

HORNBACH Holding AG & Co. KGaA  
Group

# Remuneration Report

as of February 28, 2023

**HORNBACH.**   
Holding

## 2022/23 Remuneration Report

HORNBACH Holding AG & Co. KGaA is a publicly listed company with the legal form of a partnership limited by shares (*Kommanditgesellschaft auf Aktien* – “**KGaA**”). Pursuant to § 162 of the German Stock Corporation Act (*Aktiengesetz* – “**AktG**”), the “management and supervisory boards of the listed company [...] are required to prepare a clear and understandable report each year on the remuneration granted and owed to each individual current or former member of the management and supervisory boards of the company and of companies with the same group (§ 290 of the German Commercial Code (*Handelsgesetzbuch* – “**HGB**”). As a KGaA, HORNBACH Holding AG & Co. KGaA has a Supervisory Board, but does not have a Board of Management. The management of HORNBACH Holding AG & Co. KGaA is instead incumbent on the unlisted company HORNBACH Management AG as the General Partner. HORNBACH Management AG has a Supervisory Board and a Board of Management.

The Supervisory Board of HORNBACH Holding AG & Co. KGaA and the General Partner HORNBACH Management AG compiled a remuneration report pursuant to § 162 AktG for the first time for the 2021/22 financial year. The Annual General Meeting of HORNBACH Holding AG & Co. KGaA on July 8, 2022 approved the 2021/22 remuneration report with a majority of 96.04% of the votes cast. The Supervisory Board of HORNBACH Holding AG & Co. KGaA and the General Partner HORNBACH Management AG have again compiled a remuneration report pursuant to § 162 AktG for the 2022/23 financial year. This report on the one hand presents the remuneration granted and owed to each individual current and former member of the Supervisory Board of HORNBACH Holding AG & Co. KGaA. On the other hand, it voluntarily presents the remuneration granted and owed to each current and former member of the Board of Management and Supervisory Board of HORNBACH Management AG. Moreover, the report explains the principles underlying the remuneration systems for members of the Board of Management and the Supervisory Boards of HORNBACH Holding AG & Co. KGaA and HORNBACH Management AG.

### A. Remuneration of members of Board of Management of HORNBACH Management AG

#### I. Overview of remuneration system for Board of Management of HORNBACH Management AG

The remuneration of the Board of Management for the 2022/23 financial year is based on the remuneration system adopted by the Supervisory Board of HORNBACH Management AG on December 18, 2019, which took effect as of March 1, 2020 (“**remuneration system of HORNBACH Management AG**”).

The remuneration of members of the Board of Management comprises fixed and variable components. Fixed remuneration components for the members of the Board of Management are the fixed annual salary, ancillary benefits, and the company pension scheme. The variable components are one-year variable remuneration (“**OVR**”) and multiyear variable remuneration (“**MVR**”). Furthermore, the remuneration system lays down share ownership guidelines (“**SOG**”) for members of the Board of Management.

Remuneration component	Assessment basis / parameter
<b>Fixed remuneration components</b>	
Fixed annual salary	in 12 equal monthly instalments at the end of each calendar month
Ancillary benefits	<ul style="list-style-type: none"> <li>– Private use of a company car</li> <li>– Accident insurance</li> <li>– Employer grants to health and nursing care insurance</li> <li>– Grant to voluntary pension insurance or, alternatively, to contributions to a life insurance policy amounting to 50% of the respectively valid pension insurance rate up to the amount of the assessment ceiling</li> <li>– D&amp;O insurance at the expense of HORNBACH Holding AG &amp; Co. KGaA</li> </ul> Divergent rules apply in some cases for members of the Board of Management who are simultaneously members of the Board of Management of HORNBACH Baumarkt AG and already entitled to the respective ancillary benefit due to their employment relationship at that company.
Company pension scheme	Plan type: Defined contribution commitment Contribution: Half-yearly pension contribution amounting to 12.5% of fixed gross annual salary

Remuneration component	Assessment basis / parameter	
<b>Variable remuneration components</b>		
One-year variable remuneration (OVR)	Plan type: Target amount:  Cap: Performance criteria:  Assessment period: Payment date:	Target bonus – Chief Executive Officer: € 265,000 – Members of Board of Management: € 60,000  200% of target amount – Sales (40%), free cash flow (30%), and EBT (30%) of HORNBAACH Holding AG & Co. KGaA (figures taken from consolidated financial statements) – Modifier (0.8-1.2) One year (prospective) Month in which consolidated financial statements of HORNBAACH Holding AG & Co. KGaA for respective financial year are approved, at latest month thereafter
	Objective: To provide an incentive for the Board of Management to focus its activities on the growth strategy pursued by the company and to incentivize the ongoing increase in the company's earnings strength and internal financing potential.	
Multiyear variable remuneration (MVR)	Plan type: Target amount:  Cap: Performance criteria:  Performance period: Payment date:	Performance cash plan – Chief Executive Officer: € 425,000 – Members of Board of Management: € 100,000  200% of target amount – Relative TSR (25%) of HORNBAACH Holding AG & Co. KGaA and ROCE premium over WACC (75%) of HORNBAACH Holding AG & Co. KGaA (figures taken from consolidated financial statements) – Modifier (0.8-1.2) Four years (prospective) Month in which consolidated financial statements for final financial year in four-year performance period are approved, at latest month thereafter
	Objective: To create long-term incentives to generate an adequate return for shareholders, also by comparison with the market, and to present and promote in the remuneration system for the Board of Management all aspects of sustainably profitable value creation resulting from entrepreneurial actions.	
<b>Other provisions</b>		
SOG	<ul style="list-style-type: none"> <li>– Obligation to use 50% of MVR payment amount to acquire shares in HORNBAACH Holding AG &amp; Co. KGaA</li> <li>– SOG target: 150% of one fixed gross annual salary for Chief Executive Officer; 100% of one fixed gross annual salary for regular member of Board of Management</li> <li>– Shares to be held for duration of activity on Board of Management</li> </ul>	
	The share ownership guideline (SOG) is intended in particular to align the remuneration structure to the company's permanent business success. The obligation to acquire and hold shares links the remuneration of the Board of Management to the share price	

Remuneration component	Assessment basis / parameter
	performance of HORNBAACH Holding AG & Co. KGaA, which in turn reflects the company's inherent earnings strength.
Maximum remuneration	<ul style="list-style-type: none"> <li>– Cap on total remuneration payable for a financial year (total of fixed annual salary, variable remuneration components, company pension scheme, and ancillary benefits), irrespective of payment date</li> <li>– Chief Executive Officer; € 2,040,000; regular members of Board of Management: € 520,000 each</li> <li>– If remuneration exceeds the maximum amount, the MVR payment amount is reduced for the respective grant year.</li> </ul>
Malus and clawback regulations	<ul style="list-style-type: none"> <li>– The Supervisory Board may reduce the OVR and/or MVR payment amounts by up to 100% in the event of improper conduct on the part of a member of the Board of Management during the assessment period (“malus”).</li> <li>– Claim to repayment of OVR and/or MVR in the event of objectively erroneous consolidated financial statements (“clawback”).</li> </ul>

Outlook for the 2023/24 financial year:

By resolution dated February 24, 2023, the Supervisory Board amended the remuneration system at HORNBAACH Management AG with effect as of March 1, 2023. Starting in the 2023/24 financial year, ESG criteria will be added to the MVR as new non-financial performance criteria. The ESG criteria will be weighted at 25% alongside the existing financial performance criteria of ROCE premium over WACC (new weighting of 50% from 2023/24 financial year replacing previous weighting of 75%) and total shareholder return (weighting unchanged at 25%) (for further details, please see Section II.2.2.1b)ff).

