notification that, as of September 12, 2025, it directly or indirectly held a total share of voting rights of 3.03 percent, of which 2.998 percent (7,788,684 voting rights) attached to ordinary shares and 0.03 percent (77,960 voting rights) arose from instruments as defined in Section 38 (1) WpHG.

On November 20, 2025, Silchester International Investors LLP, London, UK, reported an indirect total voting share of 3.01 percent of the voting rights based on 7,826,415 voting rights from ordinary shares held as of November 18, 2025.

Voting rights notifications received by the Company and further related information are publicly accessible on the website: www.henkel.com/ir

43 Related party disclosures

Related parties as defined by IAS 24 (Related Party Disclosures) are legal entities or natural persons who may be able to exert influence on Henkel AG & Co. KGaA and its subsidiaries, or be subject to control or significant influence by Henkel AG & Co. KGaA or its subsidiaries. These include, in particular, all members of the Henkel family share-pooling agreement who, together, represent the ultimate controlling party of the Henkel Group as defined in IAS 24, and the non-consolidated subsidiaries, the associates, and the members of the corporate bodies of Henkel AG & Co. KGaA. Related parties as defined in IAS 24 also include Henkel Trust e.V. and Metzler Trust e.V.

Accounts receivable from and payable to non-consolidated subsidiaries and associates are indicated in Note 3 on pages 375 and 376, and in Note 19 on page 397.

Detailed information on the remuneration paid to the members of the corporate bodies can be found in the remuneration report compiled by the Management Board and the Supervisory Board in accordance with Section 162 AktG and in Note 45 on pages 454 to 456. As was also the case last year, no further material business transactions took place between the Company and members of the Management Board, Supervisory Board and Shareholders' Committee.

Henkel Trust e.V. and Metzler Trust e.V., as parties to relevant contractual trust arrangements (CTA), hold the assets required to cover the Company's pension obligations in Germany. The claim on Henkel Trust e.V. for reimbursement of pension payments made is shown under other financial assets (Note 3 on pages 375 and 376). The receivable does not bear interest.

44 Exercise of exemption options

The following German companies included in the consolidated financial statements of Henkel AG & Co. KGaA exercised exemption options in fiscal 2025:

- Schwarzkopf Henkel Production Europe GmbH & Co. KG, Düsseldorf (Section 264b German Commercial Code [HGB])
- Henkel IP Management and IC Services GmbH, Monheim (Section 264 (3) HGB)
- Henkel License GmbH, Düsseldorf (Section 264 (3) HGB)
- Sonderhoff Holding GmbH, Cologne (Section 264 (3) HGB)

The Dutch company Henkel Nederland B.V., Nieuwegein, exercised the exemption option afforded in Article 2:403 of the Civil Code of the Netherlands.

45 Remuneration of the corporate bodies

The remuneration of the members of the Management Board of Henkel Management AG as the sole Personally Liable Partner of Henkel AG & Co. KGaA essentially consists of a fixed basic remuneration and other non-performance-related emoluments, an annual variable remuneration (Short Term Incentive, STI), and a variable cash remuneration based on the long-term performance of the Company (Long Term Incentive, LTI). Management Board members can also be granted pension benefits under a defined contribution plan or alternatively lump-sum pension payments. The non-performance-related emoluments include fringe benefits and benefits in kind that are commensurate with market conditions and directly related to Management Board activity.

The performance-related STI provides for remuneration in line with achievement within a one-year performance measurement period of targets set for the performance of both the Company and the individual Management Board members. The performance of the Company is measured in terms of organic sales growth (OSG) and adjusted earnings per preferred share (EPS) adjusted for the effects of the share buyback program and calculated at constant exchange rates, which metrics are equally weighted in the determination of target achievement. The multiplier for individual performance reflects the absolute and relative performance of the business unit for which each officer is responsible compared to market/competition performance, their individual contribution to implementing strategic priorities and the attainment of specific individual targets.

Introduced at the start of fiscal 2023, the Long Term Incentive (LTI) for Management Board members is designed as a long-term cash-settled share-based remuneration plan under which the members of the Management Board are awarded a specific number of virtual shares based on the weighted target achievement of three performance criteria – adjusted return on capital employed (adjusted ROCE), relative total shareholder return (TSR) and ESG targets – over a three-year performance measurement period. Once issued, the virtual shares are subject to a one-year lock-up period. Since the targets for each of the three years in the measurement period are only set at the beginning of each respective year, the full terms of the agreement governing this component of remuneration are not known until the targets are specified for the third year of the cycle. Under a transitional arrangement, the first (partial) payment under the share-based LTI program (LTI Tranche 2023) will be due in 2026. Further discussion of this component of remuneration can be found in Note 36 on pages 438 and 439.

Members of the Supervisory Board and the Shareholders' Committee receive a fixed fee in cash. Supervisory Board members also receive attendance fees. Those members of the Supervisory Board elected as employee representatives are paid a salary that is commensurate with the market, as well as the fixed fee and attendance fees.

As the Supervisory Board of Henkel Management AG is only comprised of members who also belong to the Shareholders' Committee of Henkel AG & Co. KGaA, as was also the case in previous years, no remuneration was paid to these members for their activity on the Supervisory Board of Henkel Management AG in the year under review, this being in accordance with Art. 14 of the Articles of Association of Henkel Management AG.

The following expenditure was recognized in fiscal 2025 and in the previous year per IFRSs for remuneration paid to members of the Management Board, Supervisory Board and Shareholders' Committee of Henkel AG & Co. KGaA in office in the year under review:

Remuneration of the corporate bodies according to IFRS

in euros	2024	2025
Management Board remuneration		
Short-term remuneration ¹	16,915,281	13,274,754
Non-share-based Long Term Incentive	383,920	–
Share-based remuneration	12,322,869	3,335,941
Service cost of pension obligations	1,220,357	1,227,221
Total	30,842,427	17,837,916
Supervisory Board remuneration		
Fixed fee and attendance fee ²	1,757,970	1,911,247
Shareholders' Committee remuneration		
Fixed fee ²	2,350,000	2,350,000
Total expenses relating to the corporate bodies	34,950,397	22,099,163

¹ Fixed remuneration, other emoluments, Short Term Incentive (excluding the share-based amount related to the Share Ownership Guideline), lump-sum pension payouts, one-time special payments.

² Including (sub)committee activities.

The share-based payment figure comprises the expense for the LTI tranche granted in the reporting year together with movements in tranches granted in previous years. The defined benefit obligation (DBO) outstanding as at December 31, 2025 from pension schemes for Management Board members in office amounted to 16,103,309 euros (previous year: 14,470,245 euros). For the Short Term Incentive and the Long Term Incentive for the Management Board, provision had been accrued or obligations recorded in equity in the amount of 31,302,770 euros as of the reporting date (previous year: 35,067,924 euros).

The remuneration paid in fiscal 2025 and in the previous year to members of the Management Board, Supervisory Board and Shareholders' Committee of Henkel AG & Co. KGaA in office in the fiscal year per HGB (Section 285 no. 9a HGB and Section 314 (1) no. 6a HGB) was as follows:

Remuneration of the corporate bodies according to the German Commercial Code [HGB]

in euros	2024	2025
Management Board remuneration		
Short-term remuneration ¹	16,915,281	13,274,754
Of which: share-based remuneration based on the Share Ownership Guideline	–	–
Non-share-based Long Term Incentive	3,637,632	4,753,785
Share-based Long Term Incentive	12,240,331	3,114,416
Total	32,793,244	21,142,955
Supervisory Board remuneration		
Fixed fee and attendance fee ²	1,757,970	1,911,247
Shareholders' Committee remuneration		
Fixed fee ²	2,350,000	2,350,000
Total expenses relating to the corporate bodies	36,901,214	25,404,202

¹ Fixed remuneration, other emoluments, Short Term Incentive, lump-sum pension payouts, one-time special payments.

² Including (sub)committee activities.

