

Future. Ready.

ANNUAL REPORT 2023

Beiersdorf 2023

Key Figures – Overview

		2022	2023
Group sales	(in € million)	8,799	9,447
Change (organic)	(in %)	10.2	10.8
Change (nominal)	(in %)	15.4	7.4
Consumer sales	(in € million)	7,131	7,780
Change (organic)	(in %)	10.5	12.5
Change (nominal)	(in %)	16.3	9.1
tesa sales	(in € million)	1,668	1,667
Change (organic)	(in %)	8.8	3.2
Change (nominal)	(in %)	11.3	0.0
Operating result (EBIT, excluding special factors)	(in € million)	1,158	1,268
EBIT margin (excluding special factors)	(in %)	13.2	13.4
Operating result (EBIT)	(in € million)	1,092	1,105
EBIT margin	(in %)	12.4	11.7
Profit after tax	(in € million)	771	749
Return on sales after tax	(in %)	8.8	7.9
Earnings per share	(in €)	3.33	3.24
Total dividend	(in € million)	159	227
Dividend per share	(in €)	0.70	1.00
Gross cash flow	(in € million)	1,084	1,057
Capital expenditure¹	(in € million)	1,137	517
Research and development expenses	(in € million)	291	320
Employees	(Number on Dec. 31)	21,401	21,958

¹ Figures comprise investments in intangible assets and property, plant, and equipment including acquisitions.

CONTENT

TO OUR SHAREHOLDERS

- p. 34 Letter from the Chairman**
- p. 38 Beiersdorf's Shares and Investor Relations**
- p. 41 Report by the Supervisory Board**

COMBINED MANAGEMENT REPORT

- p. 46 Foundation of the Group**
 - p. 46 Business and Strategy
 - p. 53 Research and Development
 - p. 65 People at Beiersdorf
 - p. 80 Sustainability
- p. 81 Non-financial Statement**

- p. 136 Economic Report**
 - p. 136 Economic Environment
 - p. 139 Results of Operations
 - p. 149 Net Assets
 - p. 151 Financial Position
 - p. 152 Overall Assessment of the Group's Economic Position
 - p. 153 Beiersdorf AG
 - p. 156 Risk Report
 - p. 167 Report on Expected Developments

- p. 170 Other Disclosures**
 - p. 170 Corporate Governance Statement
 - p. 186 Report by the Executive Board on Dealings among Group Companies
 - p. 186 Disclosures relating to Takeover Law

CONSOLIDATED FINANCIAL STATEMENTS

- p. 190 Consolidated Financial Statements**
 - p. 190 Income Statement
 - p. 191 Statement of Comprehensive Income
 - p. 192 Balance Sheet
 - p. 193 Cash Flow Statement
 - p. 194 Statement of Changes in Equity
- p. 195 Notes to the Consolidated Financial Statements**
 - p. 195 Segment Reporting
 - p. 196 Regional Reporting
 - p. 197 Material Accounting Policies
 - p. 208 Consolidated Group, Acquisitions, and Divestments
 - p. 209 Notes to the Income Statement
 - p. 214 Notes to the Balance Sheet
 - p. 238 Other Disclosures
 - p. 242 Report on Post-balance Sheet Date Events
 - p. 243 Beiersdorf AG Boards

- p. 246 Attestations**
 - p. 246 Independent Auditor's Report
 - p. 257 Independent Auditor's Limited Assurance Report
 - p. 260 Responsibility Statement by the Executive Board

ADDITIONAL INFORMATION

- p. 262 Remuneration Report**
- p. 290 Ten-year Overview**
- p. 291 Beiersdorf AG's Shareholdings**
- p. 297 Imprint**
- p. 298 Financial Calendar**



6

Epigenetics
**Turning back the
skin's "age clock"**



10

Internationalization
**NIVEA on course
for growth**



14

Dermatological skin care
**For better quality
of life**



18

Supply Chain
**Expansion for
further growth**



24

Beiersdorf Campus
**Together, we achieve
great things**



28

Employee volunteering
**CARE BEYOND
SKIN Day**

Future.Ready.

The excellent results for the 2023 fiscal year confirm our strategic direction - and reinforce our vision to become the best skin care company in the world. That is why, in 2023, we invested more than ever before: in research and development, in innovative products, in our brands and production capacities, in sustainability, and in our people.

We are excited about the future.



In 2023, CDP recognized Beiersdorf's commitment to sustainability with a Triple A rating for the second year in a row. This top rating confirms the success of Beiersdorf's sustainability agenda CARE BEYOND SKIN.





Epigenetics

Turning back the skin's “age clock”



Skin cell rejuvenation is possible in principle. This is backed up by the results of intensive research in the field of epigenetics conducted by Beiersdorf scientists for over 15 years. The first products with the corresponding active ingredients could soon be on the market.

**Dr. Elke Grönninger, Lab Manager
Skin Aging, talks with Dr. Marc
Winnefeld, Head of the Applied
Skin Research Department**

Gene reactivation

Looking young into old age is something many people dream of while knowing it is not possible. But research shows that how we age is by no means predetermined. The assumption that the aging process is solely genetic is also wrong. This is because the appearance of our skin is influenced by many external factors: diet and exercise, stress and sleep patterns, sun exposure and lifestyle, and many other aspects. "And since our skin cells 'use' genes - for example to renew and repair themselves - these external factors also have an effect on the activity of the genes. They can even block or silence genes," explains Dr. Marc Winnefeld, Head of the Applied Skin Research Department at Beiersdorf.

Pioneers of epigenetics

The good news is that blocked and silenced genes can be reactivated - and thus improve the appearance of the skin again. Exactly how this works is the subject of the research field of epigenetics - a discipline that has been making great strides since the early 2000s.

Beiersdorf is one of the pioneers of epigenetic skin research. Since 2008, an interdisciplinary team of 20 specialists has been looking into epigenetic changes to the skin as it ages. The goal: to use the individual epigenetic pattern to find out which blockages contribute to skin aging and how they can be resolved.

New evolutionary stage

"In recent years, we have analyzed skin samples from more than 1,000 people and measured over 850,000 methylation sites per person," says Dr. Elke Grönninger, Head of the Skin Aging Laboratory at Beiersdorf. "With the help of these methylation sites, we can find out which blockages are associated with skin aging." The findings were incorporated in an "age clock" of skin cells. This is an algorithm that helps to find skin care solutions with epigenetic active ingredients for skin rejuvenation. Around 50,000 substances and extracts have now been scrutinized to identify and qualify natural active ingredients for skin rejuvenation.

Many scientists associate epigenetics with a new evolutionary stage in anti-aging because it makes it possible to fundamentally rejuvenate skin cells, not just compensate for individual deficits. "Research is now within touching distance of a substantial epigenetic rejuvenation of the skin," says Dr. Marc Winnefeld. •



**BEIERSDORF
SKIN AGING LABORATORY**

>1,000
skin samples analyzed

850,000
methylation sites
measured

>50,000
substances and extracts
investigated



With the help of a chip, scientists analyze about 850,000 methylation sites in the genome in their research to better understand the blockages that cause skin to age.



TWO QUESTIONS ANSWERED BY DR. CATJA PRYKOP

How does Beiersdorf succeed in translating promising research results into products?

Bringing together people with different expertise and experience and forming interdisciplinary teams is crucial, which is why we always strive for integrated and cross-departmental collaboration. The Early Innovation department, which was set up around two years ago and has around 20 employees, makes a significant contribution in this regard: It analyzes customer needs and which new, relevant technologies can be developed in order to incorporate the research results into an innovation roadmap and thus strategically prepare for market introduction.

When will Beiersdorf launch the first products based on the findings of epigenetics?

We are planning to launch the first product with corresponding active ingredients in the near future. We will then gradually introduce further products to the market and integrate them into our various ranges.

Given the pace of research, we assume that there will be numerous product innovations in the coming years.

Their active ingredients will come ever closer to the goal of not only stopping the aging process, but also actually rejuvenating skin cells. •



We are planning to launch the first product with corresponding active ingredients in the near future.

Dr. Catja Prykop
Vice President
Early Innovation

A close-up photograph of two Black women with dark skin and curly hair. They are smiling warmly at each other, their faces close together. The woman on the left has voluminous curly hair and is wearing a white ribbed tank top. The woman on the right has her hair styled in small braids and is wearing a light-colored ribbed tank top. A thin white curved line starts from the bottom left corner and sweeps across the page, ending near the bottom right corner.

Internationalization

NIVEA on course for growth

>€5 billion

in sales for NIVEA incl. Labello

+16.2%

organic growth for NIVEA
incl. Labello and double-digit
growth in all regions

No. 1

skin care brand in
the world¹

An icon loved like no other for decades.
A brand that continues to grow. More and
more people are putting their faith
in NIVEA. This is also increasingly the
case for consumers in Africa and Asia.
A look at some exciting regions of the
skin care market.

SOUTH AFRICA AND NIGERIA

Rising purchasing power

"Sales in the sub-Saharan region were unusually high last year. They climbed by more than 60 percent in Nigeria and over 20 percent in South Africa," says Godwin Harrison, the Managing Director of Beiersdorf South Africa. "We think this strong growth will continue in 2024 as well. The growth will be fueled by rising purchasing power and an expanding middle class that loves such brands as NIVEA because these products enable them to look great and feel good."

The most successful product by far: NIVEA Body Lotion. No other country in the world sells as much NIVEA Body Lotion as South Africa. The NIVEA Radiant & Beauty Lotion, a product that was specially developed for the African market and melanin-rich skin, is particularly popular.

"In South Africa and Nigeria, 70 percent of the population is younger than 35. This is why we are focusing in particular on this target group and

are increasingly communicating with members of this group via digital media. E-commerce is not yet very well developed, but that will change in the next few years. Major online platforms have announced that they will be investing more in Africa. And, of course, we will be there with NIVEA right from the start." •



//

**No other country
in the world sells
as much NIVEA
Body Lotion as
South Africa.**

Godwin Harrison
Managing Director
of Beiersdorf South Africa



INDIA

Targeting GenZ

"We have been active in India for around 20 years and have grown very dynamically in the process," says Sunil Gadgil, the Marketing Director of Beiersdorf in India. "And the next 20 years will also be very dynamic. The Indian market offers all sorts of growth potential to us. In urban India, NIVEA is now one of the most trusted brands in skin care, particularly among young people."

"This is why we think that we have a good opportunity to accelerate the market penetration of our iconic skin care products like NIVEA Soft and NIVEA Body Milk. NIVEA Soft even has the potential to become 'the first skin care product' among India's adolescents. We intend to increase our market share in the body care category, expand our global product range and enter the face care market, an area that is many times larger than the skin care market. We also view the introduction of value-added body care products as a way of offering something extra to our existing customers. In the process, we will focus on having a strong presence in retail stores and in urban markets.

"We are optimally positioned to seize these growth opportunities. After all, NIVEA has tremendous brand value. And our products are designed in the best possible way to satisfy the needs of the Indian market and its huge share of young consumers." ●



Sunil Gadgil
Marketing Director
India



Mattanee Nitchote
Head of the NIVEA
Asia Innovation Team

NORTH & SOUTH EAST ASIA

Fascinated by beauty

"Beauty plays a prominent role in the eastern countries of Asia," says Mattanee Nitchote, Head of NIVEA Asia Innovation Team. "Young people in particular invest an enormous amount of time and effort to look as perfect and young as possible. More than in any other region in the world, they are intensively engaged with the products and are impressively well informed about active ingredients and other ingredients used."

Not least because of this, China, Korea, and Japan are among the five largest skin care markets in the world. However, the markets in Thailand and Indonesia are also developing extremely dynamically. This is because many consumers in these countries see a close relationship between good looks and a successful life.

"Market conditions vary greatly from country to country. But all countries have one thing in common: They place a high priority on innovation and highly effective ingredients. This is why we pick up on trends at an early stage and explain our products intensively on social media. We benefit greatly from our brand in this regard: NIVEA stands for the most sustainable kind of beauty skin care in many Asian countries." ●



COMMUNITY ENGAGEMENT

"WOMEN IN CIRCULARITY"

Beiersdorf launched an initiative to promote women and improve the recycling infrastructure in Argentina, Ghana, India, and Kenya in 2023. "Women in Circularity" strengthens the circular economy in emerging economies and collects and

recycles around 15,000 metric tons of plastic annually. More than 1,600 women benefit from the initiative by gaining income and development opportunities that strengthen themselves, their families, and their communities.

WE CARE BEYOND SKIN. WE CARE BEYOND SKIN.



Learn more about
Beiersdorf's sustainability
activities under
[Women in Circularity](#)



Dermatological skin care

**For better
quality of life**



The Derma brands Eucerin and Aquaphor have been performing well for years, and we have also laid the foundation for an even more successful future. Clinical studies and intensive collaboration with dermatologists have been instrumental in this success.

LIFE-CHANGING POWER

Scientifically proven effect

"Our game-changing innovations and state-of-the-art science enable us to offer clinically and dermatologically proven skin care solutions that will change lives by treating widespread skin problems," says Dr. Zorica Milinic, the Global Director of Medical Management for Derma at Beiersdorf. "It is a process in which dermatologists play a key role. We work together with them to study the objective condition of the skin before treatment and the improvement of the skin's condition following the application of our dermocosmetic products."

In 2023, about 140 such trials were conducted for Eucerin alone. "This close working relationship with dermatologists is part of Eucerin's DNA," Dr. Zorica Milinic adds. "Eucerin is the first dermocosmetic skin care brand in the world. Its success is based on groundbreaking scientific work and

trail-blazing innovations. This work includes the discovery of Thiamidol, the sole inhibitor that was developed with human tyrosinase." High-performance life-cycle management studies have demonstrated the effectiveness and tolerability of Thiamidol over and over again - a figure that now totals more than 70 clinical trials on more than 7,000 patients of all skin types.

Following the successful introduction of Thiamidol in the anti-pigment, acne, sun and anti-aging series, the active ingredient is increasingly being used in Eucerin body care. "Last year, we achieved our goal of breaking the €1 billion barrier in sales much earlier than planned. We really believe that the rapid-paced growth will continue. And scientific studies and a close working relationship with skin experts from all parts of the world will do their part here as well."



Dr. Zorica Milinic
Global Director Medical
Management Derma



Ivan Reyes
Head of Derma
Latin America



>€1.2 bn.

in sales

+24%

organic sales growth, double-digit growth of 20% or more for the third straight year

+39%

organic sales growth in the Latin America region

LATIN AMERICA

In the fast lane

We've seen demand for Eucerin and Aquaphor increase considerably across all regions of the world. But the most impressive growth rates have been in Latin America: "With an average yearly growth rate of 30% during the last five years, the Derma business has been overwhelmingly successful here," says Ivan Reyes, Head of Derma Latin America at Beiersdorf. "We expect that this trend will continue for some years to come."

One reason for this is that Latin American consumers really like Eucerin and Aquaphor, particularly in the categories of sun care, hyperpigmentation,

and acne. These are areas where the patented active ingredient Thiamidol plays a key role. Another reason is the tremendous growth potential. Even though Beiersdorf's Derma products are well-established in various regions of Latin America, such countries as Brazil, Mexico, and Colombia have huge growth potential that is just waiting to be tapped. "We intend to accelerate the pace of our Derma business by working closely with dermatologists, conducting digital marketing and e-commerce - and improving the lives of people in Latin America who suffer from skin problems over the long term," Reyes says. ●



DERMATOLOGICAL SKIN CARE CAN **CHANGE LIVES**

The fight against stigmatization

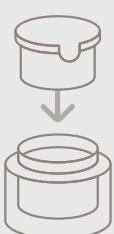
Many people with visible skin ailments suffer exclusion and stigmatization, which may result in considerable psychological and emotional hardship. To change this situation, Beiersdorf's Derma brands have created a social mission: Eucerin and Aquaphor are involved in social projects in 15 countries to improve the lives of people with skin ailments.

A large number of different skin ailments are addressed: In the United States, Beiersdorf is working with the Foundation for Ichthyosis & Related Skin Types (FIRST) to support young adults with ichthyosis. In Italy, the company is collaborating with the International Institute for Social Medicine and Anthropology to provide both dermatological and psychological care to homeless people. And in Germany, Beiersdorf is campaigning to put an end to the stigmatization surrounding psoriasis in an alliance with the Hamburg-Eppendorf University Medical Center and the German Psoriasis Association. •

REFILLS FOR JARS **90 PERCENT LESS PLASTIC**

A new packaging concept for Eucerin's Hyaluron-Fillers has been developed: When a cream is used up, only the inner jar containing fresh cream will serve as a refill package. The outer jar and lid can be reused. This change will reduce plastic consumption from 89 grams to 8 grams of packaging weight - a reduction of about 90 percent. Another milestone: Since the end of 2023, the entire Eucerin cosmetics range has been free from microplastics¹.

¹ AS DEFINED BY THE UNITED NATIONS ENVIRONMENT PROGRAMME (UNEP).





Supply Chain

Expansion for further growth

Beiersdorf is expanding its production capacity worldwide with record investments. State-of-the-art, sustainable, and modular production increases resilience - and is the basis for continuing the Group's successful course.



Up to 450 million cosmetic products can be made in Leipzig annually – in particular deodorants, hair sprays, and shaving creams for the entire European market and export.



>€1.3 bn. Future-oriented production

invested by Beiersdorf in its production network since 2018



1.4 bn.

units can be produced additionally



>6,500

employees work in Beiersdorf's global supply chain

Indonesia, Mexico, Poland, Vietnam: Beiersdorf is investing in the expansion of its plants around the world in order to significantly increase production capacity. This is because products from the brands NIVEA, Eucerin, Hansaplast, La Prairie, tesa, and many more are inspiring more and more people and enjoying strong growth in demand – in all regions of the world.

The Group even opened a completely new production center in Germany in 2023: At almost €300 million, the plant in Leipzig-Seehausen is the

largest site investment in Beiersdorf's history. In the immediate vicinity, a hub for Beiersdorf's European supply chain network will also be built by 2027 with an investment volume of over €200 million.

The high level of investment in production and the supply chain is not only intended to meet growing demand. It will also set new standards in efficiency, resilience, and sustainability through the use of digital technologies and modular production principles. •



Opening ceremony of the new plant in Leipzig on September 22, 2023



The new production center in Leipzig has created capacities for further growth of our brands and, at the same time, has set standards in terms of digitalization and sustainability.

Dr. Tobias Rhensius
Project Director

LEIPZIG Innovation and efficiency

In 2023, Beiersdorf opened a new state-of-the-art production center in Leipzig-Seehausen following 2.5 years of construction. In the future, around 450 million cosmetic products will be manufactured annually on an area covering 32,000 square meters – for the entire European market and for export.

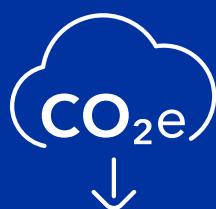
In order to be able to quickly pick up on and implement new innovations, trends, and production processes, production has a modular and flexible structure. A high degree of automation and comprehensive digitalization of all production steps ensure maximum efficiency and productivity. •

THE HIGHEST SUSTAINABILITY STANDARDS

The sustainable design of the plant in Leipzig will help Beiersdorf achieve the ambitious goals set in the company's sustainability agenda CARE BEYOND SKIN. The facility meets the very highest environmental standards. The plant's new technical capabilities will enable the company to introduce innovative and more sustainable packaging solutions to the marketplace – including aerosol cans made of recycled aluminum.

By using renewable energies and biogas to generate heat, the plant is nearly 100 percent carbon neutral. Valuable resources such as heat, wastewater, and ethanol will be recovered and recycled at the new plant.

The company plans to operate the plant as an Energy+ site and produce more electricity than it uses, thanks in part to photovoltaics.



CARE BEYOND SKIN. WE CARE BEYOND SKIN.



As a result, we have achieved gender parity across all management levels - thereby achieving Beiersdorf's gender parity ambition 18 months ahead of schedule.

POZNAŃ

From Poland to the whole world

Doubling production capacity, tripling storage space – all while production continues: Natalia Koryzna remains calm despite this mammoth task. “We have a very experienced, highly qualified team here that always finds practicable solutions and ensures full production efficiency,” says the head of Beiersdorf’s plant in Poznań, Poland.

The site has been systematically expanded since 2020 and around 150 additional employees have been hired since then. The work should be completed in the coming year. The plant in Poznań will then be one of the largest production units in the entire Group.

“Face care is the heart of our portfolio. It must be continuously improved in order to keep up with the latest trends and set new competitive standards,” Natalia Koryzna says. “This is why we have specialized in the introduction and scaling of new compounding technologies and packaging formats. Managing our complex production operation while expanding our location creates a special challenge for us – but it is also a wonderful task.” ●



Natalia Koryzna
PC Director at Beiersdorf
Manufacturing Poznań



Dwi Mudriah
Supply Chain Director,
Beiersdorf Indonesia

MALANG

Products for an emerging market

Why was the plant in Malang, Indonesia, expanded?

Dwi Mudriah: “Demand for our deodorants and body care products in Indonesia has been growing by around 20 percent annually for years. That is why we increased the plant’s compounding and production capacity between 2020 and 2022 by 140 percent. In order to meet the rapidly growing interest in our products, the next expansion is already being planned.”

Why is it important to make products for Indonesia locally?

Dwi Mudriah: “Firstly, the Indonesian government has introduced restrictions on the import of goods, including cosmetics – primarily to protect local manufacturers. Secondly, it allows us to produce more specific products for target groups. This is important because all products for the Indonesian market will have to meet halal requirements by 2026. To achieve this, not only the products but also the production processes must be halal-certified.”

There is an above-average number of women in the supply chain team. Why is that?

Dwi Mudriah: “In fact, around 60 percent of my team is female. This is because the proportion of working women in Indonesia is very high. But it is also the result of our efforts to promote diversity. Because time and time again, we find that we are more successful when the perspectives and experiences of different people are brought together.” ●

tesa at the pulse of the regions



tesa is driving forward its international expansion and strengthening its own supply chains: A state-of-the-art site was opened in the Vietnamese port city of Haiphong in October 2023 and the existing site in Sparta, Michigan, in the United States was converted to solvent-free production.

The new tesa site in Haiphong was built in just 18 months. It will produce 40 million square meters of adhesive tape annually, especially for the automotive and electronics industries. "We are proud of what the team has achieved within this ambitious schedule. The site, which was built in accordance with the LEED Gold Standard, has expanded our regional production capacities, meaning that we can supply our customers even

faster and in a more targeted manner. In addition, 50 percent of the products manufactured in Haiphong are water-based adhesives," says Stefan Schmidt, Head of tesa Supply Network.

tesa is also pursuing the goal of more sustainable production at its site in the United States, which has been expanded to a total area of over 16,000 square meters. "Thanks to the new solvent-free production facilities, the tesa site in Sparta has been able to significantly reduce its carbon footprint. This is an important milestone

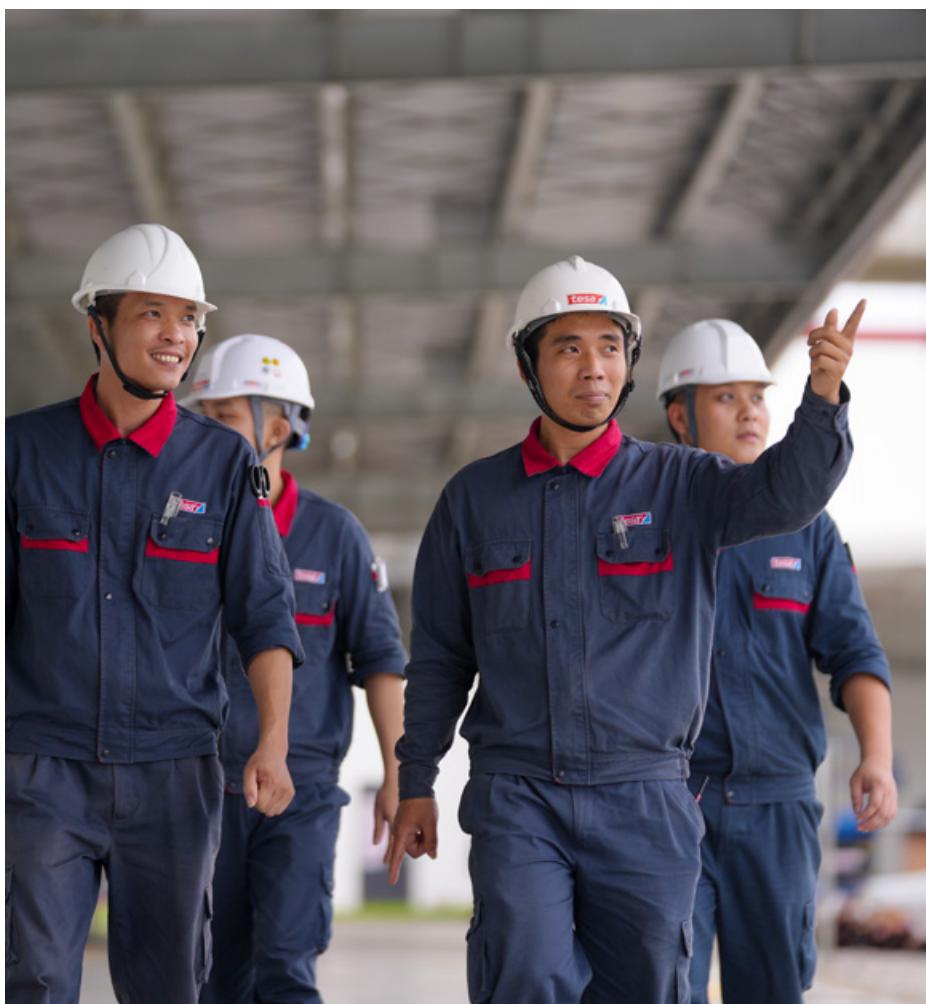
on the road to climate-neutral production by 2030. In addition, in the new Customer Solution Center, we can test products and application solutions extensively on-site with our North American customers and start production as quickly as possible," adds Schmidt.