## II. Remuneration of incumbent members of Board of Management of HORNBAACH Management AG in 2022/23 financial year

### 1. Members of Board of Management of HORNBAACH Management AG in 2022/23 financial year

The following individuals were members of the Board of Management of HORNBAACH Management AG in the 2022/23 financial year:

- Albrecht Hornbach, member of Board of Management and Chief Executive Officer since October 9, 2015
- Karin Dohm, member of Board of Management since January 1, 2021

In principle, the remuneration paid to members of the Board of Management of HORNBAACH Management AG is also deemed as settlement for activities at subsidiaries and shareholdings.

Albrecht Hornbach is Chair of the Supervisory Boards of HORNBAACH Baumarkt AG and HORNBAACH Immobilien AG. He receives additional remuneration for his activity as Chair of the Supervisory Board of HORNBAACH Baumarkt AG.

Karin Dohm has been a member of the Board of Management of HORNBAACH Baumarkt AG since January 1, 2021. In addition to her remuneration as a member of the Board of Management of HORNBAACH Management AG, in the 2022/23 financial year Karin Dohm also received remuneration as a member of the Board of Management of HORNBAACH Baumarkt AG. The remuneration system applicable at HORNBAACH Baumarkt AG in the 2022/23 financial year is based on the same principles as the remuneration system at HORNBAACH Management AG (see Section I above). It comprises the same remuneration components and refers to the same performance criteria with the same weightings – merely based in this case on corresponding references to HORNBAACH Baumarkt AG. The remuneration system of HORNBAACH Baumarkt AG was approved by the Annual General Meeting of HORNBAACH Baumarkt AG on July 9, 2020. Upon application by HORNBAACH Baumarkt AG, the Frankfurt Stock Exchange withdrew its approval for shares in HORNBAACH Baumarkt AG to be traded on the Regulated Market of the Frankfurt Stock Exchange as of the conclusion of February 28, 2022, as a result of which the stock market listing of HORNBAACH Baumarkt AG was discontinued pursuant to § 3 (2) AktG (“delisting”). By resolution adopted on February 17, 2022 the Supervisory Board adapted the remuneration system for members of the Board of Management of HORNBAACH Baumarkt AG such that, to the extent that their remuneration was previously based on the share price of HORNBAACH Baumarkt AG, such remuneration would from March 1, 2022 be linked to the share of HORNBAACH Holding AG & Co. KGaA. Furthermore, by analogy with the amendment made to the remuneration system at HORNBAACH Management AG, on February 23, 2023 the Supervisory Board of HORNBAACH Baumarkt AG adopted a resolution amending the remuneration

system for members of the Board of Management of HORNBACH Baumarkt AG in order to integrate ESG targets as a new third performance criteria in MVR with effect as of March 1, 2023 (see ESG criteria below under 2.2.1b)ff) which are also applicable to the MVR at HORNBACH Baumarkt AG).

The disclosures provided on the remuneration granted and owed in the 2022/23 financial year include disclosures on the remuneration at HORNBACH Baumarkt AG.

## 2. Remuneration granted and owed in 2022/23 financial year

Pursuant to § 162 (1) Sentence 1 AktG, the remuneration report must report on the remuneration granted and owed to each individual member of the Board of Management in the past financial year. The terms used are based on the following understanding of the concepts:

- The term “granted” refers to *“the actual payment of the remuneration component”*;
- The term “owed” refers to *“all legally existent liabilities for remuneration components that are due for payment but which have not yet been settled”*.

This understanding of the concepts differs from the terms “benefits granted” and “benefits received” used in remuneration reports before the entry into effect of § 162 AktG in the version modified by the German Second Shareholder Rights Directive Implementation Act (“ARUG II”). As defined in the 2017 version of the German Corporate Governance Code, “benefits granted” included all remuneration components basically committed to a member of the Board of Management in the respective year and whose amount could be estimated, irrespective of the time of payment. Since the introduction of § 162 AktG, the distinction made between “granted” and “received” in the former understanding of the concepts can no longer be upheld. In terms of its content, the term “granted” as used in § 162 AktG corresponds to the previous understanding of “received”.

### 2.1. Tabular overview

The remuneration tables below present the remuneration for the assessment period ending on February 28, 2023 as being granted and owed. Accordingly, the following components are reported as remuneration granted in the 2022/23 financial year:

- The basic salary paid in the 2022/23 financial year,
- Ancillary benefits,
- The OVR for the 2022/23 financial year paid at the beginning of the 2023/24 financial year.

The MVR has been allocated in annual tranches since March 1, 2020 (2020/21 financial year). Each tranche of the MVR has a performance period of four years. Accordingly, the first MVR tranche still runs through to February 29, 2024 and is due for payment at the beginning of the 2024/25 financial year. It will be reported in the remuneration report for the 2023/24 financial year (final year in the four-year performance period). Accordingly, no payments relating to the MVR have been included within remuneration granted and owed in this remuneration report.

As HORNBACH Management AG is not in arrears with the payment of remuneration components, none of the remuneration components presented in the tables are owed.

<b>Albrecht Hornbach</b>				
<b>Chief Executive Officer</b>				
	<b>2022/23</b>		<b>2021/22</b>	
	in €	in % <sup>1</sup>	in €	in %
<b>Fixed remuneration components</b>				
Basic salary	480,000	60	480,000	46
Ancillary benefits	33,061	4	33,018	3
<b>Total in €</b>	513,061		513,018	
<b>Variable remuneration components</b>				
One-year variable remuneration (OVR)	291,500	36	530,000	51
<b>Total – remuneration granted and owed in €</b>	<b>804,561</b>		<b>1,043,018</b>	
Pension expenses <sup>2</sup> in €	120,000		120,000	
<b>Total remuneration including pension expenses in €</b>	<b>924,561</b>		<b>1,163,018</b>	
Maximum remuneration in €	2,040,000		2,040,000	
Clawback pursuant to § 162 (1) Sentence 2 No. 4 AktG	-		-	

<sup>1</sup> The percentages stated in this table denote the respective share of total remuneration granted and owed in the respective financial year.