Provisions for pension obligations to former members of the Management Board and the management of Henkel AG & Co. KGaA, as well as the former management of its legal predecessor and surviving dependents, amounted to 105,070,328 euros (previous year: 110,749,089 euros). The total remuneration (Section 285 no. 9b HGB and Section 314 (1) no. 6b HGB) of this group of persons, including the tranches of the Long Term Incentive or compensation for loss of earnings paid to departing Management Board members in the reporting year amounted to 10,028,371 euros in the reporting year (previous year: 10,697,503 euros).

Further discussion of the remuneration paid to the individual members who served on the Management Board, Supervisory Board and Shareholders' Committee in the year under review can be found in the audited remuneration report, which is published separately.

46 Declaration of compliance with the German Corporate Governance Code

In March 2025, the Management Board of Henkel Management AG, and the Supervisory Board and Shareholders' Committee of Henkel AG & Co. KGaA approved a joint declaration of compliance with the recommendations of the German Corporate Governance Code (GCGC) in accordance with Section 161 German Stock Corporation Act [AktG]. The declaration has been made permanently available to shareholders on the Company website: www.henkel.com/corporate-governance

47 Subsidiaries and other investments

Details relating to the investments held by Henkel AG & Co. KGaA and the Henkel Group, which form part of these financial statements, are provided in a separate schedule appended to these notes to the consolidated financial statements but not included in this version of the annual report. Said schedule is included in the accounting record submitted for publication in the Company Register and can be viewed there. The schedule is also published on our website: www.henkel.com/reports

48 Auditor's fees and services

The following table lists the total fees charged to the Group for services provided by the auditor PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft and other companies of the worldwide PwC network for fiscal 2025 and the previous year:

Type of fee

	2024	Of which: Germany	2025	Of which: Germany
in million euros				
Audit services	11.4	3.8	11.0	3.7
Other attestation services	0.9	0.8	1.3	1.1
Other services	0.0	0.0	0.0	0.0
Total	12.4	4.6	12.3	4.8

The financial statement auditing services relate primarily to the statutory audits of the annual and consolidated financial statements of Henkel AG & Co. KGaA, together with various audits of annual financial statements of its subsidiaries. Reviews of half-year financial report and interim consolidated financial information were also included in the audit mandate.

The other attestation services mainly related to the audit of non-financial reporting and sustainability-related disclosures, and the audit of the remuneration report.

SUBSEQUENT EVENTS

On January 7, 2026, Henkel issued a bond with a nominal value of 1.5 billion Chinese yuan, equivalent to approximately 182 million euros, as part of its bond issuance program in China, which was completed in fiscal 2025. The bond has a maturity of three years.

In addition, on February 4, 2026, Henkel agreed to acquire the Dutch Stahl Group ("Stahl") from the French private equity firm Wendel for 2.1 billion euros. Stahl is a vendor of high-performance specialty coatings for flexible materials and supplies leading global brands in the automotive, fashion & lifestyle, and packaging sectors. The group employs around 1,700 people and generated adjusted sales of around 725 million euros in fiscal 2025, with a balanced regional distribution. The transaction is subject to the customary closing conditions, including regulatory approvals.

Düsseldorf, February 9, 2026

Henkel Management AG,
Personally Liable Partner
of Henkel AG & Co. KGaA

Management Board

Carsten Knobel,
Mark Dorn, Wolfgang König, Sylvie Nicol, Marco Swoboda

Recommendation for the approval of the annual financial statements and the appropriation of the profit of Henkel AG & Co. KGaA

It is proposed that the annual financial statements of Henkel AG & Co. KGaA be approved as presented and that the unappropriated profit of 3,006,378,380.51 euros for fiscal 2025 be applied as follows:

- a) Payment of a dividend for fiscal 2025 of 2.05 euros
per eligible ordinary share (253,866,907 shares) = 520,427,159.35 euros
- b) Payment of a dividend for fiscal 2025 of 2.07 euros
per eligible preferred share (152,920,129 shares) = 316,544,667.03 euros
- c) Carry forward of the remaining amount = 2,169,406,554.13 euros
(profit carried forward)

3,006,378,380.51 euros

The proposal for appropriation of the profit allows for the 5,928,968 ordinary shares and 25,242,746 preferred shares held directly or indirectly as treasury stock by the Company as of December 31, 2025. According to Section 71b Stock Corporation Act [AktG], treasury shares do not qualify for dividends. If the number of shares qualifying for dividends for fiscal 2025 changes between now and the Annual General Meeting, a correspondingly adapted proposal for the appropriation of profit will be submitted to the Annual General Meeting providing for an unchanged payout of 2.05 euros per eligible ordinary share and 2.07 euros per eligible preferred share, with corresponding adjustment of the payout totals and of retained earnings carried forward.

Pursuant to Section 58 (4) sentence 2 AktG, dividends are payable on the third business day following the resolution in the Annual General Meeting, i.e. on Thursday, April 30, 2026.

Düsseldorf, February 9, 2026

Henkel Management AG,
Personally Liable Partner
of Henkel AG & Co. KGaA

Management Board

CORPORATE BODIES OF HENKEL AG & CO. KGAA

Boards/memberships as defined by Section 125 (1) sentence 5 German Stock Corporation Act [AktG]

Honorary Chair of the Henkel Group: Dipl.-Ing. Albrecht Woeste

Supervisory Board of Henkel AG & Co. KGaA

Dr. rer. nat. Simone Bagel-Trah

Chair,
Private Investor, Düsseldorf
Place of residence: Düsseldorf
Born: January 10, 1969
Nationality: German
Member since: April 14, 2008
Elected until: 2028
Memberships:
Henkel AG & Co. KGaA
(Shareholders' Committee, Chair)²
Henkel Management AG (Chair)¹
Heraeus Holding GmbH¹
Chanel Ltd., UK²

Birgit Helten-Kindlein*

Vice Chair,
Chair of the General Works Council
and Chair of the Works Council of
Henkel AG & Co. KGaA, Düsseldorf site
Place of residence: Monheim
Born: February 16, 1964
Nationality: German
Member since: April 14, 2008
Elected until: 2028

Michael Baumscheiper*

Vice Chair of the General Works Council
of Henkel AG & Co. KGaA and
Chair of the Works Council of
Henkel AG & Co. KGaA, Hamburg site
Place of residence: Heidgraben
Born: September 3, 1966
Nationality: German
Member since: December 11, 2020
Elected until: 2028

Dr. rer. nat. Konstantin Benda*

Chemist, Transaction Manager
Chair of the Senior Staff Representative
Committee of Henkel AG & Co. KGaA
Place of residence: Mettmann
Born: October 7, 1972
Nationality: German
Member since: April 24, 2023
Elected until: 2028

Lutz Bunnenberg

Private Investor, Munich
Place of residence: Munich
Born: November 16, 1973
Nationality: German
Member since: June 17, 2020
Elected until: 2028

Sabine Friedrich*

Assistance and Product Management for
Product Development Industrials EIMEA
Member of the Works Council of Henkel AG &
Co. KGaA, Düsseldorf site
Place of residence: Ratingen
Born: February 24, 1973
Nationality: German
Member since: September 23, 2023
Elected until: 2028

Vinzenz Peter Gruber

Former Executive Vice President & President
Mondelez Europe, Mondelez International, Inc.,
Zurich, Switzerland
Place of Residence: Meilen, Switzerland
Born: May 1, 1965
Nationality: Italian-Swiss
Member since: April 22, 2024
Elected until: 2028

* Employee representatives.

¹ Membership of statutory supervisory and administrative boards in Germany.

² Membership of comparable oversight bodies.