The global expansion of the production network is making supply chains more resilient and shorter. Together with international customers and partners, tesa continues to focus on developing innovative and sustainable adhesive solutions for the future. •



We are proud of what the team has achieved within this ambitious schedule.

Stefan Schmidt
Head of tesa
Supply Network



Beiersdorf Campus

Together, we achieve great things



The Beiersdorf Campus, which opened in 2023, is not just a commitment to the Hamburg-Eimsbüttel location. It is also the basis for long-term success and further growth. The goal: mutual inspiration in a creative environment that motivates and supports.



Looking to the future

The world of work is undergoing profound change. With its future-oriented focus, the Beiersdorf Campus lays the foundation for further growth. It empowers, inspires, and motivates – and thus attracts and retains talent for the future.



The focus is on people

Innovation and growth happen when people can develop their full potential, when they communicate with and inspire each other, and when they are enthusiastic and passionate about what they do. The wishes of the employees therefore took center stage during the construction of the Beiersdorf Campus. They were involved in the planning process right from the start, and their wishes and ideas were systematically sought and taken into account.

The result: highly attractive work stations for more discussion, more collaboration, more interaction, and more "looking beyond one's own nose." Workshop areas are a mix of ComSpots, larger event spaces, and rooms for creative work. With names such as "Under Construction," "Garden of Creativity," or "In The Clouds," they offer great scope for inspiration and fresh ideas.



SUSTAINABILITY – **HEALTHY, ENVIRONMENTALLY FRIENDLY WORKING**

The Beiersdorf Campus sets standards in terms of sustainability. It was designed on the basis of the WELL Building Standard, which focuses on the health and well-being of employees. Numerous criteria have to be met in the design of offices, relaxation spaces, and outdoor facilities, as well as in terms of air and water quality, room and building acoustics, and even low-emission and resource-conserving building materials. The new Group headquarters is

also to receive LEED certification, an internationally recognized sustainability seal for building planning.

The energy is supplied by green power and our own photovoltaic systems. Several buildings are heated with district heating, which is generated in a carbon-neutral manner. The outdoor facilities too are geared toward sustainability: from places for shared moments during the workday to wildflower beds for insects.





Forward-looking tools and methods

The design of the various room modules was consistently geared toward agile working methods, so that employees can choose the appropriate workspaces that are designed for their particular activity or meet their needs. All meeting rooms are equipped for hybrid conferences. State-of-the-art collaboration tools are available in the Collaboration Hub, the central site with 4,000 square meters for collaboration and communication. Room-in-room modules, noise-reduced zones, high ergonomic standards, and different furnishings facilitate dynamic work in team neighborhoods.

Intelligently networked

As a central hub for collaboration across countries, product groups and divisions, the Beiersdorf Campus has a state-of-the-art IT infrastructure that can adapt to rapidly changing technological requirements. It takes into account the increasing use of artificial intelligence as well as mobile working around the world. The Campus app helps all employees to find their way around and locate and book the rooms, equipment, and desks they need. It even shows how busy individual areas are and where colleagues are located.



€250 m.
invested



51,000
square meters of total space



3,200
working options on
Campus



397
rooms for hybrid meetings

Employee volunteering

CARE BEYOND SKIN Day

In 2023, Beiersdorf organized its first global volunteering day: CARE BEYOND SKIN Day. All employees were able to spend one workday supporting various social and environmental projects and make a valuable contribution to society and the environment. Thousands of people responded to the call to do something sustainable for the future of the planet and its inhabitants.

CARE BEYOND SKIN DAY AT A GLANCE

> 10,000

employees in 68 countries took part

> 50,000

hours worked

> 100

organizations supported



Canada

Planting trees was one of the most popular activities for employees worldwide, including in Canada.



Argentina, Chile, Peru

In the three South American countries, employees renovated playgrounds and houses belonging to the SOS Children's Villages organization.



Spain

In Spain, young people were taught about acne – also to counteract possible stigmatization of people with skin conditions.



India

In India, employees worked with the organization Aseema to support children from disadvantaged backgrounds, e.g., by providing career advice



South Africa

In South Africa, employees supported their long-term partner organization Thanda and helped with the construction, fencing, and planting of playgrounds.



Australia

In Australia, employees helped the non-profit organization Foodbank pack food parcels for people in need.

OUR MANAGEMENT TEAM

ABCD Garden Of Creativity — Think Tank — Meeting Point
Under Construction — Power Station — In The Clouds

Digital Playground E



Future.Ready. Leadership.

Our Executive Committee is pictured at the heart of our Beiersdorf Campus, in the Collaboration Hub. With over 4,000 square meters featuring state-of-the-art rooms for communication and collaboration, employees in Hamburg use it for meetings, keynotes, and creative workshops.

The stage is the ideal platform for inspiring presentations and gatherings.

Front row
(from left)

Dr. Gitta Neufang
VP Research &
Development

Vincent Warney
CEO

Astrid Hermann
Finance, tesa

Patrick Rasquinet
Luxury

Middle row
(from left)

Nicola D. Lafrentz
Human Resources

Oswald Barckhahn
Europe, USA & Canada

Top Row
(from left)

Grita Loebssack
NIVEA

Harald Emberger
VP Supply Chain,
Quality Management

Ramon A. Mirt
Emerging Markets

AT BEIERSDORF WE HAVE BEEN CARING ABOUT SKIN SINCE 1882.

Beiersdorf's success is based on its strong portfolio of internationally leading brands. It is thanks to them that millions of people around the world choose Beiersdorf day after day. Our brands boast innovative strength, outstanding quality, and exceptional closeness to our consumers. By responding quickly and flexibly to regional requirements, we are winning the hearts of consumers in nearly all countries worldwide. Our skin and body care brands form the focus of our successful brand portfolio and each brand serves very different areas: NIVEA is aimed at the mass market, Eucerin at the dermo-cosmetics market, and La Prairie as well as Chantecaille at the selective cosmetics market.

With its Hansaplast, Elastoplast and CURITAS brands, Beiersdorf also has a global presence in the field of plasters and wound care. Renowned brands such as Aquaphor, Coppertone, Labello, 8x4, atrix, Hidrofugal, Maestro, and Florena round off our extensive portfolio in the Consumer Business Segment. Through the tesa brand, which has been managed since 2001 by Beiersdorf's independent tesa subgroup, we also offer highly innovative self-adhesive system and product solutions for industry, craft businesses, and consumers.



Eucerin®

Hansaplast

LA PRAIRIE
SWITZERLAND

C H A N T E C A I L L E

Aquaphor
HEALING OINTMENT

Coppertone

Labello®

8x4

atrix

HIDRO
FUGAL

Maestro
美涛

tesa®

- p. 34 Letter from the Chairman
- p. 38 Beiersdorf's Shares and Investor Relations
- p. 41 Report by the Supervisory Board

TO OUR SHAREHOLDERS

Dear Shareholders, dear Readers,

The year 2023 was exciting, it was challenging, it was intense – and it was a compelling illustration of Beiersdorf's successful and progressive course of recent years. It underscored our momentum and showcased our robust and crisis-resistant business model.

The past year was one of geopolitical volatility and macroeconomic uncertainties, which sadly led to horrendous suffering and humanitarian tragedies in several parts of our world. We all hope these conflicts will be brought to a peaceful end as soon as possible. Simultaneously, the pressure concerning societal or sustainable issues remains high, and rightfully so. We can neither foresee nor control the majority of these volatile factors and developments, but we can face up to them, remain confident in our long-term course, keep growing, and take responsibility regarding the most pressing issues of our time. That is what we did in 2023. That is how we succeeded in 2023. And that is how we are setting the course for a promising future.

The adverse market conditions fostered an exceptional sense of unity within the international Beiersdorf team, which is why I am particularly proud that Beiersdorf's excellent performance of recent years continued with record sales in 2023, fueled by outstanding double-digit organic sales growth. We were the fastest-growing beauty company in the world in the past year. We saw rising demand in all regions. Our trusted iconic brands, our deep understanding of ever-changing consumer needs, and our fantastic people once more collectively proved to be a dependable, strong, and future-ready partner for our shareholders.



Vincent Warnery, Chairman of the Executive Board

Strong increases in terms of sales, profitability, and dividend

A more detailed glance at our financial figures shows our continued stellar performance in 2023: Organically, sales increased by 10.8% year-on-year at Group level, which led to record sales of €9,447 million in nominal terms (previous year: €8,799 million). At the same time and despite significant investments, the operating result (EBIT), excluding special factors, increased from €1,158 million in 2022 to €1,268 million, resulting in an improved EBIT margin of 13.4% (previous year: 13.2%). The main sales driver was our Consumer Business Segment, with the NIVEA and Labello business (16.2% organic sales growth) as well as our Derma brands Eucerin and Aquaphor (24.0% organic sales growth) at the head of the line with outstanding results. Overall, the capital markets recognized the strong

performance as well as the upcoming opportunities for Beiersdorf with a very positive share price performance in 2023. We finished the year with a stock price of €135.70, and thereby 26.6% above the year-end price in 2022. The tesa business segment achieved sales of €1,667 million despite a challenging market environment. In organic terms sales grew by 3.2%. Main drivers of this positive development were the automotive business which achieved double-digit growth in 2023 and the Consumer as well as the Industry division which both grew slightly.

Following this exceptional business performance of Beiersdorf in recent years, the Executive and Supervisory Boards plan to increase the dividend for fiscal year 2023. With a significant increase of 43% to the previous year, a dividend of €1.00 per dividend-bearing share will be proposed to the Annual General Meeting on April 18, 2024, and thus enable our shareholders to participate in Beiersdorf's profitable growth. At the same time, Beiersdorf will also start a share buyback program equivalent to up to €500 million.

Getting future-ready to become the best skin care company

So, we are on the right path and our strategic choices are yielding the intended results. This success instills a strong confidence in our vision to become the best skin care company, a goal that requires continuous effort and an unwillingness to rest on our laurels. Consequently, 2023 was a year marked by substantial investments aimed at ensuring the long-term success of our company.

We invested heavily in our global supply chain as well as in our digital infrastructure in the past year. The investments in our production sites adhered to the highest environmental and technological standards, thus enabling long-term and sustainable growth of our brands. Our new site in Leipzig (Germany), with a capacity of up to 450 million products per year, started producing in September 2023 and is already one of the largest Beiersdorf plants on the globe. Our plants in Poznań (Poland) and Silao (Mexico) will follow this state-of-the-art blueprint in 2024. An important milestone on the digital front was the seamless switch to the newest SAP technology for all our global affiliates. Thereby we enhanced the efficient digital transformation of Beiersdorf as the implementation of the cutting-edge SAP S/4HANA system enables faster, further standardized, and automated global business processes.

Becoming future-ready also means putting a tremendous effort into the realization of our CARE BEYOND SKIN Sustainability Agenda. For the second year in a row, Beiersdorf received the Triple-A rating by the renowned non-profit organization CDP in 2023 and was recognized with this best-in-class score for its efforts in target setting, performance, and transparency on the three dimensions of climate change, forest, and water security. This ranks Beiersdorf as one of only 10 companies worldwide to lead the sustainability transformation – out of over 21,000 companies scored. Our sustainable product transformation is of vital importance here: In 2022 and 2023 we successfully reworked, among other products, the formula of our NIVEA Soft, and in 2024 our iconic NIVEA Creme will follow with a more sustainable packaging. We are proud that our actions are already creating a viable impact, although we are still just at the beginning of this crucial journey. As we further progress as a sustainability leader into the future, Beiersdorf now announces its net zero target, which has been validated by the Science-Based Targets initiative (SBTi) to be in-line with the 1.5-degree pathway: We aim to reach Net Zero and reduce our emissions along the entire value chain by 90% until 2045.

To eventually become the best skin care company, you also need the best people in the industry. In 2023, we made significant progress not only to attract and retain the best talent in the market, but also to shape the ideal environment for them at our company. In our founding city of Hamburg (Germany), we opened our new global headquarters and the expanded research center on an area of 51,000 square meters. Our employees significantly shaped this new global heart of our organization and influenced the creation of a modern and sustainable work environment, which embraces the future of work, the well-being of our employees, and the exchange of ideas. Innovation and further growth can

only emerge from exchange and inspiration. This is precisely what has made us and our brands such as NIVEA, Eucerin, and Aquaphor so strong and unique for decades.

Also on a global scale, we are continuously improving our working environment. We committed in 2021 to achieving a 50:50 gender-balanced leadership across all management levels worldwide by 2025. Already by September 2023, the representation of women in management positions had increased to 50.3%. That means we achieved our gender parity ambition 18 months ahead of schedule – a great success and an important step. However, we are not done yet. We must maintain our commitment, continue our efforts, and ensure that achieving a 50:50 gender balance remains not just a milestone but a legacy. Looking ahead, our commitment extends to broader initiatives that go beyond gender, emphasizing diversity, equity, and inclusion as integral components of our culture. We actively embrace the diversity of genders, origins, backgrounds and cultures, sexual orientation and gender identities, as well as generations and include people of all abilities.

Reaching and understanding our consumers

For over 140 years, prioritizing the consumer has been the central guiding principle for our actions. Today, we find ourselves confronted by swiftly shifting consumer needs, driven by societal progress and continuous digitalization. As new consumer behaviors emerge, we are adapting alongside them – sustainably and digitally, never letting go of our consumer focus. Our e-commerce business continues to thrive on a global scale and is a major contributor to the growth of our excellent sales figures. Over the past fiscal year, we have seen significant growth of 19% in e-commerce, once again positioning us among the top performers in our industry.

Embracing such digitally focused developments and pairing them with our innovative pioneering spirit leads to successful digital skin care innovations. In 2023, we increased our utilization of artificial intelligence (AI) to shape the skin care of the future: for example, as an integral part of our unrivaled SKINLY study that is one of the world's largest consumer skin care studies. AI facilitate smart data collection and analysis in this context, which not only provides insights about the effectiveness of consumers' skin care routines but moreover leads subsequently to the product innovations of tomorrow. We are also increasingly utilizing AI in the development and optimization of our product formulas.

Beyond the digital space, our skin care innovations remain a central reason for our current success and optimistic outlook into the future. In 2023, we managed to incorporate our key patented ingredients such as Thiamidol, Q10, or LUMINOUS630® into a variety of new skin care segments, thereby not only creating new and successful innovations but also strengthening our market leadership positions with our Derma and NIVEA business. Another tremendous innovation lies within the field of skin rejuvenation: We will enter the market for the first time with a product in the dynamic and exciting field of epigenetics in 2024.

Unlocking further growth potential

Fueled by the well-established "fewer, but better and bigger" principle across all business areas – and the successful recalibration of NIVEA's operating model toward a more globalized approach –, we accelerated our growth in 2023 not only in our established market positions but also in several white spaces around the globe. Overall, NIVEA delivered record growth levels across all regions and categories, while also ensuring the best mix between volume and value. This led to over €5 billion sales in 2023, and we aim to keep this course with NIVEA in 2024 and beyond; the sky is truly the limit for our iconic brand.

Our Sun products within NIVEA and Derma were also a major growth driver in 2023 as well as the impressive acceleration of our sales in the Latin America region. The potential of this region remains huge and we are confident that this success story can be continued in 2024.

With our luxury and selective brands La Prairie and Chantecaille, we faced difficult external market circumstances in the travel retail business and in mainland China, which caused a decline in sales for both brands in the past fiscal year. This led to the decision to utilize 2023 as a transition year to clean up stocks and normalize inventory levels. Hence, we are now expecting a bounce-back effect in 2024 and a return to growth.

Together toward a successful future

The exceptional financial performance in 2023 reflects our resilience, our flexibility, and the value of our iconic brand portfolio in the eyes of our consumers. However, these achievements would not have been possible without the key ingredient: our amazing team! On behalf of my colleagues from the Executive Committee, I sincerely want to thank all employees around the world for their passionate and remarkable commitment to Beiersdorf. The displayed level of adaptability, creativity, and dedication was truly outstanding in the past year and instills great confidence in me regarding the future of this company. At the same time, I would like to thank you, our shareholders, for your trust in Beiersdorf and the critical and crucial support you provide.

In the past year, we not only delivered on our promises but also made great progress toward our readiness for the future through significant investments, the right strategic adjustments, unwavering consumer focus, and smart innovations. All of this, paired with an overall sustainable mindset while delivering an exceptional financial performance, has proved, once more, that we are not only crisis-resistant but also equipped with the right foundation for sustainable and profitable growth in the coming years. The year 2024 will also see a sharpened and focused corporate strategy to further accelerate our current positive development. I am convinced that we have everything in place for continued success in the next year, and I am personally very excited about the journey ahead of us!

We are indeed ready for the future.

Sincerely,



Vincent Warney

Chairman of the Executive Board

Beiersdorf's Shares and Investor Relations

After a volatile year for the economy in 2022, the market placed high hopes on an improvement in 2023. Geopolitically, however, there was no respite, with the Russia-Ukraine conflict continuing unchanged and new serious conflicts flaring up in the Middle East. Despite this, the performance of the capital markets in 2023 was primarily driven by inflation and the interest rate policies of central banks. High inflation figures at the beginning of the year in Europe and the USA led central banks to respond with historic rate hikes. However, the situation on the capital markets at the end of the year proved more favorable than many had expected. This was primarily due to the easing of inflation as the year progressed and the expectation of falling rates looking ahead to 2024. Leading indexes, including in Germany and the USA, reflected this by reaching record levels toward year-end 2023.

Subdued economic growth, well below the average for the past decades, is nevertheless still expected for 2024. The most important causes for this is to be found in the second largest economy - China - whose performance was significantly impaired in 2023 due to structural problems which are likely to continue in 2024. High price levels and interest rate hikes could also put the brakes on the US economy in the next year. The prospects for the eurozone are significantly better, and economic growth is expected to pick up slightly after the stagnation in 2023.

Gas prices, which soared to new heights as a result of the Russian invasion in 2022, returned to normal levels in the course of 2023. The oil price remained within a narrow range in the first half of the year before rising sharply due to the supply shortage and developments in the Middle East conflict. Toward the end of the year, calm increasingly returned to the oil market. The value of the US dollar against the euro was also largely driven by inflation and central bank interest rate policy, moving in a narrow corridor throughout the year with little fluctuation. The euro benefited from the prospect of lower inflation and appreciated slightly toward the end of the year.

Beiersdorf's shares continued their strong performance from the previous year. After a restrained first two months of 2023, Beiersdorf's shares rose during the second quarter to an interim high of over €127. This was on the back of strong market data and better-than-expected first-quarter results. As the year progressed, the capital market came to the view that the difficult market environment for our luxury brands was being more than outweighed by the outstanding performance at NIVEA and the Derma brands. The excellent figures and upgraded outlook for the year took the share price to a new all-time high as the year continued. At the end of 2023, Beiersdorf's shares closed at €135.70. This was 26.6% up on their closing price for 2022 and put them among the front-runners compared with both the competition and the DAX.

The Annual General Meeting took place in a virtual format at the company's headquarters in Hamburg. For the second time, not just shareholders but anyone interested were able to follow the event from their computer. Around 2000 viewers took advantage of this offer and attended this year's Annual General Meeting online on April 13, 2023. A new feature this year was the opportunity for shareholders around the world to pose their questions live via a virtual request-to-speak counter and thereby interacting directly with the Executive Board, as was commonplace for decades at the in-person Annual General Meetings.

In 2023, the focus in capital market communication was on the development of our brands. For NIVEA, it discussed both pricing and, in particular, the growth opportunities in emerging markets. For the Derma brands Eucerin and Aquaphor, communication centered on innovations around the active ingredient Thiamidol and potential new business areas. In the case of the premium and selective brands Chantecaille and La Prairie, developments in China and in travel retail were analyzed in depth. At roadshows and conferences, the Executive Board also explained how Beiersdorf can take advantage of new market opportunities through its investments as part of the C.A.R.E.+ strategy and the continued development of the operational business model.

Around 25 financial analysts published regular research notes on Beiersdorf in the reporting year. The number of buy recommendations rose over the course of 2023. This meant that, by the end of the year, the vast majority of analysts had buy recommendations for Beiersdorf's shares.

For more information on Beiersdorf's shares please visit

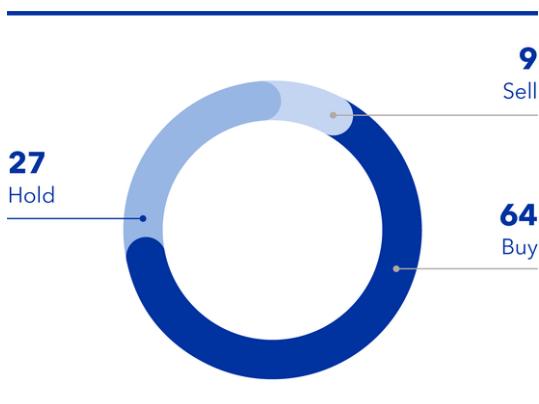
www.beiersdorf.com/shares

For more information on Investor Relations please visit

www.beiersdorf.com/investors

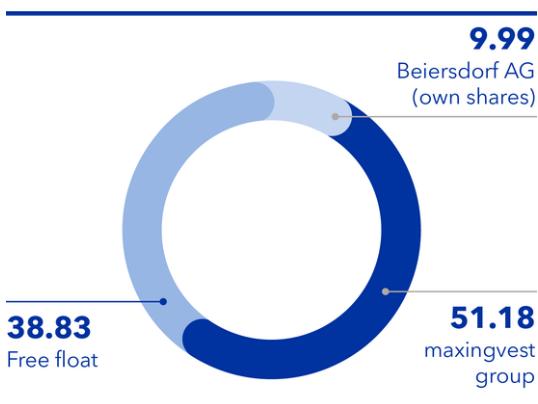
Analyst Recommendations

as of Dec. 31, 2023 (in %)



Shareholder Structure

as of Dec. 31, 2023 (in %)



Source: Beiersdorf AG

Key Figures - Shares

		2022	2023
Earnings per share as of Dec. 31	(in €)	3.33	3.24
Market capitalization as of Dec. 31	(in € million)	27,014	34,196
Closing price as of Dec. 31	(in €)	107.20	135.70
Closing high for the year	(in €)	108.50	135.85
Closing low for the year	(in €)	80.64	107.15

Beiersdorf's share price performance 2023

Jan. 1 - Dec. 31 / relative change in %



Basic share data

Company name	Beiersdorf Aktiengesellschaft
Admission year	1928
WKN	520000
ISIN	DE0005200000
Stock trading venues	Official Market: Frankfurt/Main and Hamburg Open Market: Berlin, Dusseldorf, Hanover, Munich, and Stuttgart
Number of shares	252,000,000
Share capital in €	252,000,000
Class	No-par value bearer shares
Market segment/index	Prime Standard/DAX
Stock exchange symbol	BEI
Reuters	BEIG.DE
Bloomberg	BEI GR

Report by the Supervisory Board

Dear Shareholders,

In accordance with statutory laws, the German Corporate Governance Code, the Articles of Association, and the bylaws, the Supervisory Board supervised and advised the Executive Board, focusing particularly on the C.A.R.E.+ strategy and on corporate planning, accounting, the course of business, the position and outlook, risk management, the internal control system, and compliance. The Executive Board reported regularly during and between the Supervisory Board meetings, both in writing and orally, particularly on significant events and developments in the business and market. The Supervisory Board also discussed and considered external views and developments concerning good corporate governance in Germany and other countries.

The Executive Board and Supervisory Board worked together on the detailed preparation and follow-up of meetings. Discussions took place with and among Supervisory Board members prior to and after the meetings, which were held face-to-face and via video and conference calls. Some members participated in face-to-face meetings by video or telephone. A secure digital platform is available for drafts, documents, and comments.