<sup>2</sup> Pension expenses are disclosed as service cost pursuant to IAS 19. Service cost pursuant to IAS 19 does not constitute “granted or owed” remuneration as defined in § 162 (1) Sentence 1 AktG, as it was not actually received by the member of the Board of Management in the year under report.

<b>Karin Dohm</b>				
<b>CFO</b>				
	<b>2022/23</b>		<b>2021/22</b>	
	in €	in %	in €	in %
<b>Fixed remuneration components</b>				
Basic salary at HORNBACH Management AG	112,000	12	112,000	9
Basic salary at HORNBACH Baumarkt AG	450,000	49	450,000	37
Ancillary benefits at HORNBACH Baumarkt AG	19,198	2	18,548	2
<b>Total in €</b>	<b>581,198</b>		<b>580,548</b>	
<b>Variable remuneration components</b>				
One-year variable remuneration (OVR) at HORNBACH Management AG	66,000	7	120,000	10
One-year variable remuneration (OVR) at HORNBACH Baumarkt AG	275,000	30	500,000	42
<b>Total – remuneration granted and owed in €</b>	<b>922,198</b>		<b>1,200,548</b>	
Pension expenses at HORNBACH Management AG in €	28,000		28,000	
Pension expenses at HORNBACH Baumarkt AG in €	112,500		112,500	
<b>Total remuneration including pension expenses in€</b>	<b>1,062,698</b>		<b>1,341,048</b>	
Maximum remuneration at HORNBACH Management AG in €	520,000		520,000	
Maximum remuneration at HORNBACH Baumarkt AG in €	1,822,500		1,822,500	
Clawback pursuant to § 162 (1) Sentence 2 No. 4 AktG	-		-	

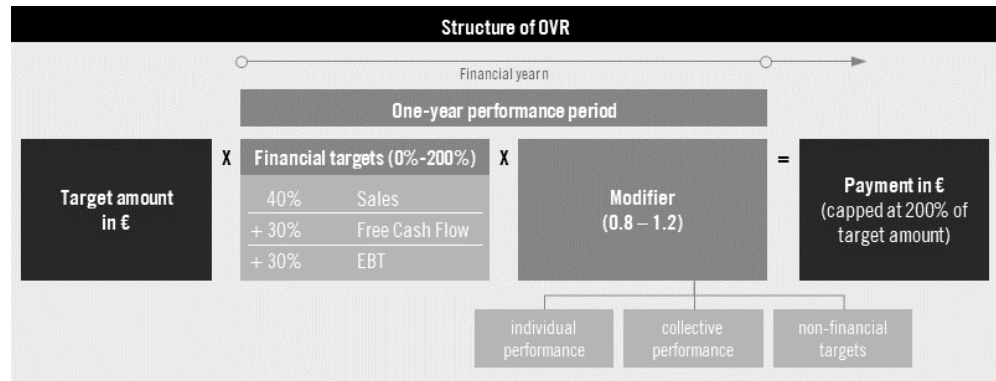
2.2. Explanatory notes

2.2.1. Performance criteria for variable remuneration

a) Performance criteria for one-year variable remuneration (OVR)

aa) Overview of OVR

OVR is a performance-related bonus with a one-year assessment period. In the first step, OVR is dependent on key financial performance criteria at HORNBAACH Holding AG & Co. KGaA. In the second step, the Supervisory Board may apply a modifier to account for the performance of the individual member of the Board of Management, the collective performance of the overall Board of Management, and the achievement of relevant non-financial targets.



bb) Financial performance criteria

The three financial performance criteria used to calculate the amount of OVR remuneration paid are: sales (weighted at 40%), free cash flow, and earnings before taxes (“EBT”), both of which weighted at 30%. This on the one hand provides an incentive for the Board of Management to focus its activities on the growth strategy pursued by the company. On the other hand, it provides an incentive for continually increasing the company’s earnings strength and internal financing potential. The figures are based on those reported in the approved and audited consolidated financial statements of HORNBAACH Holding AG & Co. KGaA for the respective financial year.

The Supervisory Board of HORNBAACH Management AG sets targets for the individual financial performance criteria before the beginning of the respective financial year. Upon the conclusion of the financial year, total target achievement is calculated on the basis of target achievement in the individual financial performance criteria. To determine target achievement for the three financial performance criteria, for each criterion the Supervisory Board of HORNBAACH Management AG compares the actual value upon expiry of the financial year with the actual value for the previous year (strategic growth rate). For the 2022/23 financial year, the Supervisory Board stipulated the following targets and determined the following levels of target achievement:

Sub-target	Weighting	Threshold (0%)	Target value (100%)	Maximum value (200%)	Actual value (2022/23)	Target achievement
Sales	40%	€ 5.7 billion	€ 6.0 billion	€ 6.3 billion	€ 6.26 billion	188%
Free cash flow	30%	€ 140 million	€ 180 million	€ 220 million	€ 187 million	116%
EBT	30%	€ 260 million	€ 290 million	€ 320 million	€ 218 million	0%

cc) Modifier

To supplement the financial performance criteria, the Supervisory Board of HORNBAACH Management AG stipulates criteria for the modifier, generally before the beginning of the respective financial year. By way of the modifier, the Supervisory Board can assess the performance of the individual member of the Board



of Management, the performance of the overall Board of Management, and the achievement of non-financial targets, such as stakeholder and ESG (Environment, Social, Governance) targets, in each case referring to HORNBAACH Management AG and HORNBAACH Holding AG & Co. KGaA. For the 2022/23 financial year, the Supervisory Board defined the following criteria for the modifier:

The collective performance of the Board of Management, specifically:

- Further development of governance at the company
- Change management in the context of migration to a new ERP system
- Increasing the visibility and valuation of the share of HORNBAACH Holding AG & Co. KGaA
- Development of a concept and definition of specific ESG targets/criteria (Environmental, Social, Governance) aimed at being able to integrate these into the remuneration system for the Board of Management for the 2023/24 financial year.

The individual modifier is determined by the Supervisory Board of HORNBAACH Management AG at its due discretion. The modifier generally amounts to 1.0 and may be adjusted to a value between 0.8 and 1.2 if the financial performance criteria alone do not adequately reflect the performance of the member of the Board of Management. For the 2022/23 financial year, the Supervisory Board set the modifier at 1.0.

dd) Calculation of OVR payment amount

The target amount of OVR is paid if target achievement amounts to 100%.