Benedikt-Richard Freiherr von Herman

Private Investor, Wain
Place of residence: Wain
Born: October 4, 1972
Nationality: German
Member since: April 11, 2016
Elected until: 2028

Barbara Kux

Private Investor, Zurich, Switzerland
Place of residence: Zurich, Switzerland
Born: February 26, 1954
Nationality: Swiss
Member since: July 3, 2013
Elected until: 2028

Dr. Anja Langenbucher

Europe Director, Bill and Melinda Gates
Foundation, Berlin/London, UK
Place of Residence: Berlin
Born: November 12, 1972
Nationality: German
Member since: April 22, 2024
Elected until: 2028
Memberships:
Sofina SA, Belgium²

Laurent Martinez

Chief Financial Officer, Orange S.A.,
Issy-les-Moulineaux, France
Place of residence:
Boulogne-Billancourt, France
Born: June 23, 1968
Nationality: French
Member since: April 24, 2023
Elected until: 2028
Memberships:
BuyIn S.A., Belgium²
Orange Group:
MasOrange S.L., Spain²
Orange MEA S.A., France²
Orange Polska S.A., Poland²

Simone Menne

Private Investor, Kiel
Place of residence: Rodenbek
Born: October 7, 1960
Nationality: German
Member since: June 17, 2020
Elected until: 2028
Memberships:
Johnson Control International plc., Ireland²
Russell Reynolds Associates Inc., USA²
Siemens Energy¹

Natalie Mühlenfeld*

(since January 31, 2025)
District Manager IGBCE,
district Cologne-Bonn
Place of residence: Düsseldorf
Born: August 13, 1980
Nationality: German
Member since: January 31, 2025
Elected until: 2028
Memberships:
BASF SE¹
Solventum Germany GmbH¹

Dirk Thiede*

Member of the Works Council of
Henkel AG & Co. KGaA, Düsseldorf site
Place of residence: Düsseldorf
Born: December 3, 1969
Nationality: German
Member since: April 9, 2018
Elected until: 2028

Edgar Topsch*

Member of the General Works
Council and member of the
Finance Committee of the
General Works Council of
Henkel AG & Co. KGaA, and
Vice Chair of the Works Council of
Henkel AG & Co. KGaA, Düsseldorf site
Place of residence: Düsseldorf
Born: September 16, 1960
Nationality: German
Member since: August 1, 2010
Elected until: 2028

Michael Vassiliadis*

Chair of IG BCE, Hannover
Place of residence: Hannover
Born: March 13, 1964
Nationality: German
Member since: April 9, 2018
Elected until: 2028
Memberships:
BASF SE¹
RAG AG (Vice Chair)¹
RWE AG (Vice Chair)¹
STEAG GmbH¹
Vivawest GmbH¹

* Employee representatives.

¹ Membership of statutory supervisory and administrative boards in Germany.

² Membership of comparable oversight bodies.

Committees of the Supervisory Board

Nominations Committee

Functions

The Nominations Committee prepares the resolutions of the Supervisory Board on election proposals to be presented to the Annual General Meeting for the election of members of the Supervisory Board (representatives of the shareholders).

Members

Dr. Simone Bagel-Trah, Chair

Benedikt-Richard Freiherr von Herman, Vice Chair

Barbara Kux

Audit Committee

Functions

The Audit Committee prepares the proceedings and resolutions of the Supervisory Board relating to the approval of the annual financial statements and the consolidated financial statements, and relating to ratification of the proposal to be put before the Annual General Meeting regarding appointment of the auditor. It also deals with accounting, risk management and compliance issues.

Members

Simone Menne, Chair

Laurent Martinez, Vice Chair

Dr. Simone Bagel-Trah

Birgit Helten-Kindlein

Edgar Topsch

Michael Vassiliadis

Sustainability Committee

Functions

The Sustainability Committee deals with sustainable corporate governance. It closely monitors the sustainability strategy of the Management Board and its further development.

Members

Dr. Simone Bagel-Trah, Chair

Barbara Kux, Vice Chair

Dr. Konstantin Benda

Vinzenz Peter Gruber

Birgit Helten-Kindlein

Michael Vassiliadis

Shareholders' Committee of Henkel AG & Co. KGaA

Dr. rer. nat. Simone Bagel-Trah

Chair,
Private Investor, Düsseldorf
Place of residence: Düsseldorf
Born: January 10, 1969
Nationality: German
Member since: April 18, 2005
Elected until: 2028
Memberships:
Henkel AG & Co. KGaA (Chair)¹
Henkel Management AG (Chair)¹
Heraeus Holding GmbH¹
Chanel Ltd., UK²

Konstantin von Unger

Vice Chair,
Chair of the Supervisory Board,
HFO GmbH, Düsseldorf
Place of residence: London, UK
Born: September 5, 1966
Nationality: German
Member since: April 14, 2003
Elected until: 2028
Membership:
HFO GmbH (Chair)²

Dr. rer. pol. HSG Paul Achleitner

Investor, Munich
Place of residence: Munich
Born: September 28, 1956
Nationality: Austrian
Member since: April 30, 2001
Elected until: 2028
Membership:
Bayer AG¹

Alexander Birken

Chair of the Supervisory Board,
Otto GmbH & Co. KGaA, Hamburg
Place of residence: Hamburg
Born: November 13, 1964
Nationality: German
Member since: June 17, 2020
Elected until: 2028
Membership:
Henkel Management AG¹

Dr. Kaspar von Braun, Ph.D.

Astrophysicist, Pasadena, USA
Place of residence: Pasadena, USA
Born: February 12, 1971
Nationality: German
Member since: April 4, 2022
Elected until: 2028
Membership:
Henkel Management AG
(Vice Chair)¹

Dr. rer. oec. Christoph Kneip

Tax Consultant, Düsseldorf
Place of residence: Düsseldorf
Born: February 8, 1962
Nationality: German
Member since: June 17, 2020
Elected until: 2028
Memberships:
Arenberg Schleiden GmbH²
Arenberg Recklinghausen GmbH²
Arenberg Beteiligungs-GmbH²
Rheinische Bodenverwaltung AG¹

Dr. h.c. Thomas Manchot

Private Investor, Düsseldorf
Place of Residence: Monaco
Born: March 16, 1965
Nationality: German
Member since: April 22, 2024
Elected until: 2028

James Rowan

(until April 28, 2025)
Chief Executive Officer & President Volvo
Car AB, Gothenburg, Sweden
Place of residence: Singapore
Born: October 14, 1965
Nationality: British
Member since: April 16, 2021
Elected until: 2028
Membership:
Link & Co. International AB, Sweden²

Sabrina Soussan

(since April 28, 2025)
Former Chief Executive Officer &
Chairwoman, Suez S.A., Paris, France
Place of residence: Meggen, Switzerland
Born: June 1, 1969
Nationality: French-German
Member since: April 28, 2025
Elected until: 2028
Membership:
Continental AG¹

Jean-François van Boxmeer

Chair of the Board of Directors of
Vodafone Group plc., London, UK
Place of residence: Tervuren, Belgium
Born: September 12, 1961
Nationality: Belgian
Member since: April 15, 2013
Elected until: 2028
Memberships:
Heineken Holding N.V., Netherlands²
Vodafone Group plc. (Chair), UK²
The Magnum Ice Cream Company N.V. (Chair),
Netherlands²

Poul Weihrauch

CEO/Office of the President,
Mars Inc., McLean, Virginia, USA
Place of residence: Washington DC, USA
Born: June 19, 1968
Nationality: Danish
Member since: April 22, 2024
Elected until: 2028

¹ Membership of statutory supervisory and administrative boards in Germany.

² Membership of comparable oversight bodies.

Committees of the Shareholders' Committee

Finance Committee

Functions

The Finance Committee deals principally with financial matters, accounting issues including the statutory year-end audit, taxation and accounting policy, internal auditing, and risk management in the corporation.

Members

Konstantin von Unger, Chair
Dr. Christoph Kneip, Vice Chair
Dr. Paul Achleitner
Sabrina Soussan
Poul Weihrauch

Personnel Committee

Functions

The Personnel Committee deals principally with personnel matters relating to members of the Management Board, issues pertaining to human resources strategy, and with remuneration.