The Supervisory Board conducted a self-assessment (external efficiency audit) during the course of the year and had training seminars on sustainability as well as diversity and inclusion.

Full Supervisory Board

The Supervisory Board met six times (five face-to-face meetings and one video/conference call). The meetings regularly addressed strategic orientation, business developments, interim financial statements, compliance, Executive Board matters, and significant individual transactions. Proposed resolutions were carefully examined and discussed. All members of the Executive Board generally took part in the Supervisory Board meetings. Part of each meeting took place in the presence of the Supervisory Board members alone. The meetings early in the year focused on the prior year's annual financial statements. At the mid-year meetings, the Supervisory Board discussed strategic orientation and investment projects. The meetings at the end of the year concentrated on planning for the following year, investment projects, and Executive Board remuneration.

On **February 3, 2023**, the Supervisory Board discussed the achievement of the Executive Board targets for fiscal year 2022, set the total remuneration for Executive Board members, and adopted the 2022 remuneration report. The members also discussed the qualification matrix for the Supervisory Board and the self-assessment (efficiency audit) planned for later in the year.

On **February 21, 2023**, the Supervisory Board had an in-depth discussion about the development of the business in 2022, looking at brands, categories, and volumes. The Executive Board gave a detailed presentation on key financial figures and developments in market share as well as on the business segments and regions. Other topics comprised diversity and inclusion, sustainability, investment projects, and the strategies for HR and research and development. The auditor gave a thorough report on the scope, areas of emphasis, and findings of the audit. After intensive discussion, the Supervisory Board approved the annual and consolidated financial statements and the combined management report for Beiersdorf AG and the Group, including the Corporate Governance Statement and the combined Non-financial Statement for Beiersdorf AG and the Group. It thereby adopted the annual financial statements for fiscal year 2022. It discussed the Executive Board reports on dealings among Group companies and on the disclosures required under takeover law and approved the Supervisory

Board's report to the Annual General Meeting. It approved the proposal for the appropriation of net retained profits for fiscal year 2022. After an explanation of the new legal provisions on the holding of virtual meetings, it approved the agenda and proposed resolutions for the online Annual General Meeting on April 13, 2023. It also approved the proposal to the Annual General Meeting prepared by the Nomination Committee for the election of Uta Kemmerich-Keil to the Supervisory Board as a shareholder representative.

Following the Annual General Meeting on **April 13, 2023**, the Supervisory Board discussed the recent performance of the business and the outlook for fiscal year 2023. The Executive Board gave a detailed presentation on the development of sales and market share in various product categories and regions. The Executive Board also explained the latest developments at the La Prairie and Chantecaille brands and reported on its strategy for the coming years. The Supervisory Board discussed the upcoming self-assessment (efficiency audit) and the procedure for this. Finally, it adopted resolutions on changes in the composition of its committees and the issue of the audit engagement for the auditor's review of the half-year financial statements and the audit of the annual financial statements for fiscal year 2023 in accordance with the resolution of the Annual General Meeting.

At an extraordinary meeting on **May 26, 2023**, the Supervisory Board discussed Executive Board matters.

On **September 1, 2023**, the Supervisory Board discussed business developments using reports on selected topics from the Executive Board's areas of responsibility. In particular, the Supervisory Board heard reports on the business performance and on further plans in the Emerging Markets and at Chantecaille. The Executive Board presented its development of a new Executive Board strategy involving the refinement of certain aspects of the strategy C.A.R.E.+ and an update on the numerous investment projects in the company as well as a report on business developments at tesa. The Supervisory Board passed a resolution on the audit engagement for the 2023 non-financial report and expressed its agreement in principle with the choice of the new auditor for fiscal year 2024.

On **December 1, 2023**, the Supervisory Board discussed the Group's business performance up to the end of October using the key financial figures and development of market share by region, brand, and category. The Executive Board, which reported on individual aspects of its activity, also presented a look ahead at 2024. The Supervisory Board looked at the results of the self-assessment (efficiency audit) conducted during 2023. It agreed on investment projects, approved the corporate planning for 2024, and adopted the Declaration of Compliance with the German Corporate Governance Code for fiscal year 2023. Finally, the Supervisory Board set the targets and target total remuneration for the members of the Executive Board for fiscal year 2024 and confirmed their appropriateness.

In **February 2024**, the Supervisory Board discussed the achievement of the targets set for the Executive Board for fiscal year 2023, determined the total remuneration, and substantiated annual targets. It approved the annual and consolidated financial statements, along with the associated reports, and approved the proposed resolutions for the Annual General Meeting on April 18, 2024.

Committees

The Supervisory Board prepares its work in six **committees**. These can make decisions in place of the Supervisory Board in individual cases. The chairpersons of the committees provided the Supervisory Board with regular detailed reports on the committees' work. The **Mediation Committee** did not meet in fiscal year 2023.

The **Presiding Committee** (five meetings, all face-to-face) discussed business performance, Executive Board remuneration, and other Executive Board matters along with individual important transactions. It prepared and followed up on the meetings of the full Supervisory Board.

The **Audit Committee** (seven meetings, of which six were face-to-face and one was by video or conference call) primarily performed the preliminary examination of the annual and interim financial statements and combined management report, discussed the Executive Board's proposal for the appropriation of net retained profits, verified the independence and discussed the appointment of the auditor, specified the areas of emphasis for the audit, and discussed the legislative changes affecting the audit process. The committee made a proposal to the Supervisory Board for the election of the auditor by the Annual General Meeting. The auditor reported to the Audit Committee on the key findings of the audit, the results of the audit review of the half-year report for 2023, and other auditing matters. The committee also discussed the content and auditing of the combined Non-financial Statement. The committee, whose meetings on audit-related matters were also attended by the auditor, regularly addressed business developments. Other matters regularly discussed comprised risk management, internal auditing, sustainability reporting, the selection process for the new auditor, cybersecurity, the German Supply Chain Due Diligence Act (*Lieferkettensorgfaltspflichtengesetz*), and the scope of non-audit services provided by the auditor.

The **Finance Committee** (four meetings, all face-to-face) particularly discussed investments and the investment strategy. It received regular reports on investment projects. Other topics comprised whistleblower protection, supply chain due diligence obligations, venture capital, and compliance.

The **Personnel Committee** (two meetings, both face-to-face) discussed the long-term planning of positions on and beneath the Executive Board. In this context, it looked at the acquisition, development, and management of talent. The committee also addressed diversity and inclusion.

The **Nomination Committee** (two meetings, of which one was held face-to-face and one by video or conference call), taking into account the Supervisory Board's targets for its composition, the profile of skills and expertise, and the other requirements arising from law and the German Corporate Governance Code, decided on its recommendation to the full Supervisory Board concerning the candidates to be proposed to the Annual General Meeting on April 13, 2023. The committee also discussed the upcoming new election of the shareholder representatives to the Supervisory Board at the 2024 Annual General Meeting.

The participation rate in meetings was approximately 94% for the full Board, 95% for the Presiding Committee, approximately 97% for the Audit Committee, and 100% for the Finance, Personnel, and Nomination Committees. The participation rates for the individual members who did not attend every meeting were as follows: approximately 83% of full Board meetings for Reiner Hansert, Wolfgang Herz, Manuela Rousseau, and Kirstin Weiland, 80% of Presiding Committee meetings for Manuela Rousseau, and approximately 86% of Audit Committee meetings for Frédéric Pflanz. There were no indications of any conflicts of interest relating to Executive Board or Supervisory Board members. Having initially been court-appointed effective August 1, 2022, Uta Kemmerich-Keil was also elected by the Annual General Meeting on April 13, 2023, as Martin Hansson's successor.

Annual financial statements and audit

The annual financial statements are prepared in accordance with the requirements of the *Handelsgesetzbuch* (German Commercial Code, *HGB*), and the consolidated financial statements in accordance with the International Financial Reporting Standards (IFRSs), as adopted by the EU, and taking into account the applicable interpretations of the IFRS Interpretations Committee. The supplementary requirements of German law are also applied. The **auditor** audited the **2023 annual financial statements** and **consolidated financial statements**, the combined management report for Beiersdorf AG and the Group, and the combined **non-financial statement** for Beiersdorf AG and the Group and issued unqualified audit opinions for them. With regard to the Executive Board's report on dealings among Group companies (§ 312 Aktiengesetz (German Stock Corporation Act, *AktG*)) required due to the majority interest held by maxingvest GmbH & Co. KGaA, Hamburg, the auditor,

following the completion of the audit in accordance with professional standards, confirmed that the information contained therein is correct; that the compensation paid by the company with respect to the transactions listed in the report was not inappropriately high; and that there are no circumstances which would justify, in relation to the measures specified in the report, a materially different opinion than that held by the Executive Board.

The Supervisory Board received the fiscal year 2023 annual financial statements, consolidated financial statements, combined management report for Beiersdorf AG and the Group, including the combined Non-financial Statement for Beiersdorf AG and the Group, the report on dealings among Group companies, and the Auditor's Reports immediately after their **preparation**. Prior to this, the Supervisory Board received and discussed drafts of the provisional financial statements. The auditor participated in the deliberations of the Supervisory Board on the annual financial statements of Beiersdorf AG and the Group and reported on the key findings of the audit to the Audit Committee and to the full Supervisory Board. The Supervisory Board's examination of the annual financial statements and consolidated financial statements, combined management report, and combined Non-financial Statement for Beiersdorf AG and the Group, the report on dealings among Group companies, including the concluding declaration by the Executive Board, and the Auditor's Reports did not raise any objections. At an ordinary meeting on February 23, 2024, the Supervisory Board concurred with the auditor's findings and approved the annual financial statements of Beiersdorf AG and the consolidated financial statements for the year ending December 31, 2023; the annual financial statements of Beiersdorf AG are thus **adopted**. The Supervisory Board endorsed the Executive Board's proposal on the appropriation of retained net profits.

For its entire 2019-2024 term of office, and particularly fiscal year 2023, the Supervisory Board would like to thank the customers, in homes and businesses alike, who have been loyal to Beiersdorf and supported us with constructive feedback, helping us to achieve our best. We would also like to thank the Beiersdorf employees, who have thrown themselves into all the challenges with great success. Our thanks also go to our business partners, who have worked with us in difficult times to ensure outstanding customer service. And finally, we would like to thank our loyal shareholders. Thank you all. Our term of office and the last fiscal year have been shaped by uncertainty. That trend is set to continue. The task for all of us is and will remain to ensure we do our best for customers - always and everywhere. Beiersdorf proved again in 2023 that they can rely on us. All Beiersdorf employees worldwide deserve special thanks and recognition for another extraordinarily successful year in the difficult environment after 2019. Thank you from the Supervisory Board and for all shareholders!

Hamburg, February 23, 2024
For the Supervisory Board



Reinhard Pöllath
Chairman

p. 46	Foundation of the Group
p. 46	Business and Strategy
p. 53	Research and Development
p. 65	People at Beiersdorf
p. 80	Sustainability

p. 81 Non-financial Statement

p. 136	Economic Report
p. 136	Economic Environment
p. 139	Results of Operations
p. 149	Net Assets
p. 151	Financial Position
p. 152	Overall Assessment of the Group's Economic Position
p. 153	Beiersdorf AG
p. 156	Risk Report
p. 167	Report on Expected Developments

p. 170 Other Disclosures

p. 170	Corporate Governance Statement
p. 186	Report by the Executive Board on Dealings among Group Companies
p. 186	Disclosures relating to Takeover Law

COMBINED MANAGEMENT REPORT

Foundation of the Group

Business and Strategy¹

With a portfolio of strong, global brands, Beiersdorf has developed into one of the world's leading companies in the consumer goods industry over the past 142 years - with over 170 international subsidiaries and more than 20,000 employees worldwide. Our business is divided into two separate, independently operating business segments. In both segments, we hold a leading position in the market. We are confident that we can further maintain and expand our advantage by bringing key innovations with genuine added value to the market.

- In the Consumer Business Segment, our focus is on skin and body care. Our portfolio comprises brands such as NIVEA, Eucerin, La Prairie, and Hansaplast, which are trusted by people around the world.
- In the tesa Business Segment, we concentrate on developing innovative adhesive tapes and self-adhesive solutions for industry, craft businesses, and end consumers. Since 2001, tesa has been managed as an independent subgroup.

Consumer

Our strategy

The Beiersdorf name has stood for innovative skin care since 1882. This is our core competency - and we want to deliver added value for our consumers in this area. Our goal: We want to ensure that people all around the world feel good in their skin.

In 2019, we formulated our C.A.R.E.+ business strategy. This describes our strategic priorities and is the means by which we want to secure our competitive, sustainable growth. The strategy focuses on the following areas:

- Fast forward digital transformation
- Win with skin care
- Unlock white spot potential
- Fuel the growth through increased productivity
- Build on strong foundations: Culture - Core Values - Capabilities - Care Beyond Skin

We continued to implement the strategy in the reporting year and once again made significant progress. Below, we briefly introduce the most important progress.

Fast forward digital transformation

Digitalization in our company and business plays a decisive role in tapping new growth potential. That is why we have long been systematically driving digitalization as part of our C.A.R.E.+ strategy. We are using digital technologies more extensively, for example, to engage in direct dialogue with our consumers and fulfill their individual wishes. In the reporting year, we once again made substantial investments in digital approaches, particularly in various social and media networks and precision marketing. This included influencer collaborations and partnerships with providers of digital

¹ Sections marked with  contain information that is part of our Non-financial Statement.

technologies. Our e-commerce business has grown steadily in recent years and, with strong partner relationships, high-quality content and effective retail media, has become an increasing driver of our overall sales growth.

In addition to these measures, we have been using forward-looking digital technologies including artificial intelligence (AI) for many years to drive faster and more efficient development of innovations – for example in developing and optimizing formulas. Another example of the use of AI-based technologies is the skin study SKINLY, which we continued in 2023 and is one of the world's largest skin care studies involving consumers. Further details on this and other approaches are presented in the "Research and Development" chapter.

In addition to marketing and research and development, we also invested last year in the digitalization of our production, in future-oriented workplaces, in new forms of work and changing approaches to the workplace ("New Work"), and in our employees' digital skills. For us, our new production center in Leipzig sets standards in the automation and digitalization of all production steps as well as in terms of sustainability standards. The Beiersdorf Campus, the new Group headquarters in Hamburg we inaugurated in the reporting year, offers new opportunities for dialogue and working collaboratively and creatively thanks to state-of-the-art technology. With an area of 51,000 square meters, we have created the new global centerpiece of our organization here, which our employees have significantly shaped. Further information on our employees can be found in the "People at Beiersdorf" chapter.

Win with skin care

Our claim is to bring innovations to market that offer our consumers added value. A fine example of that is our first anti-aging care range with Q10: We launched it in 1998 and heralded in a new era in cosmetics for us using active ingredients already 25 years ago. Q10 remains one of the most important anti-aging ingredients to this day and we continue to develop it further. The NIVEA Q10 face care range, for example, is now available in over 60 countries and is the number 1 in the NIVEA face care segment. The latest product in the range is the NIVEA Q10 TARGETED WRINKLE FILLER. The serum's formula combines pure Q10 with BIOXIFILL® peptides – a skin-friendly and powerful combination that reduces wrinkles in sensitive areas of the face.

We successfully expanded our familiar face care range LUMINOUS630® under the NIVEA brand in the reporting year. With the NIVEA Men Anti-Age Power Serum, which combines the patented anti-pigment ingredient LUMINOUS630® with hyaluron in a 2-in-1 formula, we have successfully entered the market for anti-aging care for men.

The patented active ingredient Thiamidol from our dermocosmetic brand Eucerin also remains one of the company's most successful innovations. Revision of our Eucerin Hyaluron-Filler + Elasticity product range with Thiamidol in the anti-age category reaped clearly perceptible successes in the fiscal year 2023. The relaunch enabled us to benefit from the growing market trend toward anti-aging products and further increase our market share. Following its success in face care, we have expanded use of our patented active ingredient Thiamidol to the body care segment in recent years. In the reporting year, for example, we launched the new Eucerin Hyaluron-Filler + Elasticity Anti-Age Body Cream, which has been specifically developed to counteract advanced signs of skin aging on the body.

In 2023, we further developed some of our skin care products and also made good progress in implementing our Climate Care strategy. Our goal is to achieve an absolute reduction in CO₂e emissions along the entire value chain (Scopes 1, 2, and 3) of 30% by 2025 (vs. 2018). Key product transformation measures in 2023 included changes to the NIVEA Sun, Labello, and Eucerin ranges: In the case of NIVEA Sun, the bottles, caps, and trigger pumps are now partly made of recycled plastic. The revised formulas also have a lower environmental footprint. In the case of Labello, the formulas and packaging have also been developed further, thereby reducing CO₂e emissions. Eucerin has

introduced a special innovation: The Hyaluron Filler Day and Night creams come in particularly sustainable refill packaging. This refill concept for the anti-age bestseller, in which only the inner jar is replaced and the outer packaging is reused, enables a reduction in the use of plastic.

We also want to make a major contribution to protecting the climate and establishing a circular economy with our new aerosol cans. Since the last fiscal year, we started to produce our deodorant spray cans for the European market at least 50% from recycled aluminum. At the same time, they have also become lighter thanks to a reduction in material. In this way, we aim to cut CO₂e emissions in the value chain.

Unlock white spot potential

Another element of Beiersdorf's C.A.R.E.+ strategy is tapping into new potential for growth. We are concentrating on tapping "white spots" – markets and business areas where we are not yet present or would like to further expand our presence. The most attractive regions for us are in Latin America (especially Brazil and Mexico), Asia (especially China, South Korea, Thailand, and Indonesia), and Africa (especially South Africa and Nigeria). However, the market conditions in the individual countries differ greatly; therefore, we are focusing on different aspects as part of our market development strategies. The demand for our Derma products in Latin America is very dynamic, while we see significant growth potential for our NIVEA range in African countries. In China, premiumization is the key to success. As a global brand that aims to be successful in this strategically important market, securing our premium positioning is our top priority in order to create sustainable growth.

Our strategic focus with NIVEA is on the Face Care category and strengthening our efforts in e-commerce business. In the reporting year, we recorded successes in particular with the high-quality face care range NIVEA LUMINOUS630®, which we sell via cross-border e-commerce. Our global research and development network makes a key contribution to tapping into this growth potential. It enables us to address local cultural, aesthetic, and climatic conditions and develop products that correspond to individual local or regional needs and preferences. At the same time, it allows us to learn from each other, pursue different research focuses that reflect local expertise, participate in global innovation, and have access to local talent and partners who provide valuable ideas and insights for our research and development work.

Our skin research center in Hamburg is at the heart of this network. At this center, we carry out application-oriented research, in particular, in order to gain a better understanding of the skin's metabolic processes. The Beiersdorf Study Center was modernized in 2023 and is part of the skin research center. As a complement to tests performed externally, it is mainly tasked with intensively testing and ensuring the quality, safety, and tolerability of newly developed products prior to their market launch. The second largest research location is our innovation center in Shanghai. The main focus of research activities there is on the use of AI tools to optimize formulations, developing sustainable formulations, and gathering new insights into Chinese consumers in relation to anti-aging and sensitive or oily skin. In contrast, our innovation center in Florham Park, USA, focuses on clinical research and developing local product innovations for the dermocosmetic ranges of Eucerin and Aquaphor as well as for the sun protection brands Coppertone and Eucerin Sun. More information on this subject can be found in the "Research and Development" chapter.

Fuel the growth through increased productivity

In order to grow faster, we are committed to efficiency, strict cost discipline, and a focused, lean organization. We continuously invest in increasing our productivity, for example through investments in new production technologies or in expanding our production capacities.

An event of special importance in the reporting year was the inauguration of our new facility in Leipzig. The ultra-modern production center is one of the largest investments (almost €300 million) in a single location in Beiersdorf's history, where a high degree of automation and extensive digitalization of all production steps, for us, will ensure above-average efficiency and productivity in the future. The facility has a modular and flexible design so that new innovations, trends, consumer wishes, or production processes can be implemented quickly.

This new production center also helps us achieve the goals of our CARE BEYOND SKIN sustainability agenda: Thanks to the use of renewable energies and biogas to generate heat, the facility is virtually CO₂e-neutral. Valuable resources such as heat, wastewater, and ethanol are recovered and treated on a large scale. Moving ahead, we plan to operate the facility as an "Energy+" location and produce more electricity than we consume by generating our own renewable energy.

In addition, in 2023, we have once again globally invested in new production lines, state-of-the-art technology, and our IT infrastructure. In 2024, we will complete the expansion of our facility in Mexico, which is one of Beiersdorf's three largest production sites. We are also expanding our production site in Poland extensively. The investments will total almost €200 million. Our objective for all production sites is to further increase the efficiency, agility, and resilience of our supply chain, allowing us to respond even better to constantly changing circumstances.

We will again invest in growth and innovation in 2024. For the Consumer Business Segment, investments will be at a similar level to those in 2023. Notable projects for the expansion of production and storage capacities relate to the locations in Poland, Mexico, and Leipzig.

Building on our strong foundations:

Culture – Core Values – Capabilities – Care Beyond Skin²

We believe that our special culture is the key to Beiersdorf's DNA. Based on trust, collaboration, respect, openness, and mutual appreciation, it centers on our Core Values – Care, Simplicity, Courage, and Trust – and sense of togetherness. This culture of "we" rather than "I" makes us strong and agile and is key to our strong cohesion and sustainable success.

The goal in all we do is to fulfill our consumers' needs and wishes to the best of our ability and meet our responsibility toward society and the environment.

Our purpose "Care Beyond Skin" is an expression of what Beiersdorf stands for and what defines us as a company – because our care and concern go far beyond our core competence, skin. We want to make a positive contribution to our society and our planet. In the past fiscal year, for example, we demonstrated that with Beiersdorf's first global volunteer day. At the CARE BEYOND SKIN DAY, all Beiersdorf employees had the chance to spend an entire working day supporting non-profit organizations. The activities varied greatly: from collecting garbage to renovating playgrounds, sports facilities, and children's homes to planting trees. The wide range of support not only helped strengthen an inclusive society and environmental protection, but also increased employees' sense of togetherness and identification with Beiersdorf.

We are committed to embracing diversity, equity, and inclusion (DE&I). Because we firmly believe that people are more motivated, more productive, and more satisfied when their different backgrounds, experience, and skills are valued and when they can truly be their unique selves. Therefore, alongside equal opportunities, we aim to encourage an inclusive corporate culture where everyone feels they belong – whatever their age, ethnicity, nationality, sex and gender identity, physical and mental abilities, religion and belief, sexual orientation, and socioeconomic background. In our goal to promote gender

² This section of the Combined Management Report is not subject to audit requirements.

diversity in leadership positions, we have reached a significant milestone: By 2023, leadership positions below the executive board are intended to be equally filled by men and women worldwide – some 18 months earlier than planned. Further information on our sustainability agenda and the topic of diversity, equity, and inclusion can be found in the "Non-financial Statement" and in the "People at Beiersdorf" chapter.

With the Beiersdorf Campus, our new Group headquarters, we also laid the foundations for further growth and innovation in the past fiscal year. The investment of €250 million not only demonstrates our commitment to the Hamburg location. It is also the foundation for a highly attractive working environment with an extensive range of services. In designing the campus, we incorporated the needs and wishes of the employees at an early stage and translated their specific requirements into the new working environments. For instance, the floor plan and the concept for the various room modules were geared rigorously toward New Work and agile working methods. We also created numerous collaboration and communication spaces to promote dialogue between colleagues and use forward-looking technologies. The new Group headquarter was built in accordance with the WELL standard, which focuses on the health and well-being of employees – from planning to daily use of the building and the new working environments – and taking into account criteria such as office design, retreats, air quality, outdoor facilities, and food quality. Beiersdorf is also aiming to gain LEED certification, an internationally recognized seal of quality for sustainability in building planning, for the new Group headquarters.

tesa

tesa SE (referred to in the following as "tesa") is one of the world's leading manufacturers of innovative adhesive tapes and self-adhesive product solutions for commercial customers and end consumers. tesa SE, a 100% owned subsidiary of Beiersdorf Aktiengesellschaft, is managed as an independent subgroup that is the direct or indirect parent company of 60 tesa affiliates (previous year: 61), employs 5,189 people and operates in more than 100 countries.

In the fiscal year, tesa founded tesa Online GmbH, Norderstedt, Germany. In addition, tesa tape OOO, Moscow, Russia, and Sugru Inc., Livonia, USA, were liquidated.

Regions and significant locations

tesa operates worldwide, with its main focus on Europe, followed by the business regions of Africa/Asia/Australia and the Americas. In addition to the German locations, the affiliates in China, the United States, Italy, and Japan are among tesa's largest and most strategically important single companies. The production sites are located in Europe (Germany and Italy), in the Americas (USA), and in Asia (China and Vietnam). The site in Haiphong, Vietnam, was opened in October 2023. The company headquarters, which include the research and technology center, are located in Norderstedt, near Hamburg.

