

News Release

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Significant step-up in sustainable financing planned

Henkel defines Sustainable Finance Framework

Düsseldorf – Henkel is further expanding its commitment to sustainable finance. The company has now defined a framework within which sustainable bonds can be placed in the future. This includes two possible forms of financing: the issuance of sustainability-linked bonds as well as green bonds.

With this "Sustainable Finance Framework" Henkel creates a direct link between its sustainability strategy and its funding strategy. The framework enables the issuance of two types of bonds: sustainability-linked bonds and green bonds. For sustainability-linked bonds, financing costs are linked to the achievement of sustainability targets, while the proceeds from the issuance of green bonds are used for sustainable investments. The framework was reviewed by the independent ESG rating agency ISS ESG, which confirmed the environmental added value and the compliance of the framework with the Green Bond and Sustainability-Linked Bond Principles of the International Capital Market Association (ICMA).

"Sustainability is an essential part of our strategic agenda for purposeful growth. In addition, the topic is also becoming increasingly important for investors and the global financial markets, and in this respect is becoming a critical success factor for competitiveness as an issuer," says Henkel CFO Marco Swoboda. "With the integrated framework for the issuance of sustainable bonds that has now been established, we are consistently expanding our commitment to sustainable finance and once again position Henkel as a pioneer in this field. The framework allows us to access sustainable financing quickly and flexibly and opens up a broader investor target group. At the same time, it underscores our commitment to achieving our sustainability targets and the ongoing commitment of the Henkel Finance team to actively support our sustainability agenda."

For the issuance of sustainability-linked bonds, Henkel has defined three different KPIs and specific targets relating to the two focal areas of energy/climate and materials/waste. The

selected KPIs are core to Henkel's business and reflect progress against the company's sustainability targets. Depending on the achievement of the targets, the interest terms of the bonds change.

The proceeds from the issuance of a green bond will be used to finance sustainable projects. Projects eligible for financing include, for example, the areas of circular economy, clean transportation, sustainable water and wastewater management, or renewable energies.

Henkel implemented innovative solutions in the area of Sustainable Finance at an early stage. In 2018, Henkel was the first company in Germany and worldwide in its industry to conclude a syndicated 'sustainability-linked loan', a credit facility linked to Henkel's performance in three independent sustainability ratings. In July 2020, Henkel became the first company worldwide to issue a plastic waste reduction bond, the proceeds of which are specifically allocated to projects and expenditures to reduce plastic waste.

About Henkel

Henkel operates globally with a well-balanced and diversified portfolio. The company holds leading positions with its three business units in both industrial and consumer businesses thanks to strong brands, innovations and technologies. Henkel Adhesive Technologies is the global leader in the adhesives market – across all industry segments worldwide. In its Laundry & Home Care and Beauty Care businesses, Henkel holds leading positions in many markets and categories around the world. Founded in 1876, Henkel looks back on more than 140 years of success. In 2020, Henkel reported sales of more than 19 billion euros and adjusted operating profit of about 2.6 billion euros. Henkel employs about 53,000 people globally – a passionate and highly diverse team, united by a strong company culture, a common purpose, and shared values. As a recognized leader in sustainability, Henkel holds top positions in many international indices and rankings. Henkel's preferred shares are listed in the German stock index DAX. For more information, please visit www.henkel.com.

This information contains forward-looking statements which are based on current estimates and assumptions made by the corporate management of Henkel AG & Co. KGaA. Statements with respect to the future are characterized by the use of words such as "expect", "intend", "plan", "anticipate", "believe", "estimate", and similar terms. Such statements are not to be understood as in any way guaranteeing that those expectations will turn out to be accurate. Future performance and results actually achieved by Henkel AG & Co. KGaA and its affiliated companies depend on a number of risks and uncertainties and may therefore differ materially from the forward-looking statements. Many of these factors are outside Henkel's control and cannot be accurately estimated in advance, such as the future economic environment and the actions of competitors and others involved in the marketplace. Henkel neither plans nor undertakes to update any forward-looking statements.

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