Members

Dr. Simone Bagel-Trah, Chair
Dr. Kaspar von Braun, Ph.D., Vice Chair
Alexander Birken
Dr. h.c. Thomas Manchot
Jean-François van Boxmeer

Management Board of Henkel Management AG*

Carsten Knobel

Chair of the Management Board
Place of residence: Hilden
Born: January 11, 1969
Nationality: German
Member since: July 1, 2012
Memberships:
Deutsche Lufthansa AG¹
Kühne Holding AG, Switzerland²

Mark Dorn

Adhesive Technologies
Place of residence: Düsseldorf
Born: January 31, 1973
Nationality: British-German
Member since: February 1, 2023

Wolfgang König

Consumer Brands
Place of residence: Düsseldorf
Born: May 2, 1972
Nationality: German
Member since: June 1, 2021
Membership:
Mast-Jägermeister SE¹

Sylvie Nicol

Human Resources, Infrastructure,
Sustainability
Place of residence: Düsseldorf
Born: February 28, 1973
Nationality: French
Member since: April 9, 2019
Membership:
Henkel Central Eastern Europe GmbH,
Austria²

Marco Swoboda

Finance, Purchasing,
Global Business Solutions, Digital/IT
Place of residence: Düsseldorf
Born: September 23, 1971
Nationality: German
Member since: January 1, 2020
Memberships:
Henkel Central Eastern Europe GmbH
(Chair), Austria²
Henkel South Africa (Pty.) Ltd. (Chair),
South Africa²
Henkel Strategic Business Solutions B.V.
(Chair), Netherlands²

Supervisory Board of Henkel Management AG*

Dr. rer. nat. Simone Bagel-Trah

Chair,
Private Investor, Düsseldorf
Place of residence: Düsseldorf
Born: January 10, 1969
Nationality: German
Member since: February 15, 2008
Elected until: 2028
Memberships:
Henkel AG & Co. KGaA (Chair)¹
Henkel AG & Co. KGaA
(Shareholders' Committee, Chair)²
Heraeus Holding GmbH¹
Chanel Ltd., UK²

Dr. Kaspar von Braun, Ph.D.

Vice Chair,
Astrophysicist, Pasadena, USA
Place of residence: Pasadena, USA
Born: February 12, 1971
Nationality: German
Member since: April 23, 2024
Elected until: 2028
Membership:
Henkel AG & Co. KGaA
(Shareholders' Committee)²

Alexander Birken

Chair of the Supervisory Board,
Otto GmbH & Co. KGaA, Hamburg
Place of residence: Hamburg
Born: November 13, 1964
Nationality: German
Member since: April 23, 2024
Elected until: 2028
Membership:
Henkel AG & Co. KGaA
(Shareholders' Committee)²

* Personally Liable Partner of Henkel AG & Co. KGaA.

¹ Membership of statutory supervisory and administrative boards in Germany.

² Membership of comparable oversight bodies.

FURTHER INFORMATION

466	Independent Auditor's Report
475	Assurance report on the sustainability statement
479	Responsibility statement
480	Quarterly breakdown of sales
481	Multi-year summary
483	Glossary
487	Credits/Legal
488	Contacts
488	Financial calendar

INDEPENDENT AUDITOR'S REPORT

To Henkel AG & Co. KGaA, Düsseldorf

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND OF THE GROUP MANAGEMENT REPORT

AUDIT OPINIONS

We have audited the consolidated financial statements of Henkel AG & Co. KGaA, Düsseldorf, and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the financial year from 1 January to 31 December 2025 and notes to the consolidated financial statements, including material accounting policy information. In addition, we have audited the group management report of Henkel AG & Co. KGaA, which is combined with the Company's management report, for the financial year from 1 January to 31 December 2025. In accordance with the German legal requirements, we have not audited the content of those parts of the group management report listed in the "Other Information" section of our auditor's report.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying consolidated financial statements comply, in all material respects, with the IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) (the IFRS Accounting Standards) as adopted by the EU and the additional requirements of German commercial law pursuant to § [Article] 315e Abs. [paragraph] 1 HGB [Handelsgesetzbuch: German Commercial Code] and, in compliance with these requirements, give a true and fair view of the assets, liabilities, and financial position of

the Group as at 31 December 2025, and of its financial performance for the financial year from 1 January to 31 December 2025 and

- the accompanying group management report as a whole provides an appropriate view of the Group's position. In all material respects, this group management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our audit opinion on the group management report does not cover the content of those parts of the group management report listed in the "Other Information" section of our auditor's report.

Pursuant to § 322 Abs. 3 Satz [sentence] 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the group management report.

BASIS FOR THE AUDIT OPINIONS

We conducted our audit of the consolidated financial statements and of the group management report in accordance with § 317 HGB and the EU Audit Regulation (No. 537/2014, referred to subsequently as "EU Audit Regulation") in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report" section of our auditor's report. We are independent of the group entities in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2) point (f) of the EU Audit

Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the consolidated financial statements and on the group management report.

KEY AUDIT MATTERS IN THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year from 1 January to 31 December 2025. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our audit opinion thereon; we do not provide a separate audit opinion on these matters.

In our view, the matters of most significance in our audit were as follows:

- 1. Recoverability of goodwill and trademarks and other rights with indefinite useful lives**
- 2. Recognition and measurement of pension provisions**

Our presentation of these key audit matters has been structured in each case as follows:

1. Matter and issue
2. Audit approach and findings
3. Reference to further information

Hereinafter we present the key audit matters:

1. Recoverability of goodwill and trademarks and other rights with indefinite useful lives

1. In the consolidated financial statements of Henkel AG & Co. KGaA, goodwill amounting to € 13.8 billion in total (42.6 % of consolidated total assets) is reported, and trademarks and other rights with indefinite useful lives amounting to € 3.0 billion in total (9.1 % of consolidated total assets) are reported under the line item "Other Intangible assets" of the balance sheet. Goodwill and trademarks and other rights with indefinite useful lives are tested for impairment by the Company once a year or when there are indications of impairment to determine any possible need for write-downs. The impairment tests are performed at the level of the cash-generating units or groups of cash-generating units to which the respective goodwill and trademarks and other rights with indefinite useful lives are allocated. In the context of the impairment test the carrying amount of the relevant (groups of) cash-generating units, including the respective allocated goodwill and trademarks and other rights with indefinite useful lives, are compared with the corresponding recoverable amount. The recoverable amount is generally determined on the basis of fair value less costs of disposal. The valuation to determine the fair value less costs of disposal carried out for the purposes of the impairment tests is based on the present values of the future cash flows derived from the financial planning for the financial year 2026 prepared by the executive directors and acknowledged by the supervisory board which is extrapolated for subsequent years based on assumptions. Expectations relating to future market developments and country-specific assumptions about the development of macroeconomic factors, as well as the effects of geopolitical and economic developments on the business activities of the Henkel Group are also taken into account. Present values are calculated using discounted cash flow models. The discount rate used is the

weighted average cost of capital for the respective (groups of) cash-generating unit. The impairment test determined that no write-downs were necessary.

The outcome of this valuation is dependent to a large extent on the estimates made by the executive directors of the future cash flows of the respective (groups of) cash-generating units, and on the respective discount rates, rates of growth and other assumptions employed. The valuation is therefore, among others also against the background of the effects of geopolitical and economic developments, subject to considerable uncertainties. Against this background and due to the underlying complexity of the valuation, this matter was of particular significance in the context of our audit.

2. As part of our audit we assessed, among other things, the methodology used for the purpose of the impairment tests and evaluated the calculation of the weighted average cost of capital. In addition, we assessed whether the future cash flows underlying the valuation together with the weighted average cost of capital used represent an appropriate basis for the impairment tests overall. We evaluated the appropriateness of the future cash flows used in the calculations, which also include the effects of the geopolitical and economic developments, among other things by comparing this data with the Group's extrapolated financial planning, by reconciling it against general and sector-specific market expectations, and on the basis of the executive directors' explanations regarding key planning value drivers. In this context, we also assessed the appropriate consideration of the costs of Group functions in the respective (groups of) cash-generating unit. With the knowledge that even relatively small changes in the discount rate applied can have material effects on the fair values less costs of disposal calculated in this way, we also focused our assessment on the parameters used to determine the discount rate applied, and evaluated the measurement model. Furthermore, we evaluated the sensitivity analyses

performed by the Company in order to assess any impairment risk (lower recoverable amount versus carrying amount) relating to any potential change in a material assumption underlying the valuation.