Significant investments will also be made in growth and innovation in 2024. Investments for tesa will be at a similar level to 2023. Notable projects for the expansion of production and warehouse capacities for tesa relate to the production site in Hamburg. Further investments in automation and digitalization are intended to increase the efficiency of the sites.

Industry

In the Industry division, tesa supplies specialized product and system solutions directly to industrial customers, especially in the automotive, electronics, printing and paper, and building and construction industries. The strategic focus is primarily on developing and expanding profitable business lines in technologically advanced fields of application. tesa's product and system solutions are used to optimize and enhance the efficiency of production processes, as fastening solutions in construction-related applications – often offering features beyond just bonding – and as customized protection and packaging systems.

Along with direct business, the technical retail trade is part of the Industry division. Through retail partners, tesa offers a wide range of products for diverse applications in various industrial sectors, including product ranges for assembly and repair, tapes to secure items during transportation, and adhesive solutions for the packaging industry.

Consumer

The Consumer division encompasses those markets in which tesa supplies end consumers with market-driven products via retail partners or retail-like channels. This includes product ranges aimed at private consumers and craftspeople. tesa also uses e-commerce business to offer products for sale directly to end customers.

The Consumer business is focused on Europe and Latin America. It sells both long-established and innovative product solutions intended for various applications, including for daily use in offices, at home, and in crafts. Under the tesa® umbrella brand, end consumers find a broad assortment of more than 300 innovative products in DIY stores and superstores as well as in paper goods and stationery shops and online. tesa provides tailor-made ranges for professional craftspeople and designs its marketing concepts for the specific target groups.

Management and Control

The Executive Board manages the company and is dedicated to sustainably increasing its value. In addition to the functional areas of responsibility within the Executive Board, there are regional areas of responsibility. The Executive Board is closely involved in the company's operational business in particular through the allocation of responsibilities for the regions and markets. A breakdown of the Executive Board's areas of responsibility can be found in the chapter "Beiersdorf AG Boards" of the notes to the consolidated financial statements. The tesa Business Segment is managed as an independent subgroup.

Information on the remuneration of the Executive and Supervisory Boards as well as on incentive and bonus systems is provided in the Remuneration Report in the section "Additional information." The Combined Management Report includes the Corporate Governance Statement of Beiersdorf AG and the Group in accordance with §§ 289f and 315d *Handelsgesetzbuch* (German Commercial Code, *HGB*), which is also made publicly available on the company's website at www.beiersdorf.com/investor-relations/corporate-governance/corporate-governance-statement.

Value Management and Performance Management System

The goal of Beiersdorf's business activities is to sustainably increase the company's market share by achieving qualitative growth and, at the same time, to expand its earnings base. The long-term key performance indicators – **organic sales growth**³ in conjunction with **market share development**, EBIT, and the **EBIT margin before special factors** (the ratio of EBIT to sales) – are derived from this goal. The aim is to generate internationally competitive returns through continuous investment in growth opportunities, systematic cost management, and the highly efficient use of resources. The development of the relevant key performance indicators can be found in the section "Results of Operations." In the 2023 fiscal year, there was no change in the key financial performance indicators compared to the previous year.

The company has created an efficient management system in order to meet these strategic goals. Corporate management derives business performance targets for the individual units in the Group for the coming year from the Group's strategic business goals. This planning covers all segments and affiliates. Formal adoption by the Executive Board and Supervisory Board of the Group's planning for the following year is generally toward the end of the year. In specific cases the planning is not finalized until the beginning of the fiscal year in view of current developments.

Actual key performance indicators are compared with target values and with the current forecast for the year as a whole at regular intervals during the fiscal year. These comparisons are used to manage the business in line with the objectives.

The tesa Business Segment forms a separate, independent unit within the Group. It is also managed on the basis of sales growth, the operating result (EBIT), and the EBIT margin.¹

³ For the definition of organic sales growth refer to Significant Accounting Policies ("Notes to the Segment Reporting").

Research and Development

Research and development is central to an innovation-driven company like Beiersdorf. It is part of our corporate DNA and the key to our success.

Trend-setting technologies and sustainable concepts are important elements of our research efforts. We regularly evaluate our research and development activities and define clear focus areas for each business segment. Our two business segments concentrate on the following:

- In the Consumer Business Segment, Beiersdorf develops innovative, high-quality skin care products. These incorporate consumers' wishes, regional characteristics, and sustainable approaches.
- In the tesa Business Segment, we develop innovative adhesive tapes and self-adhesive solutions for industry, commercial customers, and end consumers. Here, sustainability and energy-saving production processes are at the forefront of our work – always with the aim of improving the workflows, products, and lives of our customers.

As of December 31, 2023, 1,686 people were employed in research and development at Beiersdorf worldwide (previous year: 1,591). Of this total, 1,026 (previous year: 1,007) worked in the Consumer Business Segment and 660 (previous year: 584) in the tesa Business Segment.

As in past years, we increased our spending on research and development once again in the reporting year. At the end of the fiscal year, expenditure in this area amounted to €320 million, up 10.2% on the previous year (€291 million). Beiersdorf invested €241 million (+11.6%) in the Consumer Business Segment and €79 million (+6.2%) in the tesa Business Segment in research and development over the past year.

Consumer

Outstanding skin care research

Beiersdorf has always excelled through its expertise in skin research. For us, this research acts as a source and major driver of our innovative strength and makes us more competitive. Our laboratories aim to decode the skin's complex processes, identify effective active ingredients, and find ways to use these in skin care. We use pioneering technologies in all our research fields to develop ever more new innovations and products that are intended to offer added value to our consumers all around the world. In all this work, we have a clear goal: we want to create impactful and sustainable skin care innovations that touch people's lives.

Our intensive, application-oriented research is continuously expanding our deep understanding of the human skin. Meanwhile, our highly dynamic development work in the field of skin biology is also opening up many opportunities, making it an important focus of our research work. The following research areas were among the most notable in the reporting year:

- The development and acceptance of modern, **non-animal-based methods to assess safety** have been an important part of our research work for around four decades. Our efforts here are aimed at proving the safety of our ingredients and products and paving the way for new industry standards. We achieved important successes with alternative testing methods in the reporting year. As a member from day one, we worked to help establish the new International Collaboration on Cosmetics Safety (ICCS) and further stepped up our involvement by taking on leadership positions. The aim of this joint initiative with other companies, associations, and NGOs is to promote global regulatory recognition, expertise, and the comprehensive use of animal-free

safety science for cosmetic and skin care products and their ingredients. Through research, education, targeted training, and regulatory engagement, ICCS wants to improve global awareness and trust in alternative scientific methods to animal testing and thereby drive next-generation risk assessment (NGRA). In our view, Beiersdorf scientists are playing a key role in this ambition due to their expertise. In the reporting year, for example, Beiersdorf attended the World Congress on Alternatives and Animal Use in the Life Sciences, chairing the topic of physiologically-based pharmacokinetic (PBPK) modeling and giving a presentation on an important new alternative approach. Organized with multiple partners from industry and government authorities, the presentation's aim was to promote the acceptance of alternative risk assessment methods, for example for UV filters. Working with the Fraunhofer Institute, we also developed an in vitro 3D skin sensitization test for lipophilic substances and presented it at the EUROTOX Congress 2023. The project won AstraZeneca's Early Career Award for Innovation 2023. We achieved another important milestone with an article on the use of alternative methods for identifying potential endocrine disruptors, which was published in the medical journal Archives of Toxicology. With new methods urgently required in this specific field, the findings are highly significant. Together with renowned experts from various industries and universities, our researchers also made progress in the use of predictive toxicology, highlighting and publicizing the cross-sectoral applicability of a new strategy, which can be used to help make decisions in safety assessment without the use of animal testing.

- Our scientists also continued their in-depth research on the **coenzyme Q10** during the reporting year. Twenty-five years after first bringing the innovative anti-aging ingredient to the market, our researchers discovered more new findings on this coenzyme, which occurs naturally in the body, and its important role in the skin aging process. An important focus of the research work is on mitochondria, in which the coenzyme is active in the respiratory chain. As part of a research collaboration with the Paracelsus Medical University in Salzburg, we were able to further decipher the changes in the mitochondria during the skin aging process. This data was published in the journal Experimental Dermatology during the reporting year. The research team's central finding: Aging is associated with a decline in markers of mitochondrial metabolism in the human epidermis. In addition to this, we launched a research program with the University of Ancona to harness the latest findings of mitochondrial medicine for cosmetic applications. The coenzyme Q10 remains one of the most important anti-aging ingredients to this day, and we continue to optimize it based on the latest research results. This success story of 25 years and counting shows the vast potential for innovation that still remains in Beiersdorf's discovery.
- Protecting the skin from **sun-related damage** has long been another central research focus at Beiersdorf. Our skin scientists research the sun's impact on the skin and use the findings to develop safe and effective product solutions for sun-related skin indications. In this context, we continued our work with the ALT-SPF consortium in the reporting year. The consortium aims to develop less invasive, more reliable, and more precise sun protection tests. Along with other partners, we not only provided selected samples to develop new testing methods but were also involved in conducting the round-robin studies. The test results obtained from this collaboration in the reporting year are now in the international validation process (DIS - Draft of International Standard) under ISO/DIS 23698 and ISO/DIS 23675. If the underlying test procedure is approved, this will bring the first real change in determining the sun protection factor, as these test methods do not rely on inducing an erythema. Based on HDRS technology (hybrid diffuse reflectance spectroscopy), reflectance measurements on the skin combined with in vitro transmission measurements enable direct measurement of SPF, UVA PF, or critical wavelength.
- We also continued research in the 2023 fiscal year on our patented active ingredient against hyperpigmentation, **Thiamidol/W630**. The ingredient has been well received by the scientific community, and an increasing number of dermatologists around the world are confirming the high effectiveness of products containing Thiamidol in numerous scientific publications.

Symposiums at internationally renowned scientific conferences are particularly important settings for demonstrating our research expertise in this context. Our brand teams share first-hand information on the active ingredients with the scientific community.

- Since 2008, Beiersdorf has been researching **epigenetics** in relation to the skin. This area of biology looks at the extent to which environmental factors sporadically affect the activity of genes and the development of cells. We see the epigenetic mechanism as offering important approaches to more precisely deciphering the skin's aging process. Research results show that even identical twins with identical genetic make-ups can age in very different ways. This difference is down to external factors such as lifestyle, diet, stress, or UV radiation, which have an influence on our epigenetic pattern and affect our biological age and skin's appearance. Our epigenetic research is focused on reactivating biological processes in cells to support skin rejuvenation. Based on this ambition, we launched a communication campaign about epigenetics in the reporting year. The campaign sought to raise awareness and interest in this area as well as to inform consumers and opinion leaders, give them an insight into our research, and position us as one of the leading companies in the field of epigenetics. Many people are unaware that one of our research teams was the first to identify the extensive epigenetic changes during skin aging. The team published an article on the topic in the scientific journal Plos Genetics back in 2010. With our patented skin-specific age-clock technology, we also offer a very special unique feature. The algorithm behind it is a true milestone in anti-aging research. By reading the epigenetic pattern in the skin, it can determine the skin's biological age with great precision. It also helps our researchers identify active ingredients that can positively modulate the skin's epigenetic pattern. The aim of our research work in the field of epigenetics is not only to slow aging processes but to turn back the skin's biological clock and thus improve the skin cells' functioning. With this progress, we want to contribute to the "healthy aging" of our consumers.

We use **global patents** to protect the results of our intensive applied research and our intellectual property. At the end of the 2023 fiscal year, our worldwide patent portfolio included some 1,500 active patents (previous year: approximately 1,500). We filed around 60 new patent applications globally in the reporting year (previous year: around 50). As of December 31, 2023, approximately 600 patents were in the ongoing grant procedure (previous year: approximately 600).

Sustainability as a source of innovation and growth

Sustainability is a central component of our research and development strategy. With the environmental and climate-friendliness of our products becoming immensely more important, we are optimizing our formulas and product packaging through intensive research work, including together with our strategic partners and suppliers.

We follow the four principles for sustainable packaging: "avoid, reduce, reuse, and recycle." That means, for example, using more sustainable, biodegradable, and/or renewable raw materials, taking advantage of recycled materials, reducing material use, and using alternatives to petroleum-based plastics. The vision of a circular economy unites all our efforts.

In 2021, we defined our R&D sustainability pledge, which is based on our overarching Sustainability Agenda CARE BEYOND SKIN. With CARE BEYOND SKIN, our aim is to minimize our environmental footprint and maximize our positive contribution to society. The agenda includes a "plastic pledge," for example, under which our target is to raise the share of recycled plastic to 30% by 2025 and cut the consumption of new petroleum-based plastic by 50%. In addition, we want to make 100% of our packaging refillable, reusable, or recyclable. We see promoting a circular economy as a top priority and are working on it intensively - not only in terms of packaging but also where our raw materials are concerned. We are therefore continuously updating our raw materials strategy to ensure that our products are climate-friendly and recyclable. This is based on the latest innovations in technology, procurement, and processing.

As a sign of our commitment, we were the first cosmetics company in Europe to receive the "My Green Lab" certification, the global standard for laboratory sustainability. Four of our labs have received platinum and green certificates in the last two years (green is the highest certification). By regularly achieving this certification, we are helping to reduce the environmental footprint of our scientific laboratories and bring about meaningful change.

We know that the ingredients and materials we use to manufacture our skin care products are the most important lever in reducing our environmental footprint and offering our consumers more sustainable routines. We therefore very closely analyze the trends and needs of our consumers around sustainability and work hard to bring continuous improvements so as to make our products better for the environment and climate.

The newly introduced Labello / NIVEA lip care products are a good example of this. In 2019, we began to reformulate them away from mineral oil. In 2022 and in the reporting year, we increased the share of natural origin ingredients (to up to 100%) and developed more sustainable packaging. The whole range now comes in mono-material primary packaging designed to be fully recyclable. Since the relaunch, the primary packaging has been plastic-free and is made from FSC-certified and recycled cardboard. The example shows how our teams are gradually achieving a comprehensive sustainability transformation without compromising consumers' product experience. Our aim is always to ensure at least the same high level of quality.

We achieved further progress on implementing our sustainability ambition in the reporting year with our newly opened, climate-neutral production center in Leipzig. This meant using climate-friendlier packaging for the aerosol deodorant cans filled there. Moreover, introducing the first revised formulations with a higher share of natural materials has also enabled us to reduce the CO₂ footprint. Thanks to state-of-the-art technology, we are also able to process exceptionally lightweight aerosol cans. These not only cut emissions through significant material savings but also address a second sustainability dimension by using at least 50% recycled aluminum.

To utilize further potential for sustainable innovations and the circular economy, Beiersdorf continued its strategic partnership with the Emerald Technology Ventures and Revent venture capital funds. These partnerships connect us with founders and innovative start-ups that are developing environmentally friendly technologies and sustainable business models. The entrepreneurs can then sound out and test the potential to scale these up through Beiersdorf.

We are convinced that these and many other measures, new products and innovations, collaborations, and partnerships will continue to make an important contribution toward achieving our ambitious sustainability goals.

Collaboration strengthens innovation

For Beiersdorf, collaboration with external partners is an important part of research and development work. We are convinced that by combining our complementary expertise and our strengths, we can increase our joint capacity for innovation and also optimize and accelerate the development of tomorrow's skin care. A large number of research institutes, universities, start-ups, independent scientists, and suppliers belonged to our global network of collaboration partners in the reporting year.

In addition to these cooperation agreements, we advocate the principle of open innovation. We involve various external partners in many of our development projects and in raw material scouting. Since 2016, we have gathered our open innovation activities under the name "Pearlfinders - We Open Innovation." Interested parties all around the world can access our confidential scientific research topics via the associated "Trusted Network" online platform. The network is based on mutual trust, fairness, and partnership and allows them to contribute their own ideas and problem-solving approaches.

We entered into an important new strategic alliance with the German Cancer Research Center (DKFZ) on July 1, 2023. This is Beiersdorf's first institutionalized partnership with an academic research center. Running over a four-year period, the collaboration has a joint research budget of €4.8 million. With a new, external laboratory known as the Joint Innovation Lab, we want to boost our capacity for innovation in the important field of aging research. The guiding aim is to rejuvenate skin. The research team are investigating the skin cells' age clock with the goal of turning back time and reducing the skin's biological age.

We also began a new partnership in the reporting year with the Swiss start-up DePoly SA through an investment via our OSCAR&PAUL venture capital fund. Founded in 2020, the company has developed an energy-efficient and selective chemical recycling technology for plastic and polyester waste streams. This technology has the potential to fundamentally change the life cycle of PET plastics. Through our partnership, we plan to jointly develop forward-looking, safe, and sustainable packaging materials for the cosmetics industry. With this approach, we aim to bridge a crucial gap in circular PET usage while maintaining the same quality standards.

The reporting year also saw us continue our intensive dialogue with the research center Deutsches Elektronen-Synchrotron DESY (German Electron Synchrotron or DESY for short) in Hamburg. The modern imaging methods at DESY and our shared scientific expertise give us an additional comprehensive and detailed view of the skin. Scientific dialogue offers us new insights into the interplay between skin and ingredients and creates a framework to boost our innovative capacity and implement product innovations more quickly and effectively.

In September 2023, staff from the R&D start-up scouting team held the second Joint Beiersdorf - Evonik Start-up Day on Sustainability together with our long-standing partner for raw materials technology development, the specialty chemicals company Evonik. The aim was to step up dialogue with interested start-ups and to find partners with innovative and sustainable raw material and packaging solutions. Twelve start-ups from different countries were chosen to present their technologies and business models at the event on the new Beiersdorf Campus and to evaluate the possibility of a partnership together with Beiersdorf and Evonik. As in the previous year, the chosen start-ups work mainly in sustainable raw materials, biotechnology, supply chain transparency and traceability, and digital solutions.

Strong research network

We firmly believe that the global presence of our research and development is a major contributor to our business success. This strong research network allows us to pursue different research focuses in different places around the world and to learn through close dialogue with each other.

The largest site in our global research and development network is our **skin research center** in Hamburg, Germany, where we employed a total of 757 (previous year: 738) people as of December 31, 2023. At this location we mainly conduct important application-oriented research. This helps us to better understand the (metabolic) processes of the skin and, based on the findings and using new technologies such as artificial intelligence (AI), to develop new and innovative products targeted at consumers' needs. The Early Innovation department we created in 2021 is pooling our innovative strength and aims to boost public recognition of Beiersdorf as a leading innovator in skin care. The about 23-member department (previous year: 19 employees) aims to drive a cross-brand, cross-category innovation roadmap with strong innovation stories. The department acts as a catalyst between all the specialist disciplines that are involved in the innovation process. As a particular highlight in 2023, the team initiated an Innovation Fair for the second year in a row. The internal fair held at the new Beiersdorf Campus allowed all employees to experience the innovations of tomorrow. This year's event not only offered plenty of space for inspiration, dialogue, and discussion; it also showcased Beiersdorf's strength in innovation and the extent to which our innovation work is guided by the "jobs-to-be-done

method" (JTBD). With this consumer-centric thinking, we go beyond just understanding the needs of our consumers. We also want to know what "jobs" our consumers want our products to do for them when it comes to their skin. We use this information to develop tailor-made solutions following the FEWER, BIGGER, BETTER approach. The Early Innovation team presented various JTBD topic areas, including skin rejuvenation, skin tone, and skin protection at the fair. The team considers not only functional needs, but social and emotional aspects, too.

The Beiersdorf **Study Center** (formerly known as the Test Center) is a central part of our skin research center in Hamburg and began working in a new environment in mid-2023. It now has more than 30 study rooms spread across 1,800m² and two floors. The rooms offer optimal and standardized climatic conditions. State-of-the-art measurements and examinations can be performed on the skin in multi-purpose rooms, which can be configured to each study, as well as in specialist rooms permanently containing certain high-tech equipment. The latter include our "black room" for detecting ultra-weak photon emissions. The unique air-conditioning technology was developed in collaboration with TU Berlin. It enables constant temperature and humidity to be precisely maintained even when using devices that emit large amounts of heat (e.g. solar simulators). The design of the new Study Center is the product of 18 years of experience at our Hamburg Test Center. In our view, the new rooms will help us to run our studies within Beiersdorf more efficiently and achieve even better results. Complementing tests performed externally, Beiersdorf's own Study Center is playing a central role in intensively testing and ensuring the quality, safety, and tolerability of newly developed products prior to their market launch. In the reporting period, in Hamburg alone, we carried out some 300 studies with around 8,500 participants (previous year: some 350 studies with around 8,000 participants). Externally, in 2023, we conducted approximately another 700 studies with around 20,000 participants (previous year: 1,320 studies with around 32,000 participants).

In addition to our large, globally important skin research center in Hamburg, our global research and development network includes two large innovation centers in China (Shanghai) and the USA (New Jersey) as well as development laboratories in Brazil, India, and Japan. These different locations enable us to better address local cultural, aesthetic, and climatic conditions and develop products that correspond to individual local needs and preferences. Through this network we can also participate in global innovation and have access to local talent, providing valuable ideas and insights for our research and development work.

Our **innovation center in Shanghai, China**, covers an area of 7,500m², making it our second largest, and was opened in July 2020. It focused in the reporting year on three main topics: pioneering work to develop AI tools for optimizing formulations (e.g., in relation to the benefits of different active ingredients), developing sustainable formulations and packaging as well as gathering new insights into Chinese consumers in relation to anti-aging and sensitive or oily skin. We achieved an important milestone in the reporting year with the opening of the first digitalized stability automation lab. This allows the pH value, viscosity, and consistency of our formulations to be checked automatically. What started as a pilot project in Shanghai may be introduced to other innovation centers in future. In March 2023, our Chinese colleagues relaunched a local product innovation – the amino acid, pump-operated foaming facial cleansing range. The range stands for gentle cleansing products with plant essence and amino acids and comes in "Hydra," "Pure Fresh," and "Radiance" versions. The products were switched to a new, even more nourishing formula with pure amino acid, soap-free surfactants. The fresh, modern design comes with reduced plastic consumption: the new bottle is made from 50% recycled plastic and uses up to 16.7% less plastic than the predecessor model. This has enabled a 23% reduction in CO₂e emissions. We achieved further progress on sustainability in the reporting year with the Chinese hairstyling brand Maestro, which launched the first sustainable formulation on the Chinese hairstyling market based on a biodegradable styling polymer.

Our **innovation center** in Florham Park, **New Jersey, USA**, which opened in 2022, continued its successful work in 2023. The focus was on clinical research and developing local product innovations for the dermocosmetic ranges of Eucerin and Aquaphor, as well as for the over-the-counter sun protection brands Coppertone and Eucerin Sun (OTC=non-prescription drugs according to US regulations). The cross-functional teams in New Jersey also stepped up their close collaboration on sun and skin care innovations with our skin research center in Hamburg and development lab in Mumbai, India. To support our Medical Management Team, the researchers developed special training programs and scientific publications dealing with clinical and scientific topics so as to better present the strong science behind our dermatology and sun care range.

Digitalization and artificial intelligence

Beiersdorf has been using digitalization and forward-looking technologies including artificial intelligence (AI) for many years aiming to drive faster and more efficient development of innovations. Increasing digitalization helps us to better manage the growing complexity confronting us in development labs.

Our "Future Testing" in the reporting year worked on replacing our current digital systems. In 2024, we want to achieve the milestone we set in our digital roadmap for R&D and replace our current Teamcenter software system - another important step in making us fit for the future. In addition, we continued our collaboration on robotics systems with the Technical University of Applied Sciences Wildau in fiscal year 2023. Together, we implemented a first robotics system for automated in vivo measurements – an important step toward future efficacy tests on test subjects. We aim to expand the use of these systems in fiscal year 2024 to achieve maximum efficiency.

The full introduction of the AI-based development platform from our partner Uncountable was an important milestone in the reporting year. Under the "Future Lab" banner, artificial intelligence continues to find its way into the global formula development and optimization process. The platform allows faster processing of complex data volumes, resulting in greater efficiency and more rapid development of new formulas, which are optimized using fewer but more relevant tests in multiple dimensions (including various sustainability components). IT integration took place following successful completion of the testing phase. The AI tool is now available to up to 300 formula developers worldwide.