If the employment relationship of the member of the Board of Management begins or ends in the current financial year, the target amount is proportionately reduced on a pro rata temporis basis as of the beginning or end of the employment relationship. The same applies by analogy to periods in which the member of the Board of Management, while still employed, has no claim to remuneration. If the employment relationship ends, the OVR is calculated for the current financial year in accordance with general provisions governing the OVR and paid at the regular date. All claims to OVR relating to a current assessment period, i.e. a current financial year, lapse without replacement or compensation in the following “bad leaver” cases: The employment contract with the member of the Board of Management ends prior to expiry of the assessment period due to extraordinary termination by HORNBAACH Management AG for a compelling reason pursuant to § 626 of the German Civil Code (*Bürgerliches Gesetzbuch* – “BGB”) for which the member of the Board of Management is responsible; the appointment of the member of the Board of Management ends before expiry of the assessment period due to the appointment as a member of the Board of Management being revoked as a result of a gross breach of duty, or the appointment of the member of the Board of Management ends before expiry of the assessment period due to his or her resigning, without such resignation being caused by a breach of duty on the part of HORNBAACH Management AG or by ill health on the part of the member of the Board of Management or of a close family member.

ee) OVR payment and cap

The annual OVR payment amount is capped at a maximum of 200% of the target amount. The payment amount is due for payment at the latest in the month following approval of the consolidated financial statements of HORNBAACH Holding AG & Co. KGaA for the financial year to which the OVR refers.

b) Performance criteria for multiyear variable remuneration (MVR)

The first tranche of MVR was allocated as of March 1, 2020 (2020/21 financial year). Its four-year performance period will end upon the conclusion of February 29, 2024. Accordingly, MVR will be paid for the first time at the beginning of the 2024/25 financial year. Further tranches of MVR were allocated as of March 1, 2021 (2022/23 financial year) and as of March 1, 2022. Their four-year performance periods will end upon the conclusion of February 28, 2025 and February 28, 2026 respectively. The performance criteria for the MVR allocated as of March 1, 2022 are reported below.

aa) Overview of MVR

MVR is structured as a performance cash plan that is granted annually in rolling tranches. Each tranche of the performance cash plan has a four-year term (“**performance period**”). Each performance period begins on March 1 of the first financial year in the performance period (“**grant year**”) and ends on February 28/29 of the third year following the grant year.

In the first step, MVR is dependent on key financial performance criteria at HORNBAACH Holding AG & Co. KGaA. In the second step, the Supervisory Board may apply a modifier to account for the performance of the individual member of the Board of Management, the collective performance of the overall Board of Management, and achievement of relevant non-financial targets, such as stakeholder and ESG (Environment, Social, Governance) targets, in each case referring to HORNBAACH Management AG and to HORNBAACH Holding AG & Co. KGaA. Following expiry of the performance period, the target achievement for MVR is calculated over the four-year performance period and the payment amount for each member of the Board of Management is determined in line with the level of target achievement.

bb) Financial performance criteria

The key financial performance criteria for MVR are the relative total shareholder return (“TSR”) of HORNBAACH Holding AG & Co. KGaA compared with the TSRs of companies listed in the SDAX throughout the entire performance period (except HORNBAACH Holding AG & Co. KGaA with ISIN DE0006083405), which is weighted at 25%, and the return premium (expressed by the return on capital employed, “ROCE”) less the weighted average cost of capital (“WACC”) (“ROCE premium over WACC”) of the HORNBAACH Holding AG & Co. KGaA Group during the four-year performance period, which is weighted at 75%. This on the one hand creates long-term incentives to generate an adequate return for shareholders, also by comparison with the market. On the other hand, the remuneration system for members of the Board of Management presents and promotes all aspects of sustainably profitable value creation resulting from their entrepreneurial actions. The specific targets set by the Supervisory Board for the financial performance criteria in the respective MVR tranche are reported in the remuneration report which discloses the granting of the respective tranche.

cc) Modifier

By analogy with OVR and the principles presented in Section A.II.2.2.1a)cc), the Supervisory Board may supplement the financial performance criteria with the modifier to account for the performance of the individual member of the Board of Management, the performance of the overall Board of Management, and the achievement of non-financial targets, such as stakeholder and ESG (Environment, Social, Governance) targets, referring in each case to HORNBAACH Management AG and HORNBAACH Holding AG & Co. KGaA, and, at its due discretion, set the modifier at between 0.8 and 1.2 for each member of the Board of Management. The specific targets set by the Supervisory Board for the modifier in the respective MVR tranche are reported in the remuneration report which discloses the granting of the respective tranche.

dd) Calculation of MVR payment amount

The MVR target amount is disbursed in the event of 100% target achievement. If the employment relationship or MVR participation entitlement of the respective member of the Board of Management begins or ends during the grant year, the target amount is proportionately reduced on a pro rata temporis basis. This means that the target amount of MVR is reduced by 1/365 for each day in the grant year on which there was no employment relationship or no entitlement to participate. The same applies by analogy to periods in which the member of the Board of Management, while still employed, has no claim to remuneration. If the employment relationship ends, the MVR is calculated for the current performance periods in accordance with general provisions governing the MVR and paid at the regular date. All claims to MVR relating to a current assessment period, i.e. a current performance period, lapse without replacement or compensation in the “bad leaver” cases presented for OVR.

ee) MVR payment and cap

The MVR payment amount is capped for each tranche at a maximum of 200% of the target amount. The payment amount is due for payment at the latest in the month following approval of the consolidated financial statements of HORNBAACH Holding AG & Co. KGaA for the final financial year in the four-year performance period.

ff) Outlook for the 2023/24 financial year:

Starting in the 2023/24 financial year, alongside the two existing financial performance criteria MVR will also depend on the achievement of ESG criteria. These have been added as a new third non-financial performance criteria to supplement the existing financial performance criteria of TSR and ROCE premium over WACC. The ESG criteria will be weighted at 25%, while the ROCE premium over WACC performance criterion will be weighted at 50% in future (instead of 75% previously) and the TSR will continue to be

weighted at 25%. Target achievement for the ESG targets performance criteria will be assessed by reference to the weighted achievement of the five following individual ESG targets:

- Share of articles within the listed stock range that at the end of the performance (i) has been reviewed to identify sustainability benefits and (ii) has been labeled where applicable with the labels developed for this purpose at the Group (“**sustainability labeling**”).
- Reduction in greenhouse gas emissions (“**CO2e**”) in the GHG categories Scope 1.01 (stationary combustion), 2.02 (electricity), and 2.03 (heat) per square meter of heated space in the final financial year in the performance period compared with the base year 2020/21 in which these figures were first measured (“**reduction in CO2e emissions**”).
- Employee satisfaction as expressed in the number of terminations of permanent employment relationships, whether initiated by employees or employers, as a proportion of the average number of employees in permanent employment relationships as reported in the Non-Financial Group Report; achievement is assessed by reference to the average value for the individual financial years in the performance period (“**employee satisfaction**”).
- Broadening diversity in the two management levels below the Board of Management (“**diversity**”). Diversity is measured by reference to the number of women managers as a proportion of the total number of managers on the two management levels below the Board of Management as reported in the Corporate Governance Statement; achievement is assessed by reference to the average value for the individual financial years in the performance period.
- Global customer satisfaction as reported in the Kundenmonitor surveys for Germany, Austria, and Switzerland currently conducted by Service Barometer AG (“**customer satisfaction**”); achievement is assessed by reference to the weighted average score for the individual financial years in the performance period.