Overall, the valuation parameters and assumptions used by the executive directors are in line with our expectations and are also within the ranges considered by us to be reasonable.

3. The Company's disclosures on goodwill and trademarks and other rights with indefinite useful lives are contained in the notes to the consolidated financial statements in the section entitled "Notes to the consolidated balance sheet", note "(1) Goodwill and other intangible assets".

2. Recognition and measurement of pension provisions

1. In the consolidated financial statements of Henkel AG & Co. KGaA pension provisions amounting to € 0.5 billion are reported under the balance sheet item "Provisions for pensions and similar obligations." The pension provisions comprise pension obligations amounting to € 3.9 billion, plan assets of € 3.6 billion and a reported surplus of plan assets over benefit obligations of € 0.3 billion. The obligations from defined benefit pension plans are measured using the projected unit credit method. This requires assumptions to be made in particular about long-term rates of growth in salaries and pensions, average life expectancy and staff turnover. The average life expectancy is calculated for Germany as at 31 December 2025 based on the mortality tables published by Heubeck-Richttafel GmbH (Heubeck-Richttafel RT 2018 G). Country-specific mortality tables are used to calculate obligations outside of Germany. The discount rates must be determined by reference to market yields on high-quality corporate bonds with matching currencies and consistent maturities. This usually requires the data to be extrapolated, since sufficient long-term corporate bonds do not exist. The plan assets are measured at fair value, which in turn involves estimation uncertainties. From our point

of view, these matters were of particular significance in the context of our audit because the recognition and measurement of this significant item in terms of its amount are based to a large extent on estimates and assumptions made by the Company's executive directors.

2. As part of our audit, we firstly assessed whether the criteria for recognition as defined benefit or defined contribution pension commitments were met and evaluated the actuarial expert reports obtained and the professional qualifications of the external experts. We also examined the specific features of the actuarial calculations and assessed the numerical data, the actuarial parameters and the valuation methods on which the valuations were based for compliance with the standard and appropriateness, in addition to other procedures. In addition, we analyzed the development of the obligation and the cost components in accordance with the respective actuarial expert reports in the light of changes occurring in the valuation parameters and the numerical data and examined on the basis of test of details procedures. For the audit of the fair value of the plan assets, we obtained bank and fund confirmations and assessed the methods on which the respective valuation was based and the valuation parameters applied. Based on our audit procedures, we were able to satisfy ourselves that the estimates and assumptions made by the executive directors are substantiated and sufficiently documented.

3. The Company's disclosures relating to the pension provisions are contained in the notes to the consolidated financial statements in the section entitled "Notes to the consolidated balance sheet" in note "(16) Provisions for pensions and similar obligations".

OTHER INFORMATION

The executive directors are responsible for the other information. The other information comprises the following non-audited parts of the group management report:

- the statement on corporate governance pursuant to § 289f HGB and § 315d HGB included in section „Corporate Governance“ of the group management report
- the non-financial statement to comply with §§ 289b to 289e HGB and with §§ 315b to 315c HGB included in section „Non-financial statement“ of the group management report

The other information comprises further all remaining parts of the annual report – excluding cross-references to external information – with the exception of the audited consolidated financial statements, the audited group management report and our auditor's report.

Our audit opinions on the consolidated financial statements and on the group management report do not cover the other information, and consequently we do not express an audit opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information mentioned above and, in so doing, to consider whether the other information

- is materially inconsistent with the consolidated financial statements, with the group management report disclosures audited in terms of content or with our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

RESPONSIBILITIES OF THE EXECUTIVE DIRECTORS AND THE SUPERVISORY BOARD FOR THE CONSOLIDATED FINANCIAL STATEMENTS AND THE GROUP MANAGEMENT REPORT

The executive directors are responsible for the preparation of the consolidated financial statements that comply, in all material respects, with IFRS Accounting Standards as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e Abs. 1 HGB, and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position and financial performance of the Group. In addition, the executive directors are responsible for such internal control as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

In preparing the consolidated financial statements, the executive directors are responsible for assessing the Group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting unless there is an intention

to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, the executive directors are responsible for the preparation of the group management report that, as a whole, provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a group management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the group management report.

The supervisory board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and of the group management report.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND OF THE GROUP MANAGEMENT REPORT

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the group management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the consolidated financial statements and on the group management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with § 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and this group management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and of the group management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures (systems) relevant to the audit of the group management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of the internal control and these arrangements and measures (systems), respectively.

- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.
- Conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the group management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRS Accounting Standards as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e Abs. 1 HGB.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming audit opinions on the consolidated financial statements and on the group management report. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinions.

- Evaluate the consistency of the group management report with the consolidated financial statements, its conformity with German law, and the view of the Group's position it provides.
- Perform audit procedures on the prospective information presented by the executive directors in the group management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

OTHER LEGAL AND REGULATORY REQUIREMENTS

Report on the Assurance on the Electronic Rendering of the Consolidated Financial Statements and the Group Management Report Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB

ASSURANCE OPINION

We have performed assurance work in accordance with § 317 Abs. 3a HGB to obtain reasonable assurance as to whether the rendering of the consolidated financial statements and the group management report (hereinafter the "ESEF documents") contained in the electronic file Henkel_ KA+KLB_ESEF-2025-12-31-1-de.xbri and prepared for publication purposes complies in all material respects with the requirements of § 328 Abs. 1 HGB for the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this assurance work extends only to the conversion of the information contained in the consolidated financial statements and the group management report into the ESEF format and therefore relates neither to the information contained within these renderings nor to any other information contained in the electronic file identified above.

In our opinion, the rendering of the consolidated financial statements and the group management report contained in the electronic file identified above and prepared for publication purposes complies in all material respects with the requirements of § 328 Abs. 1 HGB for the electronic reporting format. Beyond this assurance opinion and our audit opinion on the accompanying consolidated financial statements and the accompanying group management report for the financial year from 1 January to 31 December 2025 contained in the "Report on the Audit of the Consolidated Financial Statements and on the Group Management Report" above, we do not express any assurance opinion on the information contained within these renderings or on the other information contained in the electronic file identified above.

BASIS FOR THE ASSURANCE OPINION

We conducted our assurance work on the rendering of the consolidated financial statements and the group management report contained in the electronic file identified above in accordance with § 317 Abs. 3a HGB and the IDW Assurance Standard: Assurance Work on the Electronic Rendering of Financial Statements and Management Reports, Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB (IDW AsS 410 (06.2022)) and the International Standard on Assurance Engagements 3000 (Revised). Our responsibility in accordance therewith is further described in the "Group Auditor's Responsibilities for the Assurance Work on the ESEF Documents" section. Our audit firm applies the IDW Standard on Quality Management: Requirements for Quality Management in the Audit Firm (IDW QMS 1 (09.2022)).

RESPONSIBILITIES OF THE EXECUTIVE DIRECTORS AND THE SUPERVISORY BOARD FOR THE ESEF DOCUMENTS

The executive directors of the Company are responsible for the preparation of the ESEF documents including the electronic rendering of the consolidated financial statements and the group management report in accordance with § 328 Abs. 1 Satz 4 Nr. [number] 1 HGB and for the tagging of the consolidated financial statements in accordance with § 328 Abs. 1 Satz 4 Nr. 2 HGB.

In addition, the executive directors of the Company are responsible for such internal control as they have considered necessary to enable the preparation of ESEF documents that are free from material non-compliance with the requirements of § 328 Abs. 1 HGB for the electronic reporting format, whether due to fraud or error.

The supervisory board is responsible for overseeing the process for preparing the ESEF documents as part of the financial reporting process.