Another proven example for the use of modern technologies for us is our AI-based skin study SKINLY, which we continued in 2023. Launched at the end of 2019, this project is still one of the world's largest skin care studies involving consumers. The special feature of this study is that consumers are actively involved through digital tools - a special measurement device (including a moisture sensor and three different light sources) and a complementary app - and send updates on more than 80 parameters up to twice a day. These include individual skin properties (e.g., skin age, wrinkle depth, skin tone, complexion, and impurities) as well as information about the individual's lifestyle (e.g., sleep, nutrition, special skin features, menstrual cycle, and climatic conditions), the skin care products used, and environmental influences. The results help us understand our consumers and their skin as well as the variables that influence them, and to draw lessons for our product development. The more high-quality data is available, the better our data scientists will be able to translate this into relevant, actionable new knowledge for our research, development, and marketing. With machine learning based on artificial intelligence, the ecosystem created for the study learns something new with every measurement. More than 17,000 participants aged between 18 and 80+ from over 50 countries have already taken part in the SKINLY study to date. Over 800 million data points and more than 100 million high-quality skin images have been measured and generated. To generate important insights particularly in our primary research areas, our study specially includes certain target groups, including people with a high level of UV and environmental exposure, enabling us to more closely examine how these factors affect skin aging.

Product highlights¹

Developing innovations is our core competency and a key building block for our business success. Our strong culture of innovation, which has always been a part of R&D at Beiersdorf, ensures that our innovation pipeline is well filled year after year - with innovations that respond to our consumers' needs and wishes as closely as possible and offer them added value. This not only includes developing new cosmetic formulas; a significant part of our research and development work also involves developing innovative, sustainable product packaging.

The following overview shows a selection of our innovations during the reporting year:

- With the new **NIVEA CELLULAR LUMINOUS630® Anti-Age & Spot Serum** and the new **NIVEA CELLULAR LUMINOUS630® Post-Acne Marks Serum**, NIVEA further built on the success story of the patented and highly effective ingredient against anti-pigment spots - LUMINOUS630® - with a product that takes into account the skin's different needs. NIVEA CELLULAR LUMINOUS630® Anti-Age & Spot Serum with natural soy extract, hyaluronic acid, and a collagen booster visibly reduces existing age spots in just two weeks. It firms the skin and visibly reduces wrinkles. The new NIVEA CELLULAR LUMINOUS630® Post-Acne Marks Serum with hyaluronic acid, salicylic acid, and green tea extract was specially developed for the needs of oily and combination skin. It visibly lightens post-acne dark marks, smooths the skin to leave it feeling soft and refined, and helps to balance the skin's oil production for a mattified and even skin tone.
- Marking the 25th anniversary of NIVEA Q10, we successfully introduced the **NIVEA Q10 Anti-Wrinkle Specialist Targeted Wrinkle Filler** in the reporting year. The fast-absorbing formula consists of a unique combination of light-diffusing pigments and skin-smoothing elastomers that have an immediately visible anti-wrinkle effect. It also contains skin-identical coenzyme Q10 in combination with Bioxifill® peptides for lasting, targeted wrinkle treatment.
- With our new **NIVEA Micellar Water**, we introduced our first micellar water with amino acid complex to the market in 2023. This complex helps to effectively remove make-up without rubbing. It is therefore gentler on the skin and suitable even for sensitive skin. The microplastic-free formulas are suited to different skin types and, in addition to thorough cleansing, provide a soothing, refreshing, nourishing or energizing effect.
- The successful launch of LUMINOUS630® in various face care categories was followed in 2023 by the first body care products based on the innovative ingredient and the benefits of the Even Skin Tone range. Both products are aimed at the problem of stretch marks. The **NIVEA LUMINOUS630® Anti Stretch Marks Body Oil-Serum** significantly reduces the appearance of stretch marks, with the first visible results after two weeks. The **NIVEA LUMINOUS630® Anti Stretch Marks & Spots Body Cream** offers a 48-hour moisturizing formula, gives the skin a cared-for feel, and reduces the visibility of stretch marks, sun spots, and dark spots within four weeks if applied regularly. The products do not completely remove stretch marks; instead, the molecule number 630 balances the skin tone, reducing the contrast between the stretch marks (or sun spots and dark spots) and the surrounding skin. This makes them less visible.
- The new deodorant range **NIVEA Deo Derma Dry Control** promises maximum effectiveness against sweat and odor. The innovative and sustainable formulas are silicon-free and contain a new range of aluminum salts. With the Derma Dry Technology, the range, which consists of aerosols and roll-ons, offers 96-hour protection against heavy sweating, moisture, and odor while ensuring pleasant skin feel.

¹ This section of the Combined Management Report is not subject to audit requirements.

- With the **NIVEA Hydration Hyaluron Moisturizing Shampoo**, we launched a shampoo, that provides long-lasting moisture on the market in the reporting year. This shampoo provides natural shine and improves the hair's elasticity without weighing it down. The formula contains hyaluronic acid and natural cucumber extract and supplies dry hair with long-lasting moisture. Alongside this new product, we also completely updated the entire **NIVEA hair care range** (consisting of shampoos, conditioners, and sprays) in 2023 – from the formula to the design and packaging. At the heart of the relaunch was the skinification trend, in which a highly effective ingredient is combined with a natural one, depending on the hair's needs. The result was 16 combinations for eight shampoos and eight conditioners, which also come in new and more sustainable packaging. An example from this revised range is the **NIVEA Hydration Hyaluron Moisturizing Shampoo**, which combines hair care and protecting the environment. The 99% biodegradable, vegan formula is silicon- and microplastic-free. The bottle is made from 96% recycled material.
- Launched in the reporting year, the new **NIVEA MEN Anti-Age 2in1 Power Serum** was our first anti-aging innovation for men and the first NIVEA MEN product to contain the active ingredient LUMINOUS630®. Thanks to the high concentration of patented LUMINOUS630® and moisturizing hyaluronic acid, the formula reduces wrinkles, diminishes dark spots, and helps prevent new ones emerging – for younger-looking skin in just two weeks. Ultra-light and fast absorbing, the formula is non-greasy, non-sticky, and easy to apply with just a few drops. Another new product, **NIVEA MEN Anti-Age 2in1 Power Moisturizer SPF30**, additionally offers factor 30 sun protection. It also keeps the skin moisturized for 24 hours.
- **NIVEA Lip and Labello** completely **relaunched their range** in 2023 under the banner "effective meets natural." The improved formulas contain up to 100% natural ingredients, moisturize the lips for 24 hours after application, and protect against cold, wind, and dry air. With the new, fully recyclable packaging, Labello is taking a more sustainable approach and substantially reducing plastic consumption.
- Where hyaluron meets lip care – this is the idea behind **Labello Hyaluron Lip Moisture Plus**. The lip care stick is based on a technology with a higher water content to activate the hyaluronic acid. The result is an ultra-light, dewy texture and a formula that is absorbed deep into the lips, providing a moisturizing effect that lasts for up to 24 hours. Labello Hyaluron Lip Moisture Plus comes in two versions: one clear moisturizer with no color for everyday lip care and one with added menthol and soft color pigments to enhance the natural red color of the lips. Both products contain naturally derived ingredients with vegan, mineral oil-free formulas.
- The eye cream **Eucerin Anti-Pigment Dark Circle Illuminating Eye Care**, launched on the market in the reporting year, combines powerful active ingredients that work in different ways to reduce hyperpigmentation around the eyes and promote the skin's natural radiance. The formula contains the patented anti-pigment ingredient Thiamidol and light-reflecting pigments, which brighten the under-eye area for an instant fresh and awake look. The hyaluronic acid reduces puffiness and smooths fine lines, while oligopeptides stimulate the skin's collagen network for a firmer skin structure. The eye cream can be applied easily and precisely to small areas of hyperpigmentation below the eyes with a cooling metal applicator. Optimal effects are achieved in just two weeks.
- The new **Eucerin Hyaluron-Filler + Elasticity Day Rosé SPF30** was added to the range in the reporting year and has been developed to reduce advanced signs of skin aging. The formula containing patented Thiamidol effectively reduces age spots. Hyaluronic acid visibly plumps even deep wrinkles. The high sun protection factor additionally protects against UV-induced skin aging. Rosé-colored pigments in the day cream provide an immediate rosy, radiant complexion and counteract pale and tired-looking skin in the morning. The collagen-elastin complex, a powerful combination of arctiiin and creatine, stimulates collagen production and visibly improves the skin's elasticity.

- Another product with Thiamidol® introduced in 2023 was the **Eucerin Anti-Pigment Targeted Areas Body Cream** from the new Eucerin Anti-Pigment body range. The product reduces dark spots and thickened skin on friction zones such as knees, elbows, and small areas of post-inflammatory hyperpigmentation. Lactic acid and dexpanthenol gently exfoliate and regenerate the skin, while hyaluronic acid provides long-lasting skin hydration.
- The new **Eucerin Hyaluron-Filler + Elasticity Anti-Age Body Cream** has been specially developed to counteract advanced signs of skin aging on the body: Long- and short-chain hyaluronic acid provides moisture and visibly softens even deep wrinkles. Clinically proven Thiamidol® softens age spots and prevents their recurrence, while the collagen-elastin complex stimulates collagen production and improves the skin's elasticity. The product was introduced to a number of markets in the reporting year and is due to launch in Germany in spring 2024.
- The design relaunch of the **Sensitive Plaster range from Hansaplast, Elastoplast, and Curitas** did not include new innovations but was intended to better guide customers and reduce purchase barriers. The new messaging reassures consumers that the plasters are suitable for sensitive skin yet also offer dependable wound protection and stay firmly in place. The change was initiated based on findings from consumer research – the packaging contains the product claims "Extra skin friendly for optimal healing" and "24h adhesion." We also achieved a major success with the range in the reporting year: the sensitive plasters are the first plaster range worldwide to be accredited by the Skin Health Alliance. This is a professional dermatological accreditation for brands whose products have been scientifically verified as skin safe by an independent body of skin experts.
- The **Hansaplast / Elastoplast Protective Supports** range was overhauled in the reporting year to provide optimal support for injured or weak joints. The products use high-quality materials and surfaces to provide moderate support for everyday activities. With the integrated Dynamic Pain Guard, the range offers protection and relief, and the level of compression can be individually adapted using the adjustable straps. The year also saw the new launch of the **Hansaplast / Elastoplast Performance Supports**. The integrated Dynamic Guard Technology promotes active recovery and offers advanced flexibility and stabilizing support for sport or everyday activities. Both product ranges are recommended by an international panel of physiotherapists and sports doctors.
- Based on new research findings, the 8X4 team added a new scientifically founded product claim in the reporting year centering on the emotional benefits of **8X4 deodorants**. Initially for two new product launches, this was later expanded to the entire product portfolio. The **Fresh Mind Effect®** advertised on all packaging is unleashed by the power of scents. Based on a psychophysiological study, 8X4 is now able to claim that the various deodorant fragrances lead to a proven mood uplift, leaving consumers feeling physically and emotionally refreshed.
- With its **White Caviar Pearl Infusion**, La Prairie added a powerful serum to the successful White Caviar range in the reporting year. This targets the three most common forms of uneven skin tone – dark spots, redness, and sallow complexion – and supports the skin's elasticity. Thanks to double encapsulation technology, the active ingredient Lumidose is optimally delivered to the skin, where it inhibits melanin production. The patented Exclusive Cellular Complex™ tackles the first signs of skin aging by activating the skin's natural renewal process.
- To mark 36 years of the product, the La Prairie team reinterpreted the successful **Skin Caviar Luxe Cream** in the reporting year. The iconic product has always embodied the essence of luxury skin care. The newly developed **Skin Caviar Luxe Cream** fuses the newly developed Caviar Micro-Nutrients with Caviar Premier for the first time. The product is designed to support the skin's metabolism and restore its youthful structure. Enhanced with La Prairie's patented Exclusive Cellular Complex™, which augments the power of caviar, the new cream delivers visible results: The skin is lifted, firmed, smoothed, and infused with new life thanks to the nutrients contained in the product. The familiar jar has been redesigned as a lighter vessel using recycled and recyclable glass – for more sustainable luxury.

- The new **Chantecaille 24K Gold Serum Intense** uses an innovative formula of peptides, vitamin C, gold, enzymes, and hyaluronic acid for radiant, softer, and visibly renewed skin. The luxurious anti-aging reduces the look of wrinkles, visibly improves firmness, and moisturizes.
- We have also launched another new product in the Chantecaille range: **Chantecaille Bio Lifting Eye Cream**. The next generation in botanical eye treatments renews and revitalizes the area around the eyes with a rich, microplastic-free formula made from 95% natural origin materials. Along with innovative new ingredients, the cream contains effective ingredients from Chantecaille's award-winning Bio Lifting Collection. Together, they ensure optimal care for the under-eye area, leaving a visibly smoother, more youthful, refreshed, and lifted appearance.

As a result of our regional research activities, we also launched a series of local innovations on the market in the reporting year:

- With no fewer than six different **NIVEA Skin Tone deodorant products**, we expanded the NIVEA brand's already successful Skin Tone range in the Northeast Asian market. The new sustainable formulas not only supply the skin with delicate fragrances and effective protection against sweat and odor; they also deliver the technology for an even skin tone.
- We brought our new **NIVEA Extra Bright 10 Super Vitamins & Skin Foods Body Serum** to the shelves of Southeast Asia in the reporting year. This is a lightweight serum with ten super vitamins and essential skin nutrients from the "golden fruit." The formula gives the skin a natural radiance lasting seven days and visibly reduces dark spots. The product comes in three different sizes.
- We also developed the new **NIVEA Extra Bright Deep Serum** for the Southeast Asian market. This is the first body serum with a premium, long-lasting fragrance. The product is available in two fragrances – Velvet Romance and Miracle Sweet – and is aimed at women in the 18-34 age group. The lightweight formula is rapidly absorbed and provides natural radiance.
- In the USA, we continued the expansion path at Eucerin Sun and introduced two new products. These included **Eucerin Sun Sensitive Mineral Face Lotion SPF 35**. The tinted Sun protect lotion with an advanced antioxidant complex 5AOX Shield™ adapts seamlessly to all skin tones and offers daily mineral sun protection for the face. **Eucerin Advanced Hydration After Sun** was the other new addition. This antioxidant-enriched formula helps to soothe and moisturize dry, sun-stressed skin. The ultra-light formula leaves skin feeling fresh and cool. It is suitable for use on the face and body.

tesa

Product and technology development¹

Sustainable product and technology concepts

To manufacture repairable and recyclable products, customers need adhesive bonds that can be released if necessary, allowing the reuse of valuable individual components. Relevant EU standards on repairability and recyclability for electronic devices came into force in 2023. As part of this project, tesa has generated a set of working prototypes and supplied them to customers for testing. These are based on six new technological concepts with different release mechanisms. In the automotive sector, initial prototypes with high levels of aging and temperature stability have generated strong demand for further versions aimed at different requirements. The first product development project has successfully concluded, and further new projects have been initiated to develop removable adhesive tapes. As part of this, tesa has sent customers a host of new prototypes for diverse applications ranging from displays to electric vehicle batteries.

¹ This section of the Combined Management Report is not subject to audit requirements.

In its own manufacturing, too, tesa achieved important milestones in the 2023 reporting year in its efforts to further improve the environmental footprint of technologies and products. These included reducing the carbon footprint of the popular tesa® 4965 double-sided tape by 40% without compromising on the properties of this versatile high-performance product. Achieving this involved the introduction and quantitative tracing of new bio-based raw materials using the biomass balance approach. Films made from 90% recycled polyester (PCR-PET) also had to be qualified. In addition, new processes were implemented all along the development and manufacturing chain to enable calculation of key metrics such as carbon footprint at product level.

tesa continued its solvent reduction and recovery efforts in the reporting year. This meant both continuously expanding the availability of solvent-free production facilities and modifying existing ranges in technology and product development. tesa also further increased the proportion of newly developed solvent-free products.

Structural tapes

In previous reporting years, tesa presented prototypes of high-strength adhesive bonds capable of replacing conventional welding or rivets. The resulting product development projects for applications in mobile devices progressed to market readiness in 2023 and were successfully implemented for the first customers. Another focus for adhesive tapes designed to cure at room temperature was on applications in the automotive industry. Multiple customers are currently testing these product samples, which can protect vehicle wiring harnesses or the cells of traction batteries for electric cars.

Added value for customers with functional tapes

Compared with metallic joining processes, polymeric adhesives offer much greater flexibility in the choice of materials, allowing the integration of additional functions into the adhesive layers. In 2023, tesa further built on these technological possibilities to offer customers more innovative product designs incorporating functional adhesive solutions. Open innovation has systematically opened up new networks, ensuring tesa always has the necessary expertise, speed, and efficiency to develop complex new technologies and products. This is allowing tesa to work faster and access more new technologies and trends, generating a more sustainable and resilient innovative capacity.

Digitalization

Global innovation leaders in all markets are increasingly digitalizing their development processes. This also requires the provision of digital data on the adhesive solutions used, including digital twins for use in failure modeling. Over the past year, the strong customer appeal of certain digital services on the market has been reflected for the first time in a sharp rise in requests for digital twins and digital consulting. tesa has accelerated this development and increased customer loyalty with a concerted expansion of the digital product portfolio. The various research partnerships currently underway offer a sound basis to continue building knowledge in artificial intelligence, simulation, and digitalization.

Developments for the energy transition

The focus of product and technology development is on solutions for the energy transition, more of which were rolled out in the reporting period. Application areas here include the hydrogen sector, building energy management, and e-mobility. Last year's report featured the first functional prototype of a window film that can be dimmed at the touch of a button. This serves as an energy-saving measure for glazing on new and existing buildings. In 2023, the technology was optimized to such an extent that it outperforms the alternative solutions available on the market. Samples have already been produced with various partners and are being piloted with a first potential customer.

For the manufacture of modern fuel cells, we have continued to develop functional films that enable the fuel cells to be assembled particularly quickly and efficiently. The latest optimized prototypes have awakened customer interest and enabled new partnerships to be agreed with selected innovation leaders.

Large customers in the automotive industry were presented with numerous new prototypes for e-mobility in the reporting period. A particular focus was on protection and adhesives for battery cells and their modules and housings. However, tesa also developed prototypes for completely new applications within the battery cell. For example, the formulas of the adhesive masses were precisely tailored to the complex and sensitive electrochemical processes during the many charging cycles. The aim of this was to guarantee a long battery life.

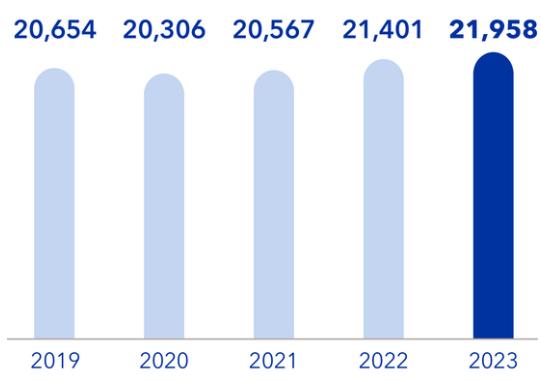
Further information on product and technology development at tesa can be found at www.tesa.com/en/about-tesa/product-and-technology-development.

People at Beiersdorf^{1,2}

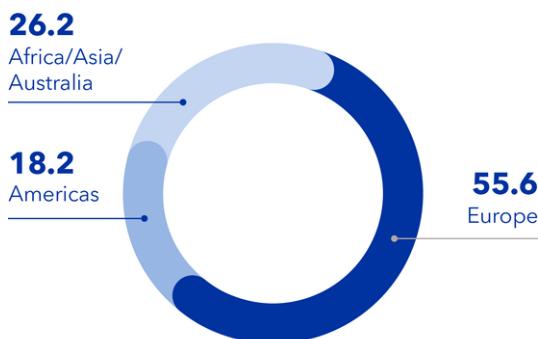
We firmly believe that our employees are the key to the success of our company. Their commitment and expertise are a major reason why our brands and products are appreciated and purchased all over the world. As an employer, we offer our staff attractive working conditions, a multitude of opportunities for personal growth, and many different ways to help shape the company's future. In doing so, we create an important basis for successfully competing for talent.

As of December 31, 2023, Beiersdorf had a total of 21,958 employees worldwide, an increase of 2.6% compared with the previous year (21,401). Of this total, 6,778 (previous year: 6,676) were employed in Germany, corresponding to a share of 31% (previous year: 31%). A total of 16,769 people worked in the Consumer Business Segment (previous year: 16,419) and 5,189 at tesa (previous year: 4,982).

Group Employees
as of Dec. 31, 2023



Group Employees by Region
(in %)



Consumer

Forward-looking human resources strategy

Our vision is to become the world's best skin care company. With the People Strategy we formulated in 2023, we set out to modernize the work and organizational structure of HR. Our mission is to empower Beiersdorf employees in every dimension to help them realize our shared vision.

Our initiatives in the next few years will be geared to the three main aims of the People Strategy:

¹ Sections marked with contain information that is part of our Non-financial Statement.

² This section of the Combined Management Report is not subject to audit requirements.

1. We are a valuable business partner to the departments and regions, making our company agile and fit for the future through our expertise in organizational development, culture, and change management. We are working in four key areas that we call "game changers":
 - Future Fit & Agile Organization: We support and promote processes of organizational change with the aim of constantly developing Beiersdorf further and keeping it fit for the future in the long term.
 - World-Class Employee Experience: From initial contact to leaving the company, we support and accompany our employees in the moments that count. In this way, we strengthen commitment, a high level of employee engagement and productivity.
 - Talents for Tomorrow: We continuously develop our employees and ensure our succession planning. Diversity and inclusion play a central role in our corporate culture. Our goal: to be the employer of choice for our current and future talent.
 - Role Model Leaders: We have a common understanding of leadership skills and standards and support our managers in their areas for development.
2. To work efficiently and effectively as an Human Resources (HR) organization, we have defined roles, responsibilities, and work processes at global, regional, and local level in our own HR operating model. We see ourselves as ONE global HR team and inspire and appreciate each other in the way we work together.
3. We are modernizing and harmonizing our global digital infrastructure in HR. This will allow us to provide our organization with better-quality data, our employees with a better user experience, and our own HR departments with greater efficiency through the automation of standard processes.

We have defined actions and KPIs for each of these objectives and successfully implemented the first measures in the reporting year. These included our already launched HR modernization, which we will continue in 2024 ("Future Fit & Agile Organization"), but also the move to our new Beiersdorf Campus in Hamburg, which reflects our understanding of "Future of Work" and is supporting our cultural transformation ("World-Class Employee Experience"). We celebrated a major success in the reporting year with the early achievement of our "Gender Parity Ambition". This saw us achieve an equal proportion of women and men in all leadership positions ("Talents for Tomorrow") some 18 months ahead of schedule. More information on this milestone is provided below. With a view to our second strategic priority, we spent the reporting year preparing the roll-out of our first global employer branding campaign under the banner CARE CHANGES EVERYTHING and worked on our improved candidate recruitment experience. Both projects will be rolled out in 2024. More information on the employer branding campaign is provided below. There is also a section on leadership.

Corporate culture and values

We believe that our special culture is Beiersdorf's DNA. Based on trust, collaboration, respect, openness, and mutual appreciation, it centers on our Core Values - Care, Simplicity, Courage, and Trust - and sense of togetherness. This culture of "we" rather than "I" makes us strong and agile and is key to our strong cohesion and sustainable success. Particularly in challenging times, we are showing that we can rely on each other as a team and pursue an objective together: our aim of becoming the world's best skin care company. To achieve this, we want to create a work environment where everyone can give their best. Our annual teampulse employee survey (more on page 70) has confirmed that our employees strongly identify with our Core Values.

Care at Beiersdorf

As one of the world's largest skin care companies, our stated aim is to be true to our Core Value of Care and embed it in all our activities both inside and outside the company. This is reflected in our purpose "Care Beyond Skin", which is also the name of our sustainability strategy, and in the many services offered at our new campus in Hamburg. This ethos of care, which goes well beyond skin care, is appreciated by our employees, too. It strengthens our corporate culture and sense of cohesion, makes us more attractive to new talent, and sets us apart from the competition.

Our caring approach, as well, has long been reflected by our wide range of working time models, which allow people to improve their work-life balance. Among our local affiliates, 84% offer flex time (previous year: 75%), 94% remote work or the ability to work from home (previous year: 95%), 55% part-time work (previous year: 48%), and 39% sabbaticals (previous year: 35%). We will also continue to roll out the job-sharing model, which we look at in more detail in the "Diversity, equity, and inclusion" section, around the world in the coming months. That section also sets out further examples of the ways we are supporting our employees and meeting their individual needs.

In addition to the many flexible working arrangements on offer, we provide extensive childcare for our employees in Hamburg through our company kindergarten "TroploKids". With its 108 childcare spots and 26 teachers (as of December 31, 2023), this is one of the largest such kindergartens in Germany.

We reached a very special milestone as part of our Care agenda in February of the reporting year. To mark World Cancer Day 2023, we became the first German company to sign the #workingwithcancer pledge initiated by Publicis Groupe. In line with our Core Value of "Care", we committed to support our employees who are diagnosed with cancer or another life-threatening condition and to reduce the stigmatization of cancer and other serious illnesses in the workplace. A cross-functional project team worked hard during 2023 to put this into practice and create the basis for a supportive work environment that promotes recuperation. On World Cancer Day 2024, we communicated internally and externally the introduction of a global policy to support our employees diagnosed with a life-threatening illness. With this policy, we guarantee global minimum standards for all employees worldwide and close gaps in the social security systems of the various countries. The Global Critical Illness Policy includes, for example, one-year job security and 100% salary compensation for employees with life-threatening illnesses.