Furthermore, the Supervisory Board has included the following additional ESG criteria in the non-financial criteria for the MVR modifier: increase in energy efficiency, reduction in CO<sub>2</sub> emissions, calculation of Scope 3 emissions, and increase in the share of products defined as sustainable.

### 2.2.2. Conformity with remuneration system

The remuneration granted and owed to the members of the Board of Management in the 2022/23 financial year conforms to the provisions of the remuneration system at HORNBAACH Management AG. There were no deviations from the applicable remuneration system in the 2022/23 financial year. The OVR payment amount did not require reducing, as 200% of the OVR target amount was not achieved. Overall, the remuneration granted and owed to members of the Board of Management in the 2022/23 financial year also did not exceed the maximum remuneration stipulated in the remuneration system. In calculating the MVR payment amount for the 2022/23 financial year (upon the conclusion of the 2025/26 financial year), a calculation will be made to ascertain whether the maximum remuneration is exceeded due to the MVR payment amount; if necessary, the MVR payment amount will be correspondingly reduced.

### 2.2.3. No clawbacks in 2022/23 financial year

HORNBAACH Management AG did not claw back any variable remuneration components from individual members of the Board of Management in the 2022/23 financial year. No factual preconditions for any such clawback were met.

## 2.2.4. Payments and commitments in the event of termination of employment

- a) Payments and commitments to members of the Board of Management in the event of premature termination of activity on the Board of Management
- aa) Should the activity of a member of the Board of Management be terminated prematurely, then any potential severance pay, including ancillary benefits, is capped at a maximum of two annual remuneration packages. If the remaining term of the employment contract amounts to fewer than two years, the severance pay may not exceed the contractual remuneration for the remaining term ("**severance pay cap**"). The calculation of the severance pay cap is generally based on total remuneration for the past financial year and, where appropriate, also on expected total remuneration for the current financial year. If a retrospective prohibition on competition is agreed, then any severance pay is imputed to the remuneration agreed as compensation for such prohibition. If the employment contract is terminated by the member of the Board of Management, or due to a compelling reason for which he or she is responsible, then severance pay is precluded.
- bb) The members of the Board of Management receive a company pension from HORNBAACH Management AG in the form of a defined contribution commitment, also if their activity as a member of the Board of Management is terminated prematurely.
- b) Pension commitments to members of the Board of Management upon the regular conclusion of their activity on the Board of Management

Upon the regular conclusion of their activity on the Board of Management, the members of the Board of Management receive a retirement pension. This is paid upon the respective member reaching the age of 65. Members of the Board of Management have received a defined contribution commitment covering retirement, invalidity, and surviving dependent pensions. A pension contribution amounting to 12.5% of the fixed gross annual salary is paid in for every half year of the respective appointment to the Board of Management.

The following overview presents these retirement pensions on an individualized basis for members of the Board of Management in the 2022/23 financial year. The figures are broken down into the present value and the amount expended by HORNBAACH Management AG for this during the past financial year.

	Present value	Amount expended in 2022/23 financial year
Albrecht Hornbach	€ 2,159,494	€ 120,000
Karin Dohm		
HORNBAACH Management AG	€ 59,826	€ 28,000
HORNBAACH Baumarkt AG	€ 239,771	€ 112,500

- c) Payments and commitments to members of the Board of Management retiring in the 2022/23 financial year
- No members retired from the Board of Management of HORNBAACH Management AG in the 2022/23 financial year.

## III. Remuneration of former members of Board of Management

### 1. Remuneration granted and owed in 2022/23 financial year (individualized)

Pursuant to § 162 (1) Sentence 1 AktG, report must also be provided on the remuneration granted and owed to former members of the Board of Management. Roland Pelka retired from his positions as a member of the Board of Management of HORNBAACH Management AG and HORNBAACH Baumarkt AG upon the conclusion of March 31, 2021, with the corresponding employment contracts expiring as of October 31, 2021 and September 30, 2021 respectively. The remuneration granted and owed is presented in the table below.

**Roland Pelka**  
CFO  
until March 31, 2021

	2022/23		2021/22 <sup>3</sup>	
	in €	in % <sup>4</sup>	in €	in %
<b>Fixed remuneration components</b>				
Basic salary at HORNBACH Management AG	0	0	74,666	9
Basic salary at HORNBACH Baumarkt AG	0	0	291,666	35
Ancillary benefits at HORNBACH Baumarkt AG	0	0	14,835	2
<b>Total in €</b>	0		381,167	
<b>Variable remuneration components</b>				
One-year variable remuneration (OVR) at HORNBACH Management AG	0	0	80,000	9
One-year variable remuneration (OVR) at HORNBACH Baumarkt AG	0	0	320,833	38
<b>Pension payments (from January 1, 2022)</b>				
Pension at HORNBACH Management AG	60,000	17	10,000	1
Pension at HORNBACH Baumarkt AG	300,000	83	50,000	6
<b>Total – remuneration granted and owed in €</b>	<b>360,000</b>		<b>842,000</b>	
Pension expenses at HORNBACH Management AG	0		18,666	
Pension expenses at HORNBACH Baumarkt AG	0		72,917	
<b>Total remuneration including pension expenses in €</b>	<b>360,000</b>		<b>933,583</b>	
Maximum remuneration at HORNBACH Management AG in €	-		346,666	
Maximum remuneration at HORNBACH Baumarkt AG in €	-		1,175,416	
Clawback pursuant to § 162 (1) Sentence 2 No. 4 AktG	-		-	

Pursuant to § 162 (5) Sentence 2 AktG, the obligation to report on remuneration granted and owed to former members of the Board of Management in the year under report on an individualized basis extends to include remuneration granted and owed up to the conclusion of ten years after the financial year in which the former member of the Board of Management stood down from the position most recently held on the Board of Management or Supervisory Board at HORNBACH Management AG. Accordingly, this includes members of the Board of Management who stood down from their most recent

<sup>3</sup> The tabular presentation of remuneration granted and owed includes the fixed and variable remuneration components granted to Roland Pelka following his retirement from his Board of Management positions through to the end of the respective employment contract (HORNBACH Management AG: October 31, 2021; HORNBACH Baumarkt AG: September 30, 2021).

<sup>4</sup> The percentages stated in this table denote the respective share of total remuneration granted and owed in the respective financial year.

positions on the Board of Management or Supervisory Board of HORNBACH Management AG after the 2012/13 financial year.

In the 2022/23 financial year there was no other remuneration granted or owed which required report for former members of the Board of Management.

## 2. Total remuneration granted to former members of Board of Management who stood down prior to 2013

Pursuant to § 162 (5) Sentence 2 AktG, there is no obligation to provide individualized disclosures on remuneration granted and owed in the 2022/23 financial year to former members of the Board of Management who already stood down from their most recent positions on the Board of Management or Supervisory Board of HORNBACH Management AG prior to the beginning of the 2013/14 financial year and to which accordingly any remuneration granted and owed in the 2022/23 financial year would be thereby granted and owed more than ten years after their standing down from their positions at HORNBACH Management AG. In the 2022/23 financial year, there was no total remuneration granted and owed to former members of the Board of Management that would require report.