GROUP AUDITOR'S RESPONSIBILITIES FOR THE ASSURANCE WORK ON THE ESEF DOCUMENTS

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material non-compliance with the requirements of § 328 Abs. 1 HGB, whether due to fraud or error. We exercise professional judgment and maintain professional skepticism throughout the assurance work. We also:

- Identify and assess the risks of material non-compliance with the requirements of § 328 Abs. 1 HGB, whether due to fraud or error, design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance opinion.
- Obtain an understanding of internal control relevant to the assurance work on the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.
- Evaluate the technical validity of the ESEF documents, i.e., whether the electronic file containing the ESEF documents meets the requirements of the Delegated Regulation (EU) 2019/815 in the version in force at the date of the consolidated financial statements on the technical specification for this electronic file.
- Evaluate whether the ESEF documents provide an XHTML rendering with content equivalent to the audited consolidated financial statements and to the audited group management report.
- Evaluate whether the tagging of the ESEF documents with Inline XBRL technology (iXBRL) in accordance with the requirements of Articles 4 and 6 of the Delegated Regulation (EU) 2019/815, in the version in force at the date of the consolidated financial statements, enables an appropriate and complete machine-readable XBRL copy of the XHTML rendering.

Further Information pursuant to Article 10 of the EU Audit Regulation

We were elected as group auditor by the annual general meeting on 28 April 2025. We were engaged by the supervisory board on 5 May 2025. We have been the group auditor of the Henkel AG & Co. KGaA, Düsseldorf, without interruption since the financial year 2020.

We declare that the audit opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

REFERENCE TO AN OTHER MATTER – USE OF THE AUDITOR'S REPORT

Our auditor's report must always be read together with the audited consolidated financial statements and the audited group management report as well as the assured ESEF documents. The consolidated financial statements and the group management report converted to the ESEF format – including the versions to be filed in the company register – are merely electronic renderings of the audited consolidated financial statements and the audited group management report and do not take their place. In particular, the "Report on the Assurance on the Electronic Rendering of the Consolidated Financial Statements and the Group Management Report Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB" and our assurance opinion contained therein are to be used solely together with the assured ESEF documents made available in electronic form.

GERMAN PUBLIC AUDITOR RESPONSIBLE FOR THE ENGAGEMENT

The German Public Auditor responsible for the engagement is Antje Schlotter.

Düsseldorf, 9 February 2026

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

Prof. Dr. Bernd Riese
Wirtschaftsprüfer
(German Public Auditor)

Antje Schlotter
Wirtschaftsprüferin
(German Public Auditor)

ASSURANCE REPORT ON THE SUSTAINABILITY STATEMENT

Assurance report of the independent German public auditor on a limited assurance engagement in relation to the group sustainability statement

To Henkel AG & Co. KGaA, Düsseldorf

ASSURANCE CONCLUSION

We have conducted a limited assurance engagement on the group sustainability statement of Henkel AG & Co. KGaA, Düsseldorf, (hereinafter the "Company") included in section "Sustainability Statement" of the group management report, which is combined with the Company's management report, for the financial year from 1 January to 31 December 2025 (hereinafter the "Group Sustainability Statement"). The Group Sustainability Statement has been prepared to fulfil the requirements of Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 (Corporate Sustainability Reporting Directive, CSRD) and Article 8 of Regulation (EU) 2020/852 as well as §§ [Articles] 289b to 289e HGB [Handelsgesetzbuch: German Commercial Code] and §§ 315b to 315c HGB to prepare a combined non-financial statement.

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the accompanying Group Sustainability Statement is not prepared, in all material respects, in accordance with the requirements of the CSRD and Article 8 of Regulation (EU) 2020/852, § 315c in conjunction with §§ 289c to 289e HGB to prepare a combined non-financial statement as well as with the supplementary criteria presented by the executive directors of the Company. This assurance conclusion includes that no matters have come to our attention that cause us to believe:

- that the accompanying Group Sustainability Statement does not comply, in all material respects, with the European Sustainability Reporting Standards (ESRS), including that the process carried out by the Company to identify the information to be included in the Group Sustainability Statement (hereinafter the "materiality assessment") is not, in all material respects, in accordance with the description set out in section "Description of the processes to identify and assess material impacts, risks and opportunities per topic" of the Group Sustainability Statement, or
- that the disclosures set out in section "Disclosures pursuant to Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation)" of the Group Sustainability Statement do not comply, in all material respects, with Article 8 of Regulation (EU) 2020/852.

BASIS FOR THE ASSURANCE CONCLUSION

We conducted our limited assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised): Assurance Engagements Other Than Audits or Reviews of Historical Financial Information, issued by the International Auditing and Assurance Standards Board (IAASB).

The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our responsibilities under ISAE 3000 (Revised) are further described in the “German Public Auditor’s Responsibilities for the Assurance Engagement on the Group Sustainability Statement” section.

We are independent of the Company in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. Our audit firm has complied with the quality management system requirements of the IDW Standard on Quality Management: Requirements for Quality Management in the Audit Firm (IDW QMS 1 (09.2022)) issued by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany; IDW). We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our assurance conclusion.

RESPONSIBILITY OF THE EXECUTIVE DIRECTORS AND THE SUPERVISORY BOARD FOR THE GROUP SUSTAINABILITY STATEMENT

The executive directors are responsible for the preparation of the Group Sustainability Statement in accordance with the requirements of the CSRD and the relevant German legal and other European regulations as well as with the supplementary criteria presented by the executive directors of the Company. They are also responsible for the design, implementation and maintenance of such internal controls that they have considered necessary to enable the preparation of a Group Sustainability Statement in accordance with these regulations that is free from material misstatement, whether due to fraud (i.e., manipulation of the Group Sustainability Statement) or error.

This responsibility of the executive directors includes establishing and maintaining the materiality assessment process, selecting and applying appropriate reporting policies for preparing the Group Sustainability Statement, as well as making assumptions and estimates and ascertaining forward-looking information for individual sustainability-related disclosures.

The supervisory board is responsible for overseeing the process for the preparation of the Group Sustainability Statement.

INHERENT LIMITATIONS IN THE PREPARATION OF THE GROUP SUSTAINABILITY STATEMENT

The CSRD and the relevant German statutory and other European regulations contain wording and terms that are still subject to considerable interpretation uncertainties and for which no authoritative, comprehensive interpretations have yet been published. As such wording and terms may be interpreted differently by regulators or courts, the legal conformity of measurements or evaluations of sustainability matters based on these interpretations is uncertain.

These inherent limitations also affect the assurance engagement on the Group Sustainability Statement.

GERMAN PUBLIC AUDITOR'S RESPONSIBILITIES FOR THE ASSURANCE ENGAGEMENT ON THE GROUP SUSTAINABILITY STATEMENT

Our objective is to express a limited assurance conclusion, based on the assurance engagement we have conducted, on whether any matters have come to our attention that cause us to believe that the Group Sustainability Statement has not been prepared, in all material respects, in accordance with the CSRD and the relevant German legal and other European regulations as well as with the supplementary criteria presented by the executive directors of the Company, and to issue an assurance report that includes our assurance conclusion on the Group Sustainability Statement.

As part of a limited assurance engagement in accordance with ISAE 3000 (Revised), we exercise professional judgment and maintain professional skepticism. We also:

- obtain an understanding of the process to prepare the Group Sustainability Statement, including the materiality assessment process carried out by the Company to identify the information to be included in the Group Sustainability Statement.
- identify disclosures where a material misstatement due to fraud or error is likely to arise, design and perform procedures to address these disclosures and obtain limited assurance to support the assurance conclusion. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misleading representations, or the override of internal controls. In addition, the risk of not detecting a material misstatement within value chain information from sources not under the control of the company (value chain information) is generally higher than the risk of not detecting a material misstatement of value chain information from sources under the control of the company, as both the executive directors of the Company

and we, as assurance practitioners, are ordinarily subject to limitations on direct access to the sources of value chain information.

- consider the forwardlooking information, including the appropriateness of the underlying assumptions. There is a substantial unavoidable risk that future events will differ materially from the forwardlooking information.