In addition to this special initiative, our health management system once again did its part to help employees stay healthy and productive, to promote their health in a systematic way, and to actively help them get better in the event of illness. The common umbrella GOOD FOR ME combines three teams - Medical, Wellbeing, and Social - that provide a wide range of health-related services to employees all year round. These include, for example, ergonomics consultations, psychological counseling sessions, exercise programs, presentations about health, and regular medical checkups. During the reporting year, we began preparations for our cancer prevention week in Hamburg to mark World Cancer Day 2024. The idea behind: As well as attending presentations by experts in this field, our employees will be able to take advantage of free cancer screening or learn specific techniques to check themselves for potential signs of cancer. The team once again put a focus on mental health in the reporting year with specific offerings geared toward mental wellbeing. These are designed to raise awareness of this important issue and strengthen the culture of health within the company.

The company's medical team offered free COVID-19 and flu vaccinations in Hamburg again in the reporting year. A total of 1,554 employees (previous year: 1,784) took advantage of the flu vaccination offer and 209 (previous year: 2,620) of the COVID vaccine offer.

↳ Attractiveness as an employer and employee engagement

Our strategic aim is to create an inclusive and motivating working environment in which everyone can realize their full potential. We cannot achieve this just by encouraging new hybrid ways of working; we also need a culture of trust, empowerment, and community and to live up to our purpose Care Beyond Skin.

The wellbeing of our employees is immensely important to us. That is why we believe in the principle of participation in decision-making and company success and give so much attention to the employee experience and to employee engagement – our employees' emotional connection with our company. We want to get a real feel for the mood at Beiersdorf and to find out how engaged our employees truly are. We therefore regularly conduct global employee surveys. By "taking the pulse," we aim to promote dialogue between our managers and their teams and set about making targeted improvements.

In the fourth quarter of the reporting year, we once again conducted our well-known "teampulse" engagement survey worldwide. To ensure the results could be compared with the previous years, we used the same core questions but made some new additions to address current topics such as decision making and communication. As in previous years, our employees were keen to share their feedback. The participation rate was 92% (previous year: 89%). The survey revealed three major strengths of our company: Our employees appreciate our diverse and inclusive working environment, feel a close connection to us even in uncertain times, and have a sense that they are actively contributing to our company's success. Alongside the standardized responses from the questionnaire, we also received additional feedback in the form of over 23,000 comments (previous year: over 22,000). The teams have already used the survey results and detailed feedback as an opportunity for dialogue and discussing ideas and suggestions. In the coming months, we will work together on measures to sustain the high level of employee engagement at Beiersdorf.

Participation in decision-making and company success

Participation in decision-making and company success, along with transparency and engaging in a dialogue as equals, are key factors essential to a strong "we culture." We encourage employees to get involved through various events, which largely take place face to face but are also available to stream all around the world. These include global and local town hall meetings, works assemblies, and events and fairs arranged by different departments. We use e-mails from our Executive Committee and our intranet – at global and local level – to keep all employees worldwide informed and involved. This dialogue is designed to strengthen our "we culture" and also reflects our Core Value of Care. ↑

Another important element of our corporate culture is the close involvement of employee representatives. Working with them in a constructive atmosphere of trust enables us to make and implement important and sometimes difficult decisions together.

Participation also played a particularly big role in campus planning for our new company headquarters in Hamburg, which we officially opened in September 2023. Employees were involved from the very beginning of the project and were already shaping the new campus before its completion. This ranged from creating a change network to conducting employee surveys on workspace satisfaction, regular tours of the construction sites with over 1,200 Beiersdorf participants, team consultation sessions, and the opportunity to prioritize space modules and campus furniture according to employees' own needs. Employees also suggested the names of the individual buildings. The new campus also meets the explicit wish of many employees for an environment that encourages creative dialogue and provides more space for people to collaborate, inspire each other, and think outside the box.

Many of our activities related to diversity, equity, and inclusion are also about participation. There is more information about these in the "Diversity, equity, and inclusion" section at the end of this chapter.

Future of work and hybrid working

Our working world has changed fundamentally in recent years. Shaped by digitalization and new technologies, hybrid working has become ever more established. Future of Work has become synonymous with the new forms of work and changing approaches to the workplace.

At Beiersdorf, flexible working has been in place for several years. For example, a collective agreement currently allows our staff at Beiersdorf AG, Beiersdorf Customer Supply GmbH, and Beiersdorf Shared Services GmbH to work from a flexible location for up to 40% of their individual planned working hours, provided that their job is suited to remote working. We also offer hybrid working for employees all around the world. ↑

For us, modern workspaces are part and parcel of Future of Work. We use these to encourage new forms of collaboration and create a pleasant working atmosphere. Starting from this basic idea, our offices in Seoul, Bucharest, and Amsterdam underwent a transformative modernization in the reporting year. However, the particular highlight of 2023 was the opening of our new Beiersdorf Campus right in the heart of Hamburg - where our success story began 142 years ago. This new Group headquarters, which combines renovated existing buildings and brand-new structures into a campus spanning 51,000m², is our opportunity for further cultural transformation. This is where we want to bring Future of Work to life, become even more efficient, and break down departmental silos. For us at Beiersdorf, Future of Work means maximizing our employees' freedom to make decisions. Instead of imposing a model workspace on our approximately 3,000 people in Hamburg, the campus instead offers them different options. Depending on their working style and the tasks and projects on their agenda, they can choose each day to use a workspace that best suits them personally. Together with their team, in a small room, inside, outside in the park, in the working café, on our 4,000m² collaboration floor with modular workshop spaces - the choice for each employee every day is vast. Fitness, osteopathy, bikes, washing, and mail are just some of the on-campus services, and we also have our own kindergarten.

Since the campus officially opened in September 2023, we have seen how excited our employees are to come to the office, meet each other, and work collaboratively and creatively. This was exactly the aim of our €250 million investment: a modern campus that inspires all employees and regularly brings them together - as the basis for our business success, new innovations, and bringing to life our "we culture" and idea of togetherness.

Competing for talent

Competition for talent has been escalating for years. What was once an employer's market has turned into an employee's market, as companies increasingly compete internationally to attract the best people. Employees' needs and expectations have also shifted. The desire for more flexible working has come to the forefront.

We as a company are adjusting to this. With our vision of Future of Work, a highly innovative approach, and the use of the latest technologies, we are seeking to find the right answer to these trends so as to win and retain top talent. Our talent search in the reporting year combined face-to-face events with digital offerings. This included our Open House Day, which this year took place in person on our new Beiersdorf Campus and where our colleagues from tesa and Tchibo offered 80 international participants an insight into our three companies. Since the reporting year, we have also been offering live-streamed events with selected Beiersdorfers - including Executive Board members. These cover various key topics and give students and young professionals the opportunity to better get to know Beiersdorf and ask questions. Our Early Career Team have also been visiting our partner universities and attending various university fairs, including the CEMS Career Forum 2023 in Barcelona. The careers pages of the Beiersdorf website also provide information on open positions and entry options for young and talented people.

To further reinforce our position as an international, attractive employer for the talent of today and tomorrow and to set ourselves apart from other employers, we developed a new employer branding concept in the reporting year and aimed this at a global audience for the first time. The accompanying campaign shows what defines us as an employer and centers on our Core Value of Care. Under the banner "Who cares? We care," the campaign features current employees and invites people to find out more about Beiersdorf with target group-specific messages and an appealing look and feel. To reach the target group as well as possible, the campaign will run globally and simultaneously on various channels starting from the first quarter of 2024. This will include various social media touchpoints, job portals, and events. The careers website will also undergo a relaunch for the start of the new campaign.

Training and further education

Our mission also includes creating employment prospects for young people. Our training and education in Germany are geared to the skills needed, and we regularly review our portfolio of vocational occupations and degree-integrated vocational training. Beiersdorf offered vocational training in nine occupations at its Hamburg headquarters in the reporting year. At the end of 2023, we had 96 vocational trainees here (previous year: 99), 32 of whom started their training in the reporting year, while 27 trainees (previous year: 34) were recruited into a temporary or permanent position having successfully completed their vocational training. Eight of the new trainees started their training under the degree-integrated vocational training model. Here, the trainees complete a three-year vocational course as an industrial business administrator along with a four-year bachelor's degree in business administration with a focus on industry.

We also offer our global graduate trainee program BEYOND BORDERS for young professionals and a large number of internships for students all around the world. A total of 18 young employees were enrolled in the global BEYOND BORDERS trainee program at the end of the reporting year (previous year: 16). Of this total, ten trainees started in 2023 (previous year: 11). During the 18-month program, the trainees complete personalized assignments in Germany and other countries. They can choose from six focus topics in advance: corporate strategy, brand management & digital marketing, sales & e-commerce, finance & controlling, supply chain management, and human resources.

Leadership

An open and modern leadership culture forms the basis for an attractive and appreciative working environment in which all employees can give their best. In order to establish it, we formulated our understanding of a good leadership culture in "Leadership the Beiersdorf Way" back in 2017. This leadership culture is based on our Core Values of Care, Simplicity, Courage, and Trust. It aims to develop leaders who are authentic and inspiring and empower their team to outstanding achievements. The idea behind this is that by giving employees more decision-making power, their sense of engagement and accountability will increase. This will lead to better team performances and higher intrinsic motivation.

We continued to work on developing a new leadership culture in the reporting year. The global roll-out is planned for 2024. We used the reporting year to step up the dialogue between our first level of management and the Executive Board (including through cross-functional collaboration on strategic projects) and 360° feedback for all managers who report directly to the Executive Board. We also continued our "Behavior Activation Journey", which aims to integrate behaviors into our day-to-day workplace culture that are important to our success. Along with prioritization, these chiefly include a culture of communicating openly. With this, we want to promote a culture in which employees find a psychologically safe environment in which they are allowed to have and defend their own opinion and question things. In this way, we aim to better leverage the potential of different perspectives among our workforce.

Since 2021, we have been using the "Development & Potential Process" in order to identify and promote new management talent. In line with the slogan "Develop your way," it focuses on each employee's individual development and consists of three stages: focused self-reflection, a round of talks between managers (known as development reviews), and an individual development meeting, in which the employee discusses their individually tailored development plan with their manager.

To identify an employee's potential, we build on the "learning agility model," which consists of four dimensions: mental agility, people agility, change agility, and results agility. On this basis, we aim to identify potential leaders who have the ability to adapt to new circumstances, learn quickly, including from experience, and continue their personal growth. As such, potential should not be equated with performance, but rather the ability to deal with future challenges in the best possible way.

In the past fiscal year, we worked on refining our processes and improving the quality of development plans for successor candidates. In the coming year, we will focus on further improving the quality of development plans at all levels of management.

Our fundamental aim is to fill the majority of management positions with talented people from within our own ranks - and this plan is working: In fiscal year 2023, 100% of positions at the first management level (previous year: 100%) and 73% at the second management level (previous year: 89%) were awarded to internal candidates. To support these individuals, we offer the Base Camp training program, which is aimed at all employees who are taking on a management position for the first time. Our training portfolio for managers also includes the "Lead with Care & Courage" program, which is geared toward senior executives and employees, the Lead in Change program, which is aimed at all other managers, and numerous other management training courses on our COMPASS LEARNING online platform (e.g., on topics such as managing virtual teams and resilience).

Knowledge and learning

We are convinced that the skills and expertise of our employees play a crucial role in our sustainable success and long-term growth. For this reason, we continuously invest in training our workforce and pursue the idea of a learning organization through our global learning strategy, which encourages self-directed, lifelong learning by all. In this context, our concept is built on a three-pronged approach:

- Building and maintaining a global learning infrastructure, i.e., a flexible learning management system in which we can create our own learning content
- Promoting targeted learning, including guidance and providing group-specific learning content
- Enshrining learning in our day-to-day work

In the reporting year, we added new learning content to our established global learning management platform COMPASS Learning, launched in 2019. This included various e-learning programs on the topics of sustainability, behavioral change, and digital training. With LEVEL-UP, we developed the first global training platform for digital upskilling (with a focus on Office 365). This was created in collaboration with different departments, including local training staff. With our range of learning materials, we aim to ensure that our employees in all parts of the company find offerings specially tailored to them.

As a major new component of our learning infrastructure, we introduced our new learning experience platform SKILLCARE in the reporting year, starting with a limited number of functions and countries. As a new Beiersdorf learning center, SKILLCARE combines all the internal and external learning opportunities available to the workforce. That means that the COMPASS learning platform is integrated into our new Learning Gateway along with our virtual learning offering of over 21,800 LinkedIn Learning courses and more than 600,000 LinkedIn Learning videos, including existing curated paths on diversity,

equity, and inclusion as well as resilience. A project team consisting of global training staff and the Sales Academy has developed new learning plans based on the Sales Competency Model. This new content specifically for sales employees is available on SKILLCARE. Bespoke new learning programs were also developed for HR in the reporting year based on the HR upskilling priorities for 2023. These can be found on SKILLCARE along with the Operational Excellence (OPEX) learning path, which was published in November 2023 as the first cross-functional learning program.

The use of SKILLCARE is to be extended to further functions and regions in 2024. With this step, we want to build a global, comprehensive learning ecosystem that facilitates targeted, self-determined learning as part of people's day-to-day work.

Diversity, equity, and inclusion

As a global company, we see diversity, equity, and inclusion (DE&I) as a real competitive advantage. We firmly believe that people are happier, more effective, and more motivated when their different backgrounds, experience, and skills are valued and when they can truly be their unique selves. That is why, alongside equal opportunities, we want to nurture an inclusive corporate culture where everyone feels they belong – whatever their age, ethnicity, nationality, sex and gender identity, physical and mental abilities, religion and belief, sexual orientation, and socioeconomic background. We see this diversity as a unique source of creativity, strength, consumer centricity, and innovation. We also believe that our commitment to DE&I gives us advantages in the competition for global talent and supports our vision of becoming the world's best employer in the skin care sector.

To showcase our DE&I ambition and as a sign of our commitment in this area, we signed the *Charta der Vielfalt* (Diversity Charter) back in 2012. The initiative aims to advance the recognition, appreciation, and inclusion of various aspects of diversity in the world of work. In order to enhance diversity, equity, and inclusion across Beiersdorf as a whole, we have also had a Global Director Diversity & Inclusion (D&I) since 2020, who reports directly to the Executive Board. Together with a small team, this position leads and coordinates Group-wide DE&I initiatives. To reinforce this topic at global, regional, and local level, too, we have a global network of more than 100 DE&I champions in our international affiliates. They regularly discuss Group-wide and local DE&I initiatives. In addition, the Diversity Committee of the Supervisory Board regularly reviews and supports various initiatives. To further boost the visibility of our DE&I activities and approaches among new talent, we merged our Strategic Recruiting & Talent Acquisition department, including our "early career" activities at universities and careers fairs, with the DE&I organization effective December 1, 2023. With this change, the former Global Director DE&I has now become HR Vice President CoE DEI & TA.

We track the progress of our DE&I activities using various key performance indicators (KPIs), on which we report regularly to the Executive Board and selected internal stakeholders. Our DE&I KPI Dashboard and our DE&I KPI Reports are designed to provide transparency. This enables regions and functions to analyze the progress and potential of DE&I work based on our global DE&I strategy. The aim is to help enshrine DE&I ambitions and strengthen DE&I governance on the basis of this data and in close collaboration with global, regional, and local stakeholders. In addition to this, the Executive Committee is also evaluated on the basis of changes to the KPIs.

Our Global Diversity, Equity, and Inclusion Roadmap

At the beginning of the 2023 fiscal year, we reorganized our diversity and inclusion agenda, which was formulated in 2021. With this new global "DE&I Roadmap," which incorporates multiple dimensions of diversity, we aim to make Beiersdorf fit for the future and set out our clear ambition: We want to become a top employer for global talent by establishing a truly inclusive corporate culture. On top of this comes our vision of building a management team and workforce who reflect the diversity of our consumers and an equal gender balance. Building on these ideas, our roadmap is focusing on three strategic priorities:

- Embedding a truly inclusive we culture
- Driving diversity in leadership positions (focus: gender parity)
- Building the future beyond the focus on gender (#beyondgender)

We implemented various measures in all these areas in the reporting year. We briefly describe the successes below:

Embedding a truly inclusive we culture

To build a sustainable bedrock of DE&I knowledge within our organization and promote an inclusive culture of respect and collaboration, we introduced our Global DEI Knowledge Framework in 2021. As well as various inspiration sessions and events, this also now includes the new, holistic DE&I Learning Curriculum introduced in the reporting year, which brings together different training programs for employees and managers. The Global DE&I Essentials Journey training program will use a special train-the-trainer concept to provide some 3,000 global middle managers with a sustainable bedrock of DE&I knowledge by 2025 as part of Beiersdorf's largest learning initiative and to strengthen the inclusive management of teams. The curriculum also includes e-learning units on unconscious bias and a DE&I-inclusive language training course entitled "Choosing Our Words With Care", which we introduced as a pilot in 2022. Its goal is to raise awareness among employees worldwide regarding the need to use language in a sensitive, nuanced way in order to avoid subtle discrimination and to respect and honor the perspectives and feelings of others. To be ready for the global roll-out of this training, we trained over 40% of our approximately 500 global HR employees in 2023. In the next two years, we plan to offer the content in the form of e-learning courses worldwide and to continue providing it on a regular basis during our DE&I events. At our Hamburg location, we worked with a local project called INNOKLUSIO in fall 2023 to establish a new upskilling format. This will improve our employees' inclusion awareness in relation to people with a disability. These four-hour training sessions were preceded by the Global D&I Week, where we put a spotlight on disability as part of an internal event. [↑](#)

Alongside these training programs and events, our numerous employee communities and grassroots initiatives made a major contribution in the reporting year to instilling a truly inclusive "we culture." They ensure that our employees' voices are heard and that their different needs are incorporated into the DE&I strategy. The DE&I team is in regular dialogue with the various communities. These include:

- "Be You" – the LGBTIQ+² community, which aims to raise awareness of LGBTIQ+ issues and create an even more inclusive environment
- #SisterhoodisPower – the grassroots community where women empower each other in their careers
- "LEAD NETWORK Community" – a group of Beiersdorfers who belong to the Europe-wide LEAD Network and aim to drive gender parity across Europe together with employees at other companies

² LGBTIQ+ is an abbreviation for lesbian, gay, bisexual, transgender, intergender, queer, and further spectrums of sexuality and gender.

- "New Generation 50+" – a network representing the interests of the older generation
- "WENited" – a group of international staff who aim to promote dialogue and cohesion between international coworkers
- "dad.icated" – a community of fathers, fathers-to-be, and allies, who are encouraged to make their own idea of life as a father a reality.

All the networks initiated diverse events and training offerings in the reporting year. The employee communities and DE&I team engaged in a wide range of win-win partnerships for inspiration and dialogue:

Partnerships to promote an inclusive "we culture"

Partner	DE&I dimension	Shared objective
BeyondGenderAgenda (BGA)	Holistic	Strengthening DE&I in the world of work
LEAD Network	Gender equality	Promoting gender equality in the retail and consumer goods industry in Europe
MyCollective	Gender equality	Supporting a smooth return to work after parental leave
copadres	Gender equality	Support in the workplace on every aspect of fatherhood
WELCOMING OUT	LGBTIQ+	Alleviating the fear of coming out among members of the LGBTIQ+ community
PROUT AT WORK	LGBTIQ+	Promoting equal opportunities for LGBTIQ+ people in the workplace
ChangeMaker50+	Age	Changing perceptions of age in the world of work and boosting the 50+ generation
INNOKLUSIO	People with a disability	Promoting inclusion awareness in relation to people with a disability
People of Deutschland	Ethnicity and skin color	Promoting social cohesion in Germany and raising awareness of unconscious bias, discrimination, and racism

November 21, 2023 was a particular highlight in our partnership work: as a long-term partner to the BeyondGenderAgenda (BGA) initiative, we had the pleasure of hosting the German Diversity Award 2023 on our Beiersdorf Campus. It was a particular honor to meet Germany's diversity drivers and present the awards to the 14 best projects and individuals.

↳ Driving diversity in leadership positions (focus: gender parity)

We announced our Beiersdorf Gender Parity Ambition on International Women's Day 2021. The aim was to promote gender diversity in leadership positions. We wanted to achieve a 50/50 gender-balanced leadership across all management positions worldwide below the Executive Board (management groups 1- 4) by 2025. We achieved this target in the reporting year - 18 months earlier than planned. As of September 1, 2023, the representation of women in management positions worldwide increased to over 50%. But our work is not yet done. We want to continue our efforts and ensure that a gender balance remains the norm in the future, too. We want to ensure equal opportunities, because while talent is spread evenly, opportunities are not.

In addition to our global Gender Parity Ambition, in Germany we are bound by the provisions of the German Law on the equal participation of men and women in leadership positions. Under § 76 (4) of the German Stock Corporation Act (*Aktiengesetz, AktG*), Beiersdorf AG must set binding targets for increasing the proportion of women at the two management levels below the Executive Board, to be achieved by 2026. A minimum proportion of at least 30% women and 30% men on the Supervisory Board and at least one woman on the Executive Board are also required by law; in addition, the Supervisory Board has set a voluntary target of 30% women on the Executive Board. The targets and actual figures as of December 31, 2023, were as follows:

- Executive Board: women hold at least 30% of seats on the Board (as of December 31, 2023: 42.9%)

- First management level: women hold at least 35% of the positions by December 31, 2026 (as of December 31, 2023: 39.3%)
- Second management level: women hold at least 50% of the positions by December 31, 2026 (as of December 31, 2023: 41.9%)
- Supervisory Board: women hold at least 30% of seats on the Board (as of December 31, 2023: 41.7%) ↑

Gender Distribution by Region

as of Dec. 31, 2023

	Male (in %)	Female (in %)	Employees (total)
Germany	49	51	4,199
Europe (excl. Germany)	38	62	4,686
North America	31	69	680
Latin America	46	54	2,699
Africa /Asia /Australia	49	51	4,505
Worldwide	45	55	16,769

For years, we have been using various measures to achieve a gender balance while ensuring equal opportunities for all genders. On International Women's Day on March 8, we offered our employees a global online event under the banner "#EmbraceEquity." with numerous sessions designed to put the spotlight on gender equity and raise awareness of unconscious bias. In advance of International Women's Day, the DE&I team encouraged all employees to show their commitment to more equality and post a photo of themselves in the #EmbraceEquity pose on the intranet so as to highlight the importance of equal opportunity for all genders.

There was also plenty of space for dialogue at the 7th Wo*Men in Leadership Convention, which took place on November 21, 2023, and was aimed at all employees worldwide. Under the motto "Change - Own - Lead - Grow - Inspire the narrative," the program comprised various keynotes, "change-making" sessions, and interactive master classes. A speed-dating format also enabled attendees to talk directly to our Executive Committee and various managers from the most senior level. For the first time, there were also local sessions in various regions (e.g., Dubai, Eastern Europe, Brazil, and North America), giving the convention an international focus. The overarching message of the event: "Get involved, because change begins with engagement. We can only change the narrative together." Some 350 people attended in person, with over 1,100 employees following via the livestream.

The employee community #SisterhoodisPower held their first global summit concurrently with this year's Wo*Men in Leadership Convention. Here, 19 employees from nine different countries laid the foundations for the community's global roll-out. The community's aim is to combine the voices of all female employees around the world and for women to support each other in the workplace.

In addition to these various events designed to break down barriers, we also promoted gender equality through flexible working conditions (e.g., remote working, flex time, part-time options, job sharing, and the encouragement of a healthy work-life balance), which enable equal career progress, as well as tailor-made programs for female talents to support their career development. With the Female Talent Program, we continued our development program for women in the reporting year in collaboration with the London-based company Shape Talent. Having launched the Female Leadership in Finance program in 2022, which continued in 2023, we added a new program in the reporting year for the supply chain organization. This is titled StrongHER. All these measures seek to promote gender equality

and tear down any barriers. They inspire women to realize their full potential and (better) contribute their talent. However, we recognize that driving this transformation also requires men to get involved and actively change their behavior.