## IV. Comparative presentation

The table below presents a comparison of the percentage change of the remuneration paid to members of the Board of Management with the earnings performance of HORNBACH Holding AG & Co. KGaA and with average remuneration paid to employees on a full-time equivalent basis compared with the previous year.

The earnings performance is presented by reference to the relative change in the key figures of the annual net surplus at HORNBACH Holding AG & Co. KGaA (annual financial statements) and the earnings before taxes (EBT) and sales of the HORNBACH Holding AG & Co. KGaA Group.

The comparison with the development in average remuneration paid to employees has been based on the employees at HORNBACH Holding AG & Co. KGaA, HORNBACH Baumarkt AG, and HORNBACH Baustoff Union GmbH on a full-time equivalent basis.

Annual change in %	2022/23 compared with 2021/22 <sup>5</sup>	2021/22 compared with 2020/21
<b>Board of Management remuneration<sup>6</sup></b>		
Albrecht Hornbach	-22.9%	0.1%
Karin Dohm	-23.2%	600% <sup>7</sup>
Roland Pelka	-61.4% <sup>8</sup>	-35.5% <sup>9</sup>
<b>Earnings performance</b>		
Annual net surplus at KGaA	-4.9%	4.3%
Earnings before taxes (EBT) <sup>10</sup> at Group	-30.5%	18.1%
Sales at Group	6.6%	7.7%
<b>Remuneration of employees</b>		
Employees of HORNBACH Holding AG & Co. KGaA, HORNBACH Baumarkt AG, and HORNBACH Baustoff Union GmbH	3.8%	1%

<sup>5</sup> Pursuant to the transitional requirement of § 26j (2) Sentence 2 EGAktG, through to the conclusion of the 2025/26 financial year, the comparative analysis should only include average remuneration in the period since the 2020/21 financial year, rather than the average remuneration in the past five financial years.

<sup>6</sup> "Granted and owed" remuneration as defined in § 162 (1) Sentence 1 AktG

<sup>7</sup> Karin Dohm joined the company as of January 1, 2021 and was therefore a member of the Boards of Management of HORNBACH Management AG and HORNBACH Baumarkt AG for only two months in the comparative 2020/21 financial year.

<sup>8</sup> Roland Pelka has received pension payments from HORNBACH Management AG and HORNBACH Baumarkt AG since January 1, 2022.

<sup>9</sup> Due to his departure from the company, the employment contracts between Roland Pelka and HORNBACH Management AG and HORNBACH Baumarkt AG expired during the 2021/22 financial year (HORNBACH Management AG: October 31, 2021; HORNBACH Baumarkt AG: September 30, 2021).

<sup>10</sup> Consolidated earnings before taxes on income

## **B. Remuneration of members of Supervisory Board of HORNBACH Management AG**

### **I. Overview of remuneration**

The remuneration of the Supervisory Board is governed by § 4.7 of the Articles of Association of HORNBACH Management AG. The remuneration of Supervisory Board members comprises fixed annual basic remuneration. The fixed annual basic remuneration amounts to € 50,000.00 for the Chair of the Supervisory Board, € 40,000.00 for the Deputy Chair of the Supervisory Board, and € 20,000.00 for each other member of the Supervisory Board. Furthermore, Supervisory Board members also sitting on a Supervisory Board committee receive fixed committee remuneration. Fixed committee remuneration amounts to € 22,500.00 for the Chair and € 9,000.00 for each other member in the Audit Committee, to € 15,000.00 for the Chair and € 6,000.00 for each other member in the Personnel Committee, and to € 10,000.00 for the Chair and € 4,000.00 for each other member in all other committees. The Supervisory Board of HORNBACH Management AG has currently not formed any committees.

The fixed annual basic remuneration and fixed committee remuneration are granted for each financial year and are each due for payment after the Annual General Meeting to which the annual financial statements for the respective financial year are presented. Remuneration is proportionately reduced on a pro rata temporis basis if a member of the Supervisory Board or a committee is not a member of such for the full financial year or does not chair the respective body for the full financial year.

HORNBACH Management AG reimburses any sales tax incurred on the fixed annual basic remuneration and the fixed committee remuneration to the extent that Supervisory Board members are entitled to charge the company separately for sales tax and exercise this right.

### **II. Remuneration of Supervisory Board members in 2022/23 financial year**

#### **1. Supervisory Board members in 2022/23 financial year**

The following individuals were members of the Supervisory Board of HORNBACH Management AG in the 2022/23 financial year:

- Dr. John Feldmann (Chair)
- Melanie Thomann-Bopp (Deputy Chair)
- Albert Hornbach
- Annulf Hornbach
- Johann Hornbach
- Simone Krah
- Maria Olivier
- Vanessa Stütze (since July 8, 2022)
- Prof. Dr.-Ing. Jens P. Wulfsberg (until July 8, 2022)
- Dr. Susanne Wulfsberg

#### **2. Remuneration granted and owed to Supervisory Board members active in 2022/23 financial year**

The table below presents the remuneration granted and owed to individual Supervisory Board members in the 2022/23 financial year. The concept “granted and owed” remuneration is based on the same definition as outlined above in Section A.II.2. The remuneration reported in the table therefore presents the amounts actually received in the 2022/23 financial year.

	Fixed remuneration				Total		Remuneration from other Group mandates <sup>11</sup>	
	2022/23		2021/22		2022/23	2021/22	2022/23	2021/22
	in €	in %	in €	in %	in €	in €	in €	in €
Dr. John Feldmann	50,000	100	46,466	100	50,000	46,466	100,500	100,500
Melanie Thomann-Bopp	40,000	100	25,863	100	40,000	25,863	70,750	60,766
Albert Hornbach	20,000	100	20,000	100	20,000	20,000	0	0
Arnulf Hornbach	20,000	100	12,931	100	20,000	12,931	0	0
Johann Hornbach	20,000	100	12,931	100	20,000	12,931	0	0
Simone Krahl	20,000	100	12,931	100	20,000	12,931	18,500	11,962
Maria Olivier	20,000	100	3,233	100	20,000	3,233	0	0
Vanessa Stütze (since July 8, 2022)	12,932	100	0	0	12,932	0	6,466	0
Prof. Dr.-Ing. Jens P. Wulfsberg (until July 8, 2022)	7,123	100	20,000	100	7,123	20,000	3,671	18,384
Dr. Susanne Wulfsberg	20,000	100	20,000	100	20,000	20,000	0	8,384

### III. Comparative presentation

The table below presents a comparison of the percentage change of the remuneration paid to Supervisory Board members with the earnings performance of HORNBAACH Holding AG & Co. KGaA and with average remuneration paid to employees on a full-time equivalent basis compared with the previous year.