SUMMARY OF THE PROCEDURES PERFORMED BY THE GERMAN PUBLIC AUDITOR

A limited assurance engagement involves the performance of procedures to obtain evidence about the sustainability information. The nature, timing and extent of the selected procedures are subject to our professional judgement.

In conducting our limited assurance engagement, we have, amongst other things:

- evaluated the suitability of the criteria as a whole presented by the executive directors in the Group Sustainability Statement.
- inquired of the executive directors and relevant employees involved in the preparation of the Group Sustainability Statement about the preparation process, including the materiality assessment process carried out by the company to identify the information to be included in the Group Sustainability Statement, and about the internal controls relating to this process.
- evaluated the reporting policies used by the executive directors to prepare the Group Sustainability Statement.

- evaluated the reasonableness of the estimates and the related disclosures provided by the executive directors. If, in accordance with the ESRS, the executive directors estimate the value chain information to be reported for a case in which the executive directors are unable to obtain the information from the value chain despite making reasonable efforts, our assurance engagement is limited to evaluating whether the executive directors have undertaken these estimates in accordance with the ESRS and assessing the reasonableness of these estimates, but does not include identifying information in the value chain that the executive directors have been unable to obtain.
- performed analytical procedures and made inquiries in relation to selected information in the Group Sustainability Statement.
- performed site visits.
- considered the presentation of the information in the Group Sustainability Statement.
- considered the process for identifying taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the Group Sustainability Statement.

RESTRICTION OF USE

We draw attention to the fact that the assurance engagement was conducted for the Company's purposes and that the report is intended solely to inform the Company about the result of the assurance engagement. Accordingly, the report is not intended to be used by third parties for making (financial) decisions based on it. Our responsibility is solely towards the Company. We do not accept any responsibility, duty of care or liability towards third parties.

Düsseldorf, 9 February 2026

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

sgd. Antje Schlotter
Wirtschaftsprüferin
[German public auditor]

sgd. Theres Schäfer
Wirtschaftsprüferin
[German public auditor]

RESPONSIBILITY STATEMENT

To the best of our knowledge and in accordance with the applicable accounting principles, the consolidated financial statements give a true and fair view of the net assets, financial position and results of operations of the Group, and the management report of the Group, which is combined with the management report of Henkel AG & Co. KGaA, includes a fair review of the development, performance and results of the business and the position of the Group, together with a cogent description of the principal opportunities and risks associated with the expected development of the Group.

Düsseldorf, February 9, 2026

Henkel Management AG

Management Board

Carsten Knobel,

Mark Dorn, Wolfgang König, Sylvie Nicol, Marco Swoboda

QUARTERLY BREAKDOWN OF SALES

	1st quarter		2nd quarter		Half year		3rd quarter		4th quarter		Full year	
in million euros	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025
Adhesive Technologies	2,677	2,715	2,798	2,701	5,475	5,416	2,800	2,708	2,695	2,543	10,970	10,667
Change versus previous year	-4.1%	1.4%	4.3%	-3.5%	0.0%	-1.1%	3.3%	-3.3%	3.5%	-5.7%	1.7%	-2.8%
Adjusted for foreign exchange	-0.4%	2.4%	4.4%	0.4%	2.0%	1.4%	6.5%	1.6%	3.4%	0.8%	3.5%	1.3%
Organic	1.3%	1.1%	2.6%	1.3%	2.0%	1.2%	3.7%	2.5%	1.7%	0.9%	2.4%	1.5%
Consumer Brands	2,605	2,484	2,662	2,422	5,266	4,907	2,653	2,402	2,547	2,368	10,467	9,677
Change versus previous year	-6.0%	-4.6%	2.6%	-9.0%	-1.8%	-6.8%	-1.6%	-9.5%	1.7%	-7.0%	-0.9%	-7.5%
Adjusted for foreign exchange	-2.0%	-2.7%	2.1%	-4.6%	0.0%	-3.7%	2.3%	-4.6%	1.3%	-0.5%	0.9%	-3.1%
Organic	5.2%	-3.5%	3.3%	0.4%	4.3%	-1.6%	2.7%	0.4%	0.6%	4.1%	3.0%	0.3%
Corporate	35	43	36	36	71	80	40	37	38	34	149	151
Henkel Group	5,317	5,242	5,496	5,160	10,813	10,402	5,492	5,147	5,281	4,945	21,586	20,495
Change versus previous year	-5.2%	-1.4%	3.4%	-6.1%	-1.0%	-3.8%	1.0%	-6.3%	2.6%	-6.4%	0.3%	-5.1%
Adjusted for foreign exchange	-1.3%	0.0%	3.2%	-2.0%	0.9%	-1.0%	4.5%	-1.5%	2.4%	0.1%	2.1%	-0.8%
Organic	3.0%	-1.0%	2.8%	0.9%	2.9%	-0.1%	3.3%	1.4%	1.1%	2.3%	2.6%	0.9%

MULTI-YEAR SUMMARY

in million euros	2019	2020	2021	2022	2023	2024 ¹	2025
Results of operations							
Sales	20,114	19,250	20,066	22,397	21,514	21,586	20,495
Adhesive Technologies	9,461	8,684	9,641	11,242	10,790	10,970	10,667
Consumer Brands	10,533	10,456	10,283	10,928	10,565	10,467	9,677
Corporate	121	110	142	228	159	149	151
Gross margin	45.9%	46.1%	44.7%	41.8%	44.9%	50.1%	50.8%
Research and development expenses	499	501	727	570	587	634	630
Operating profit (EBIT)	2,899	2,019	2,213	1,810	2,011	2,831	2,816
Adhesive Technologies	1,631	1,248	1,524	1,500	1,423	1,715	1,680
Consumer Brands	1,391	933	874	458	753	1,276	1,311
Corporate	-123	-162	-185	-149	-165	-161	-175
Income before tax	2,811	1,925	2,149	1,689	1,888	2,723	2,729
Tax rate	25.2%	26.0%	24.2%	25.8%	29.1%	25.4%	24.6%
Net income	2,103	1,424	1,629	1,253	1,340	2,032	2,058
Attributable to shareholders of Henkel AG & Co. KGaA	2,085	1,408	1,634	1,259	1,318	2,007	2,035
Earnings per preferred share (EPS) in euros	4.81	3.25	3.78	2.95	3.15	4.80	4.92
Net return on sales ²	10.5%	7.4%	8.1%	5.6%	6.2%	9.4%	10.0%
Net assets							
Total assets	31,409	30,238	32,674	33,170	31,727	35,248	32,533
Non-current assets	22,279	20,906	22,264	22,744	22,443	24,213	22,463
Current assets	9,130	9,332	10,410	10,425	9,285	11,036	10,070
Equity	18,611	17,870	19,794	20,157	19,999	21,822	20,581
Liabilities	12,798	12,368	12,879	13,013	11,728	13,427	11,953
Equity ratio	59.3%	59.1%	60.6%	60.8%	63.0%	61.9%	63.3%
Return on equity ³	12.4%	7.6%	9.1%	6.3%	6.6%	10.2%	9.4%
Leverage	0.8	0.6	0.4	0.8	0.3	0.3	0.3

TABLE CONTINUED ON NEXT PAGE

in million euros	2019	2020	2021	2022	2023	2024 ¹	2025
Financial position							
Cash flow from operating activities	3,241	3,080	2,141	1,247	3,255	3,120	2,535
Capital expenditures ⁴	1,262	1,220	802	716	1,120	1,982	732
Investment ratio ⁴ as % of sales	6.3	6.3	4.0	3.2	5.2	9.2	3.6
Shares							
Dividend per ordinary share in euros	1.83	1.83	1.83	1.83	1.83	2.02	2.05 ⁵
Dividend per preferred share in euros	1.85	1.85	1.85	1.85	1.85	2.04	2.07 ⁵
Total dividends ⁶	805	805	798	776	771	850	837 ⁵
Payout ratio ⁶	34.2%	43.7%	40.5%	46.6%	42.4%	37.9%	37.9%
Share price, ordinary shares, at year-end ⁷ in euros	84.00	78.85	68.70	60.25	64.98	74.40	65.00
Share price, preferred shares, at year-end ⁷ in euros	92.20	92.30	71.14	65.02	72.86	84.70	69.58
Market capitalization at year-end ^{7, 8} in bn euros	37.9	36.6	30.3	26.2	28.5	32.9	27.1
Employees							
Total ⁹ (at December 31)	52,450	52,950	52,450	51,200	47,750	47,150	47,200
Germany	8,550	8,700	8,700	8,550	8,350	8,050	8,100
Abroad	43,900	44,250	43,750	42,650	39,400	39,100	39,100

¹ Amended following the updated allocation of the purchase price for the shares in Seal for Life Industries Intermediate Co., Seal for Life Global Dutch Holding B.V. and SFL Canusa Canada Ltd.