As in the previous year, we also offered two "parental leavers" programs in collaboration with the start-up MyCollective. One is aimed specifically at managers entering parental leave, while the other is open to all employees currently on leave with young children. Both programs are based on an online platform that enables employees on parental leave to remain in contact with Beiersdorf throughout this period if they wish, to expand their network, and to take advantage of various further training opportunities. The focus here is on providing the right tools to support their return to work in the best possible way. ↑

Part-Time Employees by Region

(in %)

	2022	2023
Europe	12	11
Americas	1	0
Africa /Asia /Australia	1	1
	7	7

↳ To make different jobs feasible with reduced working hours, we continue to offer part-time working, flexible working arrangements, and our job sharing model, where two employees take on the same position together in a job tandem. The job sharing model has been standard practice at our company for several years and also applies at the top management level (known as "top sharing") or, via the "joint leadership" model, up to the middle management level. We also support the "senior meets junior" model, where employees from two generations share a job and learn from each other. This provides them the option for part-time study or a transition to partial retirement. As "senior meets junior" shows, job sharing these days is not only for mothers returning to the workplace. We see it as an important tool for strategic HR work and employee development. At the end of the reporting year, there were 38 job sharing tandems at Beiersdorf (previous year: 42). 21 tandems (previous year: 22) involve people responsibility - either part-time or full-time. Two tandems also work cross-border - one colleague is based in Hamburg and the other in Vienna (Austria). In the other tandem, one colleague works in Hamburg and the tandem partner works from Birmingham (England).

In addition to the above, we also actively promote gender equity through various partnerships. Since 2022, we have therefore been a close partner of the LEAD Network (Leading Executives Advancing Diversity), whose goal is to attract, retain and advance women in the consumer goods and retail sector in Europe. Like Beiersdorf, the LEAD Network is committed to creating a diverse workforce in which people of all genders can work to their full potential and where people with equal talents are given equal opportunities. The LEAD community within Beiersdorf's workforce currently boasts around 200 employees (previous year: around 240), including CEO Vincent Warnecke and our Executive Committee, as well as many managers and employees of all genders. There are other partnerships with the initiatives MyCollective (we reported on the "parental leavers" programs above) and compadres, which focuses on the topics of parental leave and fatherhood.↑

Building the future beyond the focus on gender (#beyondgender)
 Diversity for us is not only about gender parity. Our DE&I management also works on many other dimensions of diversity. These particularly include:

- cultural diversity and internationality,
- different gender identities and sexual orientations (LGBTIQ+),
- different generations,
- and the integration of people with a disability.

We have been actively promoting the **cultural diversity and internationality** of our workforce for many years. Our aim is for our workforce to better represent and understand our diverse consumers all around the world. Employees from 112 countries worked at Beiersdorf as of the end of the reporting year (previous year: 102). At the Group headquarters in Hamburg, the proportion of international employees increased to 23.4% (previous year: 21.7%). Of our managers in the top three levels of management, 40% had lived and worked outside of their home countries for at least three years (previous year: 42%).

To send a clear message against discrimination in relation to different skin types and colors, our NIVEA brand implemented its "Skin Out Loud" campaign in the reporting year. The campaign consisted of five episodes on Instagram, TikTok, YouTube, and Spotify that celebrated (skin) diversity and emphasized that every skin has the potential to be healthy and beautiful - irrespective of ethnicity, age, identity, or gender.

It goes without saying that we welcome people of every **gender identity and sexual orientation** in our workforce. They enrich our global team. Together with our LGBTIQ+ community "Be You @Beiersdorf," we proactively fly the flag for tolerance and acceptance all year round. In the reporting year, for example this included Pride Month, Christopher Street Day (CSD) in Hamburg, and Coming Out Day. We once again took part in CSD with our colorful Beiersdorf truck. Together with over 200 Beiersdorfers on and alongside the truck, we took a deliberate stand against transphobia and publicly showed that everyone in all their individual uniqueness is welcome in our team. We also continued our partnership with the Hamburg-based non-profit initiative WELCOMING OUT. The initiative aims to alleviate fears of coming out among members of the LGBTIQ+ community and calls upon heterosexual cisgender people to show allyship and solidarity. In October of the reporting year, we took on the hosting and sponsorship of the [WEL-]COMING OUT DAY Event 2023. Our partners invited people to take part and celebrate Coming Out Day. The NIVEA and Labello brands also once again showed their support for the Pride movement in the reporting year. To clearly show their allyship with the LGBTIQ+ community, they launched the Labello Pride Kiss Edition and a NIVEA tin in a new rainbow design.

Strong teamwork between different **generations** is also hugely important to us. This involves the generations learning from each other and combining their different strengths. We are mindful of the abilities and needs of every employee and especially those of older members of staff. In the Consumer Business Segment in Germany, the proportion of employees aged over 50 was 30% at the end of the reporting period (previous year: 32%). In contrast, a total of 15% of employees are younger than 30 (previous year: 15%). The average age of employees in Germany as of December 31, 2023, was 42 (previous year: 42). To support our employees over 50, there are internal training courses tailored to the needs of this group. For example, these include a learning initiative focused specifically on digital topics, which is offered through the support of Beiersdorf's affiliate Beiersdorf Shared Services GmbH. In addition, the New Generation 50+ employee network actively furthers the interests of employees aged 50+. On top of this, Beiersdorf sponsored again an online event run by our meta network "ChangeMaker50+" at the end of October 2023. The event was all about "acting as a network" and included inspiring speeches and presentations as well as interactive workshops on generational diversity at work and beyond, some of which were devised by dedicated Beiersdorf staff.

Age Structure in the Consumer Business Segment Germany

(in %)

	2022	2023
≥ 60 years	8	7
50 – 59 years	24	23
40 – 49 years	23	24
30 – 39 years	30	31
20 – 29 years	14	15
≤ 19 years	1	1

We put a particular focus in the reporting year on the **inclusion of people with a disability**. Since 2021, we have been supporting the nationwide INNOKLUSIO initiative, which aims to promote inclusion awareness at various levels in order to integrate more people with disabilities into the labor market. The aim is to break down the preconceptions that can lead to exclusion of people with disabilities and to bring about a profound cultural change. As part of this collaboration, our Global DE&I Week 2023 in May was focused on people with disabilities. During the week, employees in Hamburg could find out more about various key topics and experience an exhibition initiated by INNOKLUSIO. This "Blackbox" exhibition allowed participants to see things from a different perspective and raised awareness of how to improve the participation of people with a disability. We also offered a range of online activities for our employees worldwide. To build further knowledge in this area, we established a new upskilling format at our Hamburg location in fall 2023, which was aimed at improving inclusion awareness in relation to people with a disability. These sessions, too, were offered in partnership with INNOKLUSIO and sought to break down anxieties, reservations, and uncertainties around disability.

tesa

As an international manufacturer of innovative adhesive tapes and self-adhesive product solutions, tesa positions itself as an attractive and sustainable employer. It is vital for the company to recruit and develop highly qualified staff and retain them long-term as a prerequisite for maintaining tesa's positive performance.

Employee development

In 2023, tesa once again invested in training its staff and creating further attractive development opportunities for them.

Further online and in-person learning offerings were added to the development opportunities for employees and managers in the reporting year. tesa established development centers and other activities specially for its high potentials, and supported these individuals with tailor-made development measures.

Leadership culture

Managers' ability to offer employees a motivating work environment, among other things, and encourage them to express their talents is key to tesa's business success and its attractiveness as an employer. In the first quarter of 2023, tesa began the introduction of a new Management Excellence Program in collaboration with the European School of Management and Technology Berlin (ESMT Berlin). The program aims to convey to managers important leadership skills in fields such as strategy development, sustainability, innovation, and transformation. In the reporting period, two cohorts consisting of 25 managers each already completed the program, which lasts approximately six months and includes various remote modules as well as two in-person modules.

A further focal aspect of HR work is to encourage tesa's talents. In the Competencies Review, talented people are given the opportunity to take part in exercises related to their occupation in a format similar to an assessment center. The participants then receive informed feedback on their strengths and areas for development based on the tesa Values. Major components include continuous peer feedback, a presentation by participants, and a learning path covering the ten months beyond the Competencies Review. During this time, participants receive a high level of support from their line managers and from HR.

Knowledge transfer

Training and professional development of managers and employees were carried out once again as in-person events as well as remotely during the reporting period.

In addition to in-person formats and e-learning, tesa further customized the use of the external digital platform LinkedIn Learning to tesa's specific requirements and developed company-specific learning paths tailored to needs.

The topics of compliance, occupational safety, sustainability, product and technology development, sales, and the Supply Network are already included in the e-learning formats. Employees can access tesa's professional development offerings at any time via a digital tesa Learning Hub.

In 2023, a new leadership training series was further adapted to hybrid forms of working. It is divided into a "basics" and an "advanced" training program. Participants in international groups are taught fundamental management skills and how to handle management tasks in the "basics" part. In the "advanced" part, experienced managers are trained and developed in the areas of team development, change management, and coaching. The content of the management training series is focused on the challenges of the current tesa strategy.

The global employee review - tesa Performance Appraisal - takes place throughout the tesa organization. The purpose of this meeting between employee and manager is to discuss feedback on work results and work behavior in a spirit of dialogue and to receive guidance from the manager for the coming year. Not only managers, but also all employees are urged to prepare for the appraisal using the questionnaire. Backed by this new process, tesa is strengthening individuals' personal responsibility and initiative, as well as awareness of their performance and accomplishments. A further aim is to enable employees and managers to benefit from a stronger culture of feedback and dialogue at tesa.

Attractive working environment

In the reporting year, tesa pursued further initiatives aimed at fostering an attractive working environment, because an appealing environment can contribute to employee well-being.

Occupational health management

tesa's workplaces are equipped with ergonomic and contemporary furniture and equipment, such as height-adjustable desks and modern lighting and ventilation concepts. In addition, employees at the company headquarters in Norderstedt have access to a comprehensive health management program under the umbrella brand "It's for you!" This program includes ergonomic counseling, colorectal cancer screenings, a health club, and massages. Company medical care as well as internal and external psychosocial counseling and support are also part of the health management program.

tesa Young Connection

As part of tesa Young Connection, new employees at tesa come together to form a community. In the reporting period, there were in-person as well as remote events on various professional and team-building topics. The focus of this community is on networking, with the aim of strengthening cohesion and retaining young talents.

New Work

tesa has further invested in IT and communications technology for hybrid working and integrated creative and social spaces into working practices. These are inviting settings for meetings and creative collaboration. tesa also implemented its first desk-sharing concepts in selected departments to enable even greater individual freedom in the choice of working location and to better reflect working in matrix structures.

Additional benefits

In addition, employees at the headquarters in Norderstedt can, among other offerings, take advantage of a cleaning service, visit regular market stalls to purchase regional fruit and vegetables, and utilize various mobility concepts. For example, they have the ability to charge electric vehicles and e-bikes at a company charging point and park rental bikes from Hamburg's "Stadtrad" initiative at a station on-site. Employees also have the option of leasing bicycles through a subsidized program.

Sustainability¹

Sustainability is firmly anchored in our business strategy and is a central element of our decision-making and business processes. For us, acting sustainably means conserving resources, constantly reducing our carbon footprint, respecting and strengthening human rights throughout the entire value chain, and making a positive contribution to an inclusive society. In 2023, we continued to make solid progress and drive forward the transformation of our company, which we detail in our Non-financial Statement (NFE).

Additional information on sustainability is also available at www.beiersdorf.com/sustainability and www.tesa.com/en/about-tesa/sustainability.

¹ This section of the Combined Management Report is not subject to audit requirements.

Non-financial Statement

Combined Non-financial Statement of the Beiersdorf Group and Beiersdorf AG

In accordance with Germany's CSR Directive Implementation Act (CSR-RUG), Beiersdorf reports on material non-financial aspects of its business activities in its Annual Report. These include aspects regarding the environment, employees, society, human rights, and anti-corruption. The following sections of the Annual Report constitute the Combined Non-financial Statement (NFS) for the Beiersdorf Group (Consumer and tesa Business Segments) and Beiersdorf AG, as defined under sections 315b and 289b of the *Handelsgesetzbuch* (German Commercial Code, *HGB*).

Alongside the NFS, the tesa Business Segment publishes a separate sustainability report with more detailed information on sustainability activities and projects during the reporting year.

Application of international reporting frameworks

Due to the different materiality requirements set out in the Global Reporting Initiative (GRI) Standards, United Nations Global Compact (UNGC), and Germany's CSR Directive Implementation Act (CSR-RUG), neither the Beiersdorf Group nor Beiersdorf AG applied any international frameworks in accordance with section 315c(3) of the HGB in conjunction with section 289d of the HGB to prepare the Non-financial Statement. The Consumer Business Segment, however, follows the GRI Standards and publishes a separate GRI index.

Both business segments are UNGC members and provide annual progress reports ("Communication on Progress" - COP) outlining the successes achieved and measures taken in the reporting period to implement the ten principles of the UNGC in the areas of human rights, working conditions, environmental protection, and anti-corruption. In 2023, the UNGC introduced a new digital platform on which to submit the COP, though technical problems led to the platform being taken offline temporarily. As a result, submission of the COP was voluntary in the reporting year, and Beiersdorf will resume its reporting in 2024.

Material non-financial topics for the business segments

Both business segments conduct materiality analyses to strategically identify and review sustainability topics. In the Consumer Business Segment, such an analysis was last carried out in 2021. The following material topics were identified during this process: Climate protection, circular economy, sustainable land use and biodiversity, sustainable use of water, diversity and inclusion, education and training, employer attractiveness, occupational health and safety, safeguarding human rights, community engagement, compliance and business ethics, and product safety.

The tesa Business Segment last updated its materiality matrix with members of relevant specialist departments in 2020. The material non-financial topics identified are climate and energy, product sustainability, resource efficiency, water, employee development, diversity and equal opportunities, occupational health and safety, human rights, prevention of anticompetitive behavior, and product safety. For an overview of all material non-financial topics relating to the Consumer and tesa Business Segments, together with section and page references, please refer to our index to the Non-financial Statement.

No changes were made to the materiality analyses of the Consumer and tesa business segments in the reporting year, meaning that the aforementioned topics remain material. The materiality analyses are to

be merged at Group-level and restructured in 2024 in order to meet future reporting requirements in accordance with the EU's Corporate Sustainability Reporting Directive (CSRD).

Statement scope

Disclosures on the material NFS topics are mainly provided separately for the tesa and Consumer Business Segments. In principle, all information is reported jointly for the Beiersdorf Group and Beiersdorf AG. Key figures that are collected separately for Beiersdorf AG are listed in the table "Relevant Key Figures for the Non-financial Statement of the Beiersdorf AG."

The Chantecaille business is managed as a separate business unit and is not included in the reported key figures due to its comparatively low sales volume. Likewise, the majority shareholding S-Biomedic, which was acquired in 2022, is not included in the key figures for reasons of materiality.¹ Due to the limited data availability with regard to non-financial topics, our NIVEA-KAO business in Japan is also not included in this statement. There is one exception, however: The calculation of CO₂e emission figures does include NIVEA-KAO.²

Since fiscal year 2021, we have also been reporting on revenues, capital expenditures, and operating expenses associated with environmentally sustainable activities in the NFS in accordance with Article 8 of the EU Taxonomy Regulation. The Consumer and tesa Business Segments report jointly on the EU taxonomy.

The Non-financial Statement has been subjected to a limited assurance engagement by the auditing company EY GmbH & Co. KG Wirtschaftsprüfungsgesellschaft based on the International Standard on Assurance Engagements 3000 (Revised).

In order to avoid redundancies, reference is made to passages in the Combined Management Report that contain non-financial disclosures. This relates to the areas "Business and Strategy" and "People at Beiersdorf." Some of the information in these sections also forms part of the Non-financial Statement. The relevant sections are marked with ↗ ↘ in the Combined Management Report.

¹ With the exception of compliance and employee KPIs.

² The CO₂e emission figures recorded for NIVEA-KAO comprise Scopes 1 and 2 as well as the following Scope 3 items: packaging and raw materials as well as finished goods production, each from the category "Purchased goods and services" and "Upstream transportation."

NFS-Index

Strategy		
Description of Business Model		
Material risks		
NFS-Aspect	Material topics Consumer	Material topics tesa
Environment	Climate protection p. 86	Climate and energy p. 86
	Circular economy p. 94	Product sustainability p. 97
	Sustainable land use p. 99	Resource efficiency p. 103
	Water p. 104	Water p. 104
Employees	Training and education p. 106	Employee development p. 107
	Diversity and inclusion p. 107	Diversity and equal opportunity p. 108
	Employer attractiveness p. 107	
	Occupational health & safety p. 109	Occupational health & safety p. 109
Society	Community engagement p. 111	
Human Rights	Safeguarding human rights p. 116	Safeguarding human rights p. 117
Compliance	Compliance & business ethics p. 118	Prevention of anticompetitive behavior p. 119
Further matters	Product safety p. 121	Product safety p. 121
EU Taxonomy Reporting		

Strategy

Sustainability is a core component of Beiersdorf corporate culture and of fundamental importance in our decision-making and business processes. We strive to reconcile environmental protection, social responsibility, and our economic success and are constantly refining and enhancing our commitment and engagement in these areas.

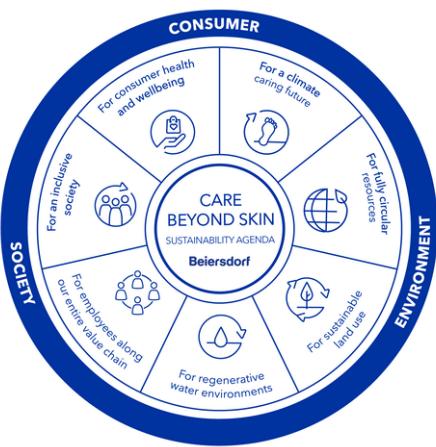
Our Group-wide Corporate Sustainability function is responsible for setting the strategic direction of our sustainability activities and regularly reports to the Executive Board on progress and the need for action. This function reports directly to the Chairman of the Executive Board of Beiersdorf AG, who is responsible for sustainability.

We have two cross-functional steering committees in place to oversee the management of key sustainability issues such as climate action: the Sustainability Council for the Consumer Business Segment and the Global Executive Committee for tesa. The directors of all relevant business units headed by the members of the Executive Board are represented on the Sustainability Council. This committee meets at least once every quarter. The Global Executive Committee at tesa is composed of the members of the Executive Board and other executives. The committee meets every two weeks and also discusses sustainability-related topics in the course of its meetings. In addition, the Chief Sustainability Officer reports directly to the Chairman of the Executive Board of tesa.

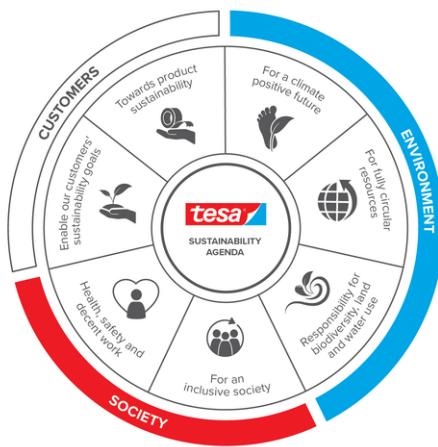
We also maintain a regular dialogue with our external stakeholders. This exchange ensures that we continuously review our sustainability activities and include current social and environmental developments in our planning.

CARE BEYOND SKIN Sustainability Agenda

(Consumer Business Segment)

**Sustainability Agenda**

(tesa Business Segment)

**Consumer**

Sustainability is central to our Corporate Purpose, which is why we implemented it in the C.A.R.E.+ business strategy we defined in 2019 as an important cornerstone of our business activities.

Our CARE BEYOND SKIN Sustainability Agenda has been an integral part of C.A.R.E.+ since 2020. It comprises seven focus fields that concentrate on the impact of our activities throughout the entire value chain – from the climate impact of our products and processes, the circularity of the resources we use and their influence on land and water use, through to the health and safety of our employees and consumers, and our commitment to an inclusive society. We have set ourselves ambitious targets in all areas, which we aim to achieve by 2025 and 2030, respectively.

Our efforts are based on the Ten Principles of the United Nations Global Compact (UNG) and the Sustainable Development Goals (SDGs). Through the implementation of our sustainability agenda, we are contributing to 13 of the 17 SDGs.

We raised our ambitions during the reporting year, particularly with regard to climate protection. Our aim is to cut all our direct and indirect greenhouse gas emissions (Scopes 1, 2, and 3) by 90% by 2045 (versus the base year 2018) and thus achieve net zero emissions by the target year in accordance with the Net Zero Standard of the Science-Based Target initiative (SBTi). In early 2024, the SBTi confirmed that it considers this goal to be in line with the targets of the Paris Climate Agreement.

We also held our first global volunteer day at Beiersdorf in 2023. All employees worldwide were given the chance to spend an entire working day volunteering for various projects run by local non-profit organizations. More than 10,000 employees in 68 countries participated in this "CARE BEYOND SKIN Day," supporting social and environmental causes aligned with our Sustainability Agenda and thereby heightening their awareness of sustainability issues.

tesa

At tesa, sustainability is firmly enshrined in the business strategy. Our ambition is to use all our technological know-how and passion to develop more sustainable adhesive solutions and products.

Five strategic action areas, for which tesa has set long-term targets for 2030, form the framework for this. These fields extend across the business segment's entire value chain and are: Reduction of Emissions, Responsible Sourcing, Use of Recycled and Bio-based Materials, Circularity and Reduction of Waste, and Supporting our Customers in their Sustainability goals.

The sustainability agenda, which is based on the Ten Principles of the UNGC and the SDGs of the United Nations, continues to be a cornerstone of the strategy. It now reflects our aspiration to view sustainability holistically and thus also includes topics that go beyond the strategic action areas - like occupational safety, for example.

Description of the business model

Beiersdorf is one of the world's leading companies in the consumer goods industry. Since its founding in 1882, the company has become well-established thanks to its strong brands and it now has over 20,000 employees. The Beiersdorf business is divided into two segments: The Consumer Business Segment, which focuses on skin care, and the tesa Business Segment, which concentrates on developing high quality self-adhesive systems and product solutions. A detailed description of the business model is provided in the "Business and Strategy" section in the Group Management Report.

Material risks

As a company that operates on a global scale, we are aware of our position as a role model and our obligation to conduct our activities in a responsible manner when interacting with the environment, individuals, and society as a whole. If we fail to fulfill our due diligence, it can lead to non-financial risks. This may include risks arising from our own business activities (inside-out risks), such as negative impacts on people or the environment, as well as events and developments that have a negative impact on our business performance (outside-in risks).

As part of our Group-wide integrated management system, we therefore regularly evaluate which non-financial risks are relevant to Beiersdorf and where we need to actively manage these. Risks are considered material if they have a high probability of occurrence based on predefined thresholds and if they are expected to have a severe negative impact on material non-financial topics. During the year under review, Beiersdorf introduced a new Group-wide risk management tool that enables non-financial risks to be assessed more thoroughly than before. In this way, we intend to emphasize internally how important the issues identified as material are to our company and at the same time meet the increasingly demanding requirements for managing and reporting sustainability risks. In 2023, the risk of incorrectly disposed plastic packaging was again assessed as material within the meaning of Germany's CSR Directive Implementation Act (CSR-RUG). Use of plastic packaging can lead to environmental pollution if it is not disposed of properly or if the disposal infrastructure in the country of sale is inadequate. We counter this risk through our circular economy strategy, which involves reducing the use of fossil-based plastics (see "Circular economy" section).

Environment

As a consumer goods manufacturer, we are highly aware of the impact of our business activities on the environment. We therefore work continuously to minimize the environmental consequences of our processes and products. In this context, we focus our efforts primarily on the areas of climate protection, circular economy, sustainable land use, and water.

Climate protection

We view climate change as one of the greatest challenges of our time. Risks and opportunities arising from climate change therefore influence our business strategy and our company's activities.

We document and manage the risks associated with climate change - for example, effects on raw material prices and material availability or the introduction of new fiscal instruments - as well as the corresponding risk mitigation measures via our integrated risk management system. In 2023, the topic "impact of climate change on the supply chain" was included as a strategic risk in the Group-wide risk management system for the first time. This risk was confirmed by the Risk Board and appropriate countermeasures were defined.

Furthermore, the Consumer Business Segment updated its analysis of climate-related physical and transitory risks and opportunities during the reporting year. The update was based on the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) in line with the "Net Zero Emissions by 2050" (NZE) scenario of the International Energy Agency (IEA). We have thus expanded the scope of the analysis, for example by looking at the potential risks of additional locations. A summary of TCFD-related information is available in a separate document on our website. A detailed description of our risk management structure can be found in the "Risk Report" section of the Combined Management Report.

Climate action is a key area of activity in the sustainability strategies of the Consumer and tesa Business Segments. The carbon emissions reduction targets are firmly enshrined in the Executive Board's own objectives. The activities required to achieve our climate goals are also factored into our financial and investment planning. Both the Sustainability Council in the Consumer Business Segment and the General Executive Committee at tesa are responsible for monitoring climate-related decisions. The main focus of their work is on further developing the strategies, reviewing the progress made toward achieving our climate targets, and driving forward the implementation of climate protection measures. The Executive Committee at Beiersdorf also regularly discusses the plans and progress of the climate strategy.