The earnings performance is presented by reference to the relative change in the key figures of the annual net surplus at HORNBAACH Holding AG & Co. KGaA (annual financial statements) and the earnings before taxes (EBT) and sales of the HORNBAACH Holding AG & Co. KGaA Group.

The comparison with the development in average remuneration paid to employees has been based on the employees at HORNBAACH Holding AG & Co. KGaA, HORNBAACH Baumarkt AG, and HORNBAACH Baustoff Union GmbH on a full-time equivalent basis.

<sup>11</sup> The figure presented corresponds to the remuneration paid for mandates at Group companies of HORNBAACH Management AG (§ 162 (1) Sentence 1 AktG in conjunction with § 290 HGB) for periods in which the respective Supervisory Board member was simultaneously a member of the Supervisory Board of HORNBAACH Management AG.



<b>Annual change in %</b>	<b>2022/23 compared with 2021/22<sup>12</sup></b>	<b>2021/22 compared with 2020/21</b>
<b>Supervisory Board remuneration<sup>13</sup></b>		
Dr. John Feldmann	2%	5%
Melanie Thomann-Bopp	28%	n/a
Albert Hornbach	0%	0%
Arnulf Hornbach	55%	n/a
Johann Hornbach	55%	n/a
Simone Krah	55%	n/a
Maria Olivier	519%	n/a
Vanessa Stütze (since July 8, 2022)	n/a	n/a
Prof. Dr. Ing. Jens P. Wulfsberg (until July 8, 2022)	-72%	-4%
Dr. Susanne Wulfsberg	-30%	-5%
<b>Earnings performance</b>		
Annual net surplus at KGaA	-4.9%	4.3%
Earnings before taxes (EBT) <sup>14</sup> at Group	-30.5%	18.1%
Sales at Group	6.6%	7.7%
<b>Remuneration of employees</b>		
Employees of HORNBAACH Holding AG & Co. KGaA, HORNBAACH Baumarkt AG, and HORNBAACH Baustoff Union GmbH	3.8%	1.0%

<sup>12</sup> Pursuant to the transitional requirement in § 26j (2) Sentence 2 EGAktG, through to the conclusion of the 2025/26 financial year, the comparative analysis should only include average remuneration in the period since the 2020/21 financial year, rather than the average remuneration in the past five financial years.

<sup>13</sup> "Granted and owed" remuneration as defined in § 162 (1) Sentence 1 AktG

<sup>14</sup> Consolidated earnings before taxes on income

## **C. Remuneration of members of Supervisory Board of HORNBACH Holding AG & Co. KGaA**

### **I. Overview of remuneration**

The new version of § 113 (3) AktG resulting from ARUG II requires the annual general meeting of listed companies to adopt a resolution on the remuneration of supervisory board members at least once every four years. The Supervisory Board of HORNBACH Holding AG & Co. KGaA and the General Partner of HORNBACH Management AG presented the remuneration system for the adoption of a resolution by the Annual General Meeting on July 10, 2020. The Annual General Meeting on July 10, 2020 confirmed the remuneration with 99.96% of the votes cast and adopted the remuneration system.

The remuneration of the Supervisory Board is governed by § 17 of the Articles of Association of HORNBACH Holding AG & Co. KGaA. The remuneration of Supervisory Board members comprises fixed annual basic remuneration and inclusion in a financial loss liability insurance policy maintained by HORNBACH Holding AG & Co. KGaA. The fixed annual basic remuneration amounts to € 50,000.00 for the Chair of the Supervisory Board, € 40,000.00 for the Deputy Chair of the Supervisory Board, and € 20,000.00 for each other member of the Supervisory Board. Furthermore, Supervisory Board members also sitting on a Supervisory Board committee receive fixed committee remuneration. Fixed committee remuneration amounts to € 22,500.00 for the Chair and € 9,000.00 for each other member in the Audit Committee, and to € 10,000.00 for the Chair and € 4,000.00 for each other member in all other committees.

The fixed annual basic remuneration and fixed committee remuneration are granted for each financial year and are each due for payment after the Annual General Meeting to which the annual financial statements for the respective financial year are presented. Remuneration is proportionately reduced on a pro rata temporis basis if a member of the Supervisory Board or a committee is not a member of such for the full financial year or does not chair the respective body for the full financial year.

HORNBACH Holding AG & Co. KGaA reimburses any sales tax incurred on the fixed annual basic remuneration and the fixed committee remuneration to the extent that Supervisory Board members are entitled to charge the company separately for sales tax and exercise this right.

If a member of the Supervisory Board is at the same time a member of the Supervisory Board of the General Partner and receives remuneration from the General Partner for his or her activities, the fixed annual basic remuneration and fixed committee remuneration are reduced by half. The same applies with respect to the additional portion of remuneration paid to the Chair and Deputy Chair if the relevant person is at the same time the Chair or Deputy Chair of the Supervisory Board of the General Partner.

Furthermore, Supervisory Board members are included in a financial loss liability insurance policy maintained by HORNBACH Holding AG & Co. KGaA at its own expense for its directors and officers.

Given that its structure conforms to market norms, the Supervisory Board remuneration makes it possible to attract suitable candidates for the position of Supervisory Board member. The Supervisory Board remuneration therefore helps to ensure that the Supervisory Board as a whole is able to perform its duties of supervising and advising the General Partner in an appropriate and competent manner and thus promotes the business strategy and long-term development of HORNBACH Holding AG & Co. KGaA.

## **II. Remuneration of Supervisory Board members in 2022/23 financial year**

### **1. Supervisory Board members in 2022/23 financial year**

The following individuals were members of the Supervisory Board of HORNBACH Holding AG & Co. KGaA in the 2022/23 financial year:

- Dr. John Feldmann (Chair)
- Martin Hornbach (Deputy Chair)
- Simone Krah
- Simona Scarpaleggia
- Vanessa Stütze (since July 8, 2022)
- Melanie Thomann-Bopp
- Prof. Dr.-Ing. Jens P. Wulfsberg (until July 8, 2022)

## 2. Remuneration granted and owed to Supervisory Board members active in 2022/23 financial year

The table below presents the remuneration granted and owed to individual Supervisory Board members in the 2022/23 financial year. The concept “granted and owed” remuneration is based on the same definition as outlined above in Section A.II.2. The remuneration reported in the table therefore presents the amounts actually received in the 2022/23 financial year.