² Net income divided by sales.

³ Net income divided by equity at the start of the year.

⁴ Capital expenditures in existing operations and acquisitions.

⁵ Proposal to shareholders for the Annual General Meeting on April 27, 2026.

⁶ Since fiscal 2021, calculated based on the number of shares qualifying for dividends as of December 31.

⁷ Closing share prices, Xetra trading system.

⁸ Based on all outstanding shares, i.e. number of shares issued less treasury stock.

⁹ Basis: permanent employees excluding trainees.

GLOSSARY

Adjusted EBIT

Earnings Before Interest and Taxes (EBIT) adjusted for exceptional items in the form of one-time expenses and income, and for restructuring expenses.

Adjusted return on capital employed (ROCE)

Profitability metric reflecting the adjusted ratio of earnings before interest and taxes (adjusted EBIT) to capital employed.

Capital employed

Capital invested in company assets and operations.

Compliance

Term given to: Acting in conformity with applicable regulations; adherence to laws, rules, regulations and in-house or corporate codes of conduct.

Compound annual growth rate

Year-over-year rate of growth, e.g. of an investment.

Corporate governance

System of management and control, primarily within listed companies. Describes the powers and authority of corporate management, the extent to which these need to be monitored and the extent to which structures should be put in place through which certain interest/stakeholder groups may exert influence on the corporate management.

Corporate Governance Code

The German Corporate Governance Code (abbreviation: GCGC) is intended to render the rules governing corporate management and control for a stock company in Germany transparent for national and international investors, engendering trust and confidence in the corporate management of German companies.

Credit default swap

Instrument used by Henkel to evaluate the credit risks of banks.

Credit facility

Aggregate of all loan services available on call from one or several banks as cover for an immediate credit requirement.

Declaration of compliance

Declaration made by the management/executive board and supervisory board of a company according to Section 161 German Stock Corporation Act [AktG], confirming implementation of the recommendations of the Governmental Commission for the German Corporate Governance Code.

Defined contribution plans/Defined contribution pension system

Post-employment benefit plans under which an entity pays fixed contributions into a separate, independent fund and is subject to no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in current and prior periods.

Derivative

Financial instrument, the value of which changes in response to changes in an underlying asset or an index, which will be settled at a future date and which initially requires only a small or no investment.

Earnings per share (EPS)

Metric indicating the income of a joint stock corporation divided by the weighted average number of its shares outstanding. EPS is calculated in accordance with IAS 33 (Earnings Per Share).

EBIT

Abbreviation for Earnings Before Interest and Taxes. Standard profit metric that enables the earning power of the operating business activities of a company to be assessed independently of its financial structure, facilitating comparability between entities where these are financed by varying levels of debt capital.

EBITDA

Abbreviation for Earnings Before Interest, Taxes, Depreciation and Amortization; impairment losses and reversals/value write-ups are also eliminated from the earnings calculation.

Economic Value Added (EVA®)

The EVA concept reflects the net wealth generated by a company over a certain period. A company achieves positive EVA when the operating result exceeds the weighted average cost of capital. The WACC corresponds to the yield on capital employed expected by the capital market. EVA is a registered trademark of Stern Stewart & Co.

Equity ratio

Financial metric indicating the ratio of equity to total capital. It expresses the share of total assets financed out of equity (owners' capital) rather than debt capital (provided by lenders). Serves to assess the financial stability and independence of a company.

Free cash flow

Cash flow actually available for acquisitions, dividend payments, the reduction of debt, and allocations to pension funds.

Gross margin

Indicates the percentage by which a company's sales exceed cost of sales, i.e. the ratio of gross profit to sales.

Gross profit

Difference between sales and cost of sales.

Hedge accounting

Method for accounting for hedging transactions whereby the compensatory effect of changes in the fair value of the hedging instrument (derivative) and of the underlying asset or liability is recognized in either the statement of income or the statement of comprehensive income.

IMEA

Abbreviation for the region comprised of India, Middle East and Africa.

KGaA

Abbreviation for “Kommanditgesellschaft auf Aktien.” A KGaA is a company with a legal identity (legal entity) in which at least one partner has unlimited liability with respect to the company’s creditors (personally liable partner, aka general partner), while the liability for such debts of the other partners participating in the share-based capital stock is limited to their share capital (limited shareholders).

Long Term Incentive (LTI)

Bonus aligned to long-term financial performance.

Net financial position

The net financial position is defined as cash and cash equivalents including cash and cash equivalents held for sale plus readily monetizable securities and time deposits and financial collateral provided, less borrowings, plus positive and minus negative fair values of derivative financial instruments.

Net financial position (extended)

In the extended definition, provisions for pensions and similar obligations, lease liabilities and sundry financial liabilities are deducted from the net financial position, while receivables arising from reimbursement rights in respect of Henkel Trust e.V. and external pension funds are added.

Net working capital

Inventories plus payments on account, receivables from suppliers and trade accounts receivable, less trade accounts payable, liabilities to customers, and current sales provisions.

Non-controlling interests

Proportion of equity attributable to third parties (non-controlling shareholders, aka minority shareholders) in subsidiaries included within the scope of consolidation. Valued on a proportional net asset basis. A pro-rata portion of the net income of the Group is attributable to shareholders owning non-controlling interests.

Organic sales growth

Growth in sales after adjusting for effects arising from acquisitions, divestments and foreign exchange effects – i.e. “top line” growth generated from within. Also excluded from the calculation are the effects arising from the application of IAS 29 (Financial Reporting in Hyperinflationary Economies) for Türkiye.

Payout ratio

Indicates what percentage of annual net income (adjusted for exceptional items) is paid out in dividends to shareholders, including non-controlling interests.

Relative total shareholder return (TSR)

Total shareholder return (TSR) describes the share price performance plus any gross dividends paid during the respective period. Relative TSR is derived by comparing the TSR of Henkel preferred shares with the TSR of a benchmark (DAX Performance Index).

Return-enhancing portfolio

Contains investments in equities and alternative investments, serving the purpose of improving the overall return of the pension plan assets over the long term in order to raise the coverage ratio of pension funds. In addition, a broader investment horizon increases the level of investment diversification.

Return on capital employed (ROCE)

Profitability metric reflecting the ratio of earnings before interest and taxes (EBIT) to capital employed.

Return on sales (EBIT)

Operating business metric derived from the ratio of EBIT to revenues.

Swap

Exchange of capital amounts in differing currencies (currency swap) or of different interest obligations (interest swap) between two entities.

Value-at-risk

Method, based on fair value, used to calculate the maximum likely or potential future loss arising from a portfolio.

Weighted average cost of capital (WACC)

Average return on capital, expressed as a percentage and calculated on the basis of a weighted average of the cost of debt and equity. WACC represents the minimum return expected of a company by its lenders for financing its assets.

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FINANCIAL CALENDAR

Annual General Meeting Henkel AG & Co. KGaA 2026:

Monday, April 27, 2026

Publication of**Statement for the First Quarter 2026:**

Thursday, May 7, 2026

Publication of**Report for the First Half Year 2026:**

Thursday, August 6, 2026

Publication of**Statement for the Third Quarter 2026:**

Tuesday, November 10, 2026

Publication of Report for Fiscal 2026:

Monday, March 8, 2027