	Fixed remuneration				Committee activity				Total		Remuneration from other Group mandates <sup>15</sup>	
	2022/23		2021/22		2022/2023		2021/22		2022/23	2021/22	2022/23	2021/22
	in €	in %	in €	in %	in €	in %	in €	in %	in €	in €	in €	in €
Dr. John Feldmann	25,000	68	25,000	68	11,500	32	11,500	32	36,500	36,500	64,000	64,000
Martin Hornbach	40,000	82	40,000	82	9,000	18	9,000	18	49,000	49,000	35,000	35,000
Simone Krah	10,000	54	13,534	54	8,500	46	11,504	46	18,500	25,038	0	0
Simona Scarpaleggia	20,000	100	20,000	100	0	0	0	0	20,000	20,000	20,000	20,000
Melanie Thomann-Bopp	10,000	35	13,534	37	18,250	65	23,385	63	28,250	36,919	42,500	42,500
Prof. Dr.-Ing. Jens P. Wulfsberg (until July 8, 2022)	3,562	100	1,616	100	0	0	0	0	3,562	1,616	109	16,767
Vanessa Stütze (since July 8, 2022)	6,466	100	0	100	0	0	0	0	6,466	0	0	0

<sup>15</sup> The figure presented corresponds to the remuneration paid for mandates at Group companies of HORNACH Holding AG & Co. KGaA (§ 162 (1) Sentence 1 AktG in conjunction with § 290 HGB) for periods in which the respective Supervisory Board member was simultaneously a member of the Supervisory Board of HORNACH Holding AG & Co. KGaA. Pursuant to this definition, HORNACH Management AG is not a Group company of HORNACH Holding AG & Co. KGaA.

### III. Comparative presentation

The table below presents a comparison of the percentage change of the remuneration paid to Supervisory Board members with the earnings performance of HORNBACH Holding AG & Co. KGaA and with average remuneration paid to employees on a full-time equivalent basis compared with the previous year.

The earnings performance is presented by reference to the relative change in the key figures of the annual net surplus at HORNBACH Holding AG & Co. KGaA (separate financial statements) and the earnings before taxes (EBT) and sales of the HORNBACH Holding AG & Co. KGaA Group.

The comparison with the development in average remuneration paid to employees has been based on the employees at HORNBACH Holding AG & Co. KGaA, HORNBACH Baumarkt AG, and HORNBACH Baustoff Union GmbH on a full-time equivalent basis.

Annual change in %	2022/23 compared with 2021/22 <sup>16</sup>	2021/22 compared with 2020/21
<b>Supervisory Board remuneration<sup>17</sup></b>		
Dr. John Feldmann	0%	0%
Martin Hornbach	0%	0%
Simone Krah	-26%	-32%
Simona Scarpaleggia	0%	3%
Vanessa Stütze (since July 8, 2022)	n/a	n/a
Melanie Thomann-Bopp	-11%	-15%
Prof. Dr. Ing. Jens P. Wulfsberg (until July 8, 2022)	-80%	n/a
<b>Earnings performance</b>		
Annual net surplus at KGaA	-4.9%	4.3%
Earnings before taxes (EBT) <sup>18</sup> at Group	-30.5%	18.1%
Sales at Group	6.6%	7.7%
<b>Remuneration of employees</b>		
Employees of HORNBACH Holding AG & Co. KGaA, HORNBACH Baumarkt AG, and HORNBACH Baustoff Union GmbH	3.8%	1.0%

Neustadt an der Weinstrasse, May 12, 2023

For the Supervisory Board:

For the General Partner:

Dr. John Feldmann  
Supervisory Board Chair of  
HORNBACH Holding AG & Co. KGaA

Albrecht Hornbach  
Chief Executive Officer of  
HORNBACH Management AG

Karin Dohm  
Board of Management of  
HORNBACH Management AG

<sup>16</sup> Pursuant to the transitional requirement in § 26j (2) Sentence 2 EGAktG, through to the conclusion of the 2025/26 financial year, the comparative analysis should only include average remuneration in the period since the 2020/21 financial year, rather than the average remuneration in the past five financial years.

<sup>17</sup> "Granted and owed" remuneration as defined in § 162 (1) Sentence 1 AktG

<sup>18</sup> Consolidated earnings before taxes on income.

## REPORT OF THE INDEPENDENT AUDITOR ON THE AUDIT OF THE REMUNERATION REPORT IN ACCORDANCE WITH SECTION 162 (3) AKTG

To HORNBACH Holding AG & Co. KGaA, Neustadt an der Weinstraße/Germany

### Audit Opinion

We conducted a formal audit of the remuneration report of Hornbach Holding AG & Co. KGaA, Neustadt/Germany, for the financial year from 1 March 2022 to 28 February 2023 to assess whether the disclosures required under Section 162 (1) and (2) German Stock Corporation Act (AktG) have been made in the remuneration report. In accordance with Section 162 (3) AktG, we did not audit the content of the remuneration report.

In our opinion, the disclosures required under Section 162 (1) and (2) AktG have been made, in all material respects, in the accompanying remuneration report. Our audit opinion does not cover the content of the remuneration report.

### Basis for the Audit Opinion

We conducted our audit of the remuneration report in accordance with Section 162 (3) AktG and in compliance with the IDW Auditing Standard: Audit of the Remuneration Report pursuant to Section 162 (3) AktG (IDW AuS 870 (08.2021)). Our responsibilities under those requirements and this standard are further described in the "Auditor's Responsibilities" section of our report. Our audit firm has applied the IDW Quality Assurance Standard: Requirements for Quality Management in the Audit Firm (IDW QS 1). We have fulfilled our professional responsibilities in accordance with the German Public Auditor Act (WPO) and the Professional Charter for German Public Auditors and German Sworn Auditors (BS WP/vBP) including the requirements on independence.

### Responsibilities of the Executive Board and the Supervisory Board

The executive board and the supervisory board are responsible for the preparation of the remuneration report, including the related disclosures, that complies with the requirements of Section 162 AktG. In addition, they are responsible for such internal control as they consider necessary to enable the preparation of a remuneration report, including the related disclosures, that is free from material misstatement, whether due to fraud or error.

### Auditor's Responsibilities

Our objective is to obtain reasonable assurance about whether the disclosures required under Section 162 (1) and (2) AktG have been made, in all material respects, in the remuneration report, and to express an opinion on this in a report.

We planned and conducted our audit in such a way to be able to determine whether the remuneration report is formally complete by comparing the disclosures made in the remuneration report with the disclosures required under Section 162 (1) and (2) AktG. In accordance with Section 162 (3) AktG, we have neither audited the correctness of the content of the disclosures, nor the completeness of the content of the individual disclosures, nor the adequate presentation of the remuneration report.

#### Handling of Possible Misrepresentations

In connection with our audit, our responsibility is to read the remuneration report taking into account our knowledge obtained in the financial statement audit while remaining attentive to any signs of misrepresentations in the remuneration report regarding the correctness of the disclosures' contents, the completeness of individual disclosures' contents or the adequate presentation of the remuneration report.

If, based on the work we have performed, we conclude that there is such a misrepresentation, we are required to report that fact. We have nothing to report in this regard.

Mannheim/Germany, 12 May 2023

#### **Deloitte GmbH**

Wirtschaftsprüfungsgesellschaft

Signed:

Steffen Schmidt

Wirtschaftsprüfer

(German Public Auditor)

Signed:

Patrick Wendlandt

Wirtschaftsprüfer

(German Public Auditor)