For the Consumer Business Segment, the Sustainability Council adopted targets in 2022 that focus on individual product categories, and in the reporting year it introduced further measures to ensure that the business segment achieves these targets.

Our climate targets

Beiersdorf had already committed to ambitious climate targets back in 2020, which apply to both the Consumer and tesa Business Segments: By 2025 we plan to achieve an absolute reduction of 30% in energy-related Scope 1 and Scope 2 emissions¹ compared to the 2018 baseline figure. We also aim to reduce indirect greenhouse gas (GHG) emissions along our value chain (Scope 3 emissions) by 10% by 2025. The Science Based Targets initiative (SBTi) has confirmed that our climate targets are in line with

¹ Scope 1 includes all emissions that we generate ourselves through the combustion of energy sources at our production sites, for example during power generation. Scope 2 emissions are caused by the generation of energy that we purchase externally, for example electricity.

the 1.5-degree scenario of the Paris Climate Agreement. The Consumer Business Segment has set additional targets to reduce Scope 3 emissions by 30% in absolute terms by 2025 versus a 2018 baseline and achieve climate neutrality in all its production centers by 2030.

tesa too plans to achieve climate-neutral production by 2030. In addition, it aims to reduce its Scope 3 emissions by 20% in absolute terms by 2030 versus the 2018 baseline.

We once again made progress with regard to our climate targets: We reduced absolute Scope 1 and Scope 2 emissions in the Consumer Business Segment by 40% and at tesa by 38% compared with the 2018 baseline. This led to an overall reduction of absolute Scope 1 and Scope 2 emissions of 39%. This means we achieved our 2025 Scope 1 and 2 emissions target at Group level early. The Consumer Business Segment reduced its absolute Scope 3 emissions² by 18% over the same period.

In 2023, we have set the target of achieving net zero emissions by 2045. As we have already met our Scope 1 & 2 target for 2025, we have also updated our short-term climate target in this context. The Beiersdorf Group is thus committed to the following targets, which were validated by the SBTi at the beginning of 2024:

- By 2032, we aim to reduce absolute Scope 1 and Scope 2 emissions by 70% and absolute Scope 3 GHG³ emissions by 40%, from a 2018 baseline.
- By 2045, we want to reduce absolute Scope 1, 2 and 3 emissions by 90% from a 2018 baseline.

In 2020, we achieved our goal of sourcing 100% of our electricity from renewable energy sources. This continues to be the case for all tesa and Consumer office and production facilities worldwide for which data is collected.⁴

Climate metrics: Energy, Scope 1, Scope 2, and Scope 3 emissions

We capture, consolidate, and analyze our energy consumption data to determine our global GHG emissions. Progressively gathering this data continuously helps us to verify the effectiveness of the measures we carry out and identify further potential for energy and emission savings.

We calculate our GHG emissions according to the requirements of the Greenhouse Gas Protocol (GHG Protocol). The GHG Protocol specifies different consolidation approaches for calculating Scope 1 and Scope 2 data. When calculating our emissions, we have adopted the operational control consolidation approach.

These calculations are mainly based on emission factors from the Intergovernmental Panel on Climate Change (IPCC), along with emission factors from our energy suppliers and the IEA. Further emissions, such as steam from district heating, are calculated using the emission factors provided by the GaBi database and the British Department for Environment, Food & Rural Affairs (Defra).

If biogas is used at our own sites, the biogenic emissions outside of Scope 1 are reported separately and not recorded under Scope 1. The biogas certificates acquired in this context are internationally recognized and are intended to prevent double counting of greenhouse gas reductions along the entire value chain. They are based on a mass balance approach in which the biogas is not physically purchased but certificates are purchased to ensure that the gas is fed into the European gas grid. As things stand at present, the GHG Protocol has not yet published any clear guidelines on the inclusion of

² Scope 3 emissions include the categories of purchased goods and services, upstream transportation (taking into account certificates for biofuels), logistics, and business travel.

³ In the categories purchased goods and services, upstream transportation and distribution, business travel and end of life treatment of sold products.

⁴ Beiersdorf purchases green electricity directly from energy suppliers or acquires "International Renewable Energy Certificates" (IRECs), European Guarantees of Origin, or country-specific certificates when purchasing electricity.

such certificates. We closely monitor relevant biogas accounting standards and are committed to adapting our reporting in this area as existing standards evolve and new standards are published.

The Consumer Business Segment collects energy consumption data at all of its production sites, at the warehouses we operate, and at our offices with 50 or more full-time equivalent employees. tesa collects energy consumption data for all ISO 14001-certified sites. This includes six production sites and the main headquarters.

Since 2022, we have also included the emissions data of our NIVEA-KAO business in Japan in the calculation for Scopes 1 to 3. For Scope 1 and 2 emissions, we use primary data provided by NIVEA-KAO; this data has been included in the key figures since 2022.

Key Figures

	Business Area	2018 (Base year)	2021	2022	2023
Scope 1 emissions (t CO ₂ e)	Beiersdorf Group	99,048	99,693	90,358	77,480
	Consumer	43,409	41,320	39,506 ²	34,049
	tesa	55,639	58,373	50,852	43,431
Scope 2 emissions (t CO ₂ e) ^{1,2}	Beiersdorf Group	30,071	1,582	1,322	1,552
	Consumer	15,820	1,582	1,314	1,536
	tesa	14,251	0	8	16
Scope 1 and Scope 2 emissions (t CO ₂ e)	Beiersdorf Group	129,119	101,275	91,680	79,032
	Consumer	59,229	42,902	40,820	35,585
	tesa	69,890	58,373	50,860	43,447
Biogenic Scope 1 emissions	Beiersdorf Group	0	2,270	9,124	10,983
	Consumer	0	0	1,078	3,239
	tesa	0	2,270	8,046	7,744
Total energy consumption (GWh) ²	Beiersdorf Group	668	684	672	612
	Consumer	341	340	334	320
	tesa	327	344	338	292

¹ The Scope 2 emissions reported in this section are based on the market-based method.

² Retroactive adjustment of data due to the inclusion of the newly acquired La Prairie production facility in Berneck.

Identifying Scope 3 emissions

Emissions are also generated along our value chain, for example through the procurement of goods and services or transportation activities. These are referred to as Scope 3 emissions. Based on an input-output model, the Consumer Business Segment began by identifying the most relevant categories of Scope 3 emissions.¹ The input-output model evaluates resource consumption and environmental impact throughout the supply chain on the basis of international statistics and databases. The analysis identified the following material areas for the Consumer Business Segment: packaging materials, raw materials for product formulations, finished goods manufacturers, externally purchased transportation services, warehousing, and business travel. This selection covers more than two-thirds of our total Scope 3 emissions, which meets the requirements of SBTi. The corresponding key figures relating to Scope 3 emissions can be found in the "Consumer" subsection.

In addition to the Non-financial Statement, we disclose our management approaches and data on climate topics as part of an annual survey conducted by the CDP organization. The organization then

¹ The following statements regarding our Scope 3 emissions apply to the mass market and the Consumer Business Segment's dermocosmetics business, unless otherwise specified.

assesses, among other aspects, our climate-related strategy and its effectiveness on a scale from A to D-. In the CDP assessment within the Climate Change Program, the Consumer business segment received an "A" rating and the tesa business segment an "A-" rating in 2023.

Consumer

Improved Scope 3 calculations

For all defined categories included in our target boundary, we have developed methods of calculation that rely on precise data as far as possible. This enables us to better monitor the progress of our reduction measures. The majority of our Scope 3 emissions are generated by the manufacturing processes of the packaging² and raw materials we need for our products. The calculations of these GHG emissions are based on primary data for material consumption and secondary emission factors derived from life cycle databases. We work together with service providers to consistently improve data on emissions factors for life cycle analyses (LCAs).

Over the course of the reporting year, we further advanced our digitalization in the area of sustainability. For example, we integrated additional analysis tools and further improved both the framework and level of detail of our reporting. We are thus able to analyze key figures such as CO₂e emissions or figures relating to plastic packaging and raw materials throughout the year and - if necessary - identify measures at an early stage that will help us achieve our emissions reduction targets.

In order to calculate the emissions from our outsourced production and warehousing operations, we conduct surveys of supplier companies in the finished goods and warehousing sectors.³ These surveys collect data on energy consumption as well as emission factors for purchased electricity. This data is allocated based on the quantities of goods produced for us or on goods turnover. The calculation methodology is congruent with the Scope 1 and Scope 2 calculations for our own sites. In 2023, the data we gathered in these surveys covered 86% of our outsourced finished goods production and 85% of our warehousing activities. The values in the following table are extrapolated emission values to cover all our finished goods suppliers and warehousing.

To calculate global upstream and downstream GHG emissions from transportation activities, we mostly use the EcoTransIT tool in accordance with the European EN 16258 standard. Data on distances, loads, and the various modes of transportation are obtained from our internal logistics network.

A total of 86% of the emissions resulting from the transport of our products by sea freight are of biogenic origin. We ensure this is the case by purchasing fuel certificates based on the mass balance approach. The aim to increase the amount of biofuel used in the global maritime freight industry. However, it is not possible to reliably track whether the ships transporting our products are actually powered by biofuel. Overall, Beiersdorf aims to drive the transformation toward a lower-emission logistics network.

To quantify our emissions from business travel, information on distance and modes of transportation is either exported from our travel management system or reported directly by our affiliates. For the data collected via our travel management system, we calculate emissions according to the methodology established by the German Association of Business Travel Agents (Verband Deutsches Reisemanagement, VDR), taking into account a "radiative forcing index" (RFI) factor of 2 for business flights. In the case of directly reported business travel data, we calculate emissions based on IEA data. Compared to our 2018 baseline, our business travel emissions declined by 25%.

² We include consumer packaging and secondary packaging in our calculation. Packaging materials that are added as part of packaging processes or during preparation for transport are not included.

³ The data collection period for outsourced production and warehousing (December 2022 to November 2023) differs from the reporting period.

We calculate the included Scope 3 emissions from our investment NIVEA-KAO based on the results of life cycle assessments (LCAs) conducted in 2022 and 2023 for certain reference products. We estimated the emissions generated in previous years on the basis of the quantity of reference products sold. NIVEA-KAO's raw material and packaging emissions are calculated using the reference products' bill of materials and the LCA emission factors. To calculate the upstream transport emissions, we consider the product weight, the average distance transported, and the emission factors of the different modes of transportation. The calculated emissions are included in the respective Scope 3 categories.

Scope 3 GHG Emissions Consumer¹

(in t CO₂e)

	Areas	2018 (Base year)	2021	2022	2023
Category 1: Purchased goods and services ²	Packaging	440,707	396,817	373,213	365,529
	Raw materials	542,883	492,991	476,948	458,672
	Finished goods manufacturing	36,945	16,557	14,232	15,352
Category 4: Upstream transportation and distribution ³	Finished goods transport	134,659	130,906	129,751	128,876
	Warehousing	11,705	2,283	2,087	2,160
Reduction through the purchase of biofuel certificates		0	-8,800	-10,600	-11,162
Category 6: Business travel ⁴	Business travel	19,709	2,677	8,982	14,859
Total Scope 3 GHG emissions excl. certificates for biofuels		1,186,608	1,042,233	1,005,213	985,177
Total Scope 3 GHG emissions incl. certificates for biofuels		1,186,608	1,033,433	994,613	974,015

¹ The categories are defined by the GHG Protocol.

² The emissions data for packaging and raw materials for 2018, 2021 and 2022 have been adjusted due to updated master data and the inclusion of the latest emissions data from the 6th IPCC Assessment Report. In addition, La Prairie was added to the data for packaging for 2018, 2021 and 2022. Coppertone is not included in these figures. Data for finished goods manufacturers was extrapolated based on spend, and data for 2021 was adjusted due to a data correction.

³ Transport emissions for 2018, 2020 and 2021 have been updated due to the inclusion of NIVEA-KAO and La Prairie. Warehousing data is extrapolated based on stored pallets.

⁴ Business travel was adjusted retrospectively for 2018, 2021 and 2022 as La Prairie was included.

Transition toward climate neutralization

We have created a climate neutralization plan that will drive forward our transition to net zero emissions. Our "Climate Neutralization Framework" describes the entire neutralization process for selected products and was developed based on the principles and requirements of the internationally recognized standard PAS 2060. TÜV Rheinland has reviewed the methodology and verified that Beiersdorf follows international standards and a science-based approach.

Our climate neutralization process consists of three steps. The first step is "Measure." All GHG emissions are quantified in accordance with the GHG Protocol. The second step is "Reduce." This is reflected in our ambitious climate targets, which are based on scientific findings to limit global warming to 1.5 degrees Celsius. We are focusing our activities and our resources primarily on achieving these reduction targets. The third step is "Neutralize." In order to leverage additional CO₂ storage potential while we are still transitioning toward our net zero target, we are investing in certified climate projects to neutralize the remaining GHG emissions. For us to achieve a net-zero state globally, we must neutralize unavoidable emissions by removing greenhouse gases from the atmosphere.

As our GHG emissions and the accounting methods have been detailed in the previous sections, we will focus on the second and third steps below.

Reducing operating emissions

At our production sites especially, energy-related emissions can be reduced to increase their energy efficiency. Our goal is to ensure all of our production facilities are climate neutral by 2030. To achieve this, we are relying on various measures:

In order to operate the sites in a climate-neutral manner, we want to reduce the use of fossil fuels by 2030. Particularly in light of the geopolitical situation in 2022 and the associated energy crisis, we have set ourselves the goal of operating independently of natural gas in Europe. To achieve this, we are drawing on a number of different alternatives. Some temporary alternative solutions – such as diesel-powered steam generators that we have installed at our production facilities – are used to ensure sufficient capacity is available when there are legally mandated restrictions on natural gas consumption. These systems require other fossil fuels, however, and are therefore not compatible with our efforts to achieve climate-neutral sites in the long term. Beiersdorf is therefore increasingly using more sustainable solutions, including two electric steam generators for the Technical Center at the Group's headquarters and one heat pump system each for the production facilities in Argentona, Spain, and Hamburg, Germany, which are used to generate cold water and heat the buildings. The heat pump solution will make the Argentona site our first carbon-neutral production facility in Spain in 2024, and at the same time Beiersdorf's first factory that is independent of any direct fuels and only requires electricity.

To reduce emissions, we are not only modernizing our technical systems. Energy-saving measures are also helping to reduce fuel and electricity consumption – such as by heating buildings less and dimming the lights.

In addition to purchasing 100% green electricity, we have installed photovoltaic systems at 14 of our production sites and office locations that cover part of our own electricity needs. In the reporting year, these systems generated 7,100 MWh worldwide. In addition, our Sustainability in Manufacturing initiative, launched in 2020, is helping us achieve our climate, waste, and water targets by 2025. The initiative encompasses all 15 production sites worldwide. The team responsible for the project breaks down the company's targets by production site, analyzes energy consumption, and derives the necessary measures from this data. Locally gained knowledge is exchanged in the form of best practice examples within our international network and, where it makes sense, also applied to other locations.

Modern, energy-efficient buildings and production facilities are helping us achieve our climate targets. When we construct a new building or redesign an existing one, we examine its full life cycle and implement sustainable energy concepts. In our new construction and expansion projects, we strive to achieve certification to the Leadership in Energy and Environmental Design (LEED) standard. That includes our new Group headquarters in Hamburg's Eimsbüttel district. In addition to the LEED standard, we also aim to achieve certification according to the "WELL Building Standard" in 2024 for the more than 100,000 square meter building.

We are working on obtaining LEED sustainability certification for our new production site in Leipzig, Germany as well. Besides implementing energy-efficient processes, we will be greening the building's facades and roofs and installing solar panels.

We are also increasingly replacing fossil fuels in our existing facilities: In 2022, our site in Berlin, Germany, for example, became the first Beiersdorf facility to purchase only biomethane instead of natural gas, thus cutting GHG emissions by 99%. The manufacture of our products at this site is therefore climate neutral. The biogas is produced in Denmark from organic waste and fed into the European gas grid. Our new facility in Leipzig likewise uses biomethane instead of natural gas and has been climate neutral in Scopes 1 and 2 since the start of production in 2023.

Our factories in Berlin and Leipzig use biogas certificates to procure gas from renewable sources for our production. These biogas certificates are intended to ensure that the gas contributes to the reduction of greenhouse gases. They are based on a mass balance approach whereby the biogas supplied in Denmark corresponds to our consumption in Germany.

Reducing emissions along the value chain

Cutting our Scope 3 emissions is a great challenge, as their origin lies beyond our direct operational control. For this reason, we work cross-functionally, as well as with our suppliers, to identify innovative measures to reduce our carbon footprint. In the reporting year, we also developed an action plan to reduce emissions within our most important Scope 3 categories, which are listed below:

Packaging

Most of the emissions from packaging are caused by plastics and aluminum. We are therefore working on innovative solutions to prevent, reduce, reuse, and recycle our product packaging by 2025. We are striving to use more recycled material in aluminum packaging and to source aluminum with a lower carbon footprint.

However, the prevailing global crises resulted in supply bottlenecks, particularly for recycled aluminum, in previous years. During the reporting year, we began to close this gap with low-carbon aluminum, which is produced using renewable energy in the main production steps.

Product formulations

We also plan to make our product formulations more environmentally friendly. To achieve this, we developed an action plan in 2021 that encompasses the following measures:

- further transitioning to plant-based raw materials with a lower CO₂e footprint,
- increasing the use of materials from renewable carbon sources, e.g., biobased materials, materials made from chemical recycling, and materials derived from carbon capture and utilization,
- cooperating closely with our main suppliers to introduce renewable energy at their production sites, thus reducing the carbon footprint of our raw materials and
- sourcing further renewable raw materials from sustainable and deforestation-free cultivation. To this end, we are entering into various partnerships, including with the Roundtable on Sustainable Palm Oil (RSPO) (see the "Sustainable land use" section).

Finished goods manufacturing and third-party warehousing

A key driving force for the reduction of GHG emissions of our products and packaging is the switch to renewable electricity at our suppliers too. To achieve this goal, we are leading intensive discussions with suppliers and third-party manufacturers to find mutual solutions for switching to renewable energy. In 2023, all third-party manufacturers and third-party warehouse operators included in our data query purchased electricity from renewable energies or their electricity purchases were covered by corresponding energy certificates.

Transportation

Along with our packaging and formulation emissions, we are exploring ways to reduce and prevent transportation emissions. Wherever possible, we plan to shift the transportation of our goods to rail. This applies in Europe and North America especially, where our largest markets are located. For our global ocean freight shipments since 2021, we have been purchasing mass-balanced biofuels from waste streams via certificates. In addition, our truck transportation service providers used biofuels in the reporting year to transport our products from the "Hub Nordics" to the Scandinavian countries, as well as to France and Italy. On top of this, we are investigating ways of using alternative forms of energy, such as electricity and gas, to power trucks. We are working closely with our logistics providers to achieve this goal. In our drive to understand and implement new transportation technologies, we are in

close talks with external consultants and scientific experts. One example is our cooperation with EcoTransIT to calculate our transportation emissions. We pass this knowledge on to our logistics service providers around the world as well.

In dialog with suppliers

We engage in dialog with our suppliers through various measures to create a more sustainable, shared future. For example, we call on our suppliers to also participate in the climate data surveys conducted by the CDP organization. The data they disclose will also enable Beiersdorf to improve the quality of its own data analyses. During the reporting year, 77 suppliers participated in the CDP survey. We also work with our suppliers on new concepts and strategies. For example, we invested in the Swiss start-up company DePoly in the reporting year. DePoly's chemical recycling technology enables new recycling solutions for plastic and polyester waste streams that are currently not recyclable. The aim of this collaboration is to accelerate the development of more sustainable technologies that improve circular packaging usage in the cosmetics industry.

Neutralizing remaining emissions

In addition to its efforts to reduce GHG emissions in the value chain, Beiersdorf also systematically invests in climate change mitigation projects and acquires voluntary emissions certificates. Through these projects, we aim to build up natural carbon sinks over the long term and curb the accumulation of greenhouse gases in the atmosphere. In this context, we select projects that comply with the Paris Agreement and are independently certified by internationally recognized organizations such as Verra or the Gold Standard. We also focus on projects that sequester carbon from the atmosphere - through reforestation and soil management, for example - while simultaneously providing additional benefits for biodiversity or local communities. With CO₂ certificates from these projects, we offset the remaining GHG emissions of selected products as well as the flight emissions of our business trips.

tesa

Company management systems for environmental protection

The tesa Business Segment uses ISO 14001 certified environmental management systems at seven sites for the continuous management and planning of our corporate environmental protection. The ISO 14001 standard is an internationally recognized approach to managing the direct and long-term environmental impacts of products, services, and processes within a company. As part of the matrix certification of ISO 14001 sites, external environmental audits are also carried out annually. In addition, the environmental management systems at selected ISO 14001 sites are reviewed during internal audits by specialists at the headquarters.

Besides the environmental management system, we use energy management systems certified to internationally recognized standards. Three production sites and the Group headquarters are certified in accordance with ISO 50001. These sites emit 84% of the GHG emissions of all sites holding ISO 14001 certification. The ISO-certified energy management systems lay the foundation for more energy-efficient operations at the respective sites and thus for further reducing GHG emissions.

Through our internal planning and reporting activities, we identify, assess, and monitor risks and measures that target a reduction in GHG emissions. We review the effectiveness of our activities by tracking the monthly energy consumption at each site. We succeeded in reducing our Scope 1 and Scope 2 emissions by 38% in absolute terms from 2018 to 2023; compared with the previous year, emissions thus fell by 15 percentage points. We achieved a reduction in specific emissions of 23% per metric ton of end product compared to 2018.

Identifying energy-saving opportunities and increasing efficiency

Energy consumption is an important management driver for reducing our environmental impact. As part of a continuous improvement process and on the basis of the environmental program and environmental audits, we identify further energy-saving opportunities, optimize energy-intensive processes, and reduce our carbon emissions and the associated costs. tesa corporate management conducts a management review every year as part of this process. The environmental and energy experts at each site bear operational responsibility.

In the reporting period, we continued to work on expanding electricity production through the use of solar power, with new systems going into operation in China and Italy. Our solar power systems generated 1,761 MWh of electricity worldwide in the reporting year. That corresponds to 2% of our total electricity needs. We will also equip the Group headquarters and the new facility in Vietnam with solar power in 2024. What's more, the tesa Business Segment's largest solar power installation to date, at 5.5 MWp, has been approved for construction in Offenburg, Germany. It is expected to generate electricity and contribute to the site's decarbonization as early as 2024. Further investments in solar power are in preparation.

At several production sites, we utilize combined cooling, heat, and power or combined heat and power (CCHP or CHP) systems. We not only use the electricity generated but also harness the heat produced by these systems for our production processes and heating. Since 2021, we have covered the energy consumption of the CHP system at the Group's headquarters entirely through biogas certificates. In the reporting year, the sites in Hamburg and Offenburg also used biogas certificates to cover the proportionate share of their CHP plant operations. The biogas is produced in Denmark and fed into the European gas grid.¹ This means we continue to benefit from the high generation efficiencies of the CHP plant. By using biomethane instead of natural gas, we can also rely on renewable, more climate-friendly sources of energy. Overall, in 2023 we were able to produce over 47% of our electricity needs ourselves via energy-efficient CHP systems.

Circular economy

Consumer

Our products are synonymous with high quality and effective skin care all over the world. Our aim is to meet our own high quality standards and the increased sustainability requirements while maintaining consumer trust in our products. For us, this trust also entails counteracting negative environmental impacts. We therefore feel it is our responsibility to optimize the environmental compatibility of our products and to use resources sparingly.

The Executive Board is responsible for integrating product sustainability into our C.A.R.E.+ corporate strategy and at brand level. The Corporate Sustainability Team reports directly to it. Our Sustainability Council maintains regular communication with senior management from Marketing, Research & Development and Supply Chain. The committee reports on ongoing projects and monitors the status of target achievement. We use the expertise of various departments and involve external stakeholders such as customers, suppliers, sustainability consultancies and NGOs to implement cross-functional and cross value-chain projects.

Holistic view of our products

It is important to us that we evaluate our products holistically according to their environmental and social impact. Life Cycle Assessments (LCAs) are used to list and summarize all of the environmental impacts for specific products, from raw material procurement to disposal. Based on this analysis, we

¹ tesa acquires biogas certificates. The certificates prove that a corresponding amount of biogas has been produced and fed into the natural gas grid.

create a life cycle assessment that shows what impact the product has on the environment and where there is still room for improvement. Beyond the use phase, the environmental impact of our products depends to a large extent on the raw materials and the resource efficiency of our packaging. This is why we focus our sustainability efforts on these areas.

Sustainable packaging

The consumption of natural resources has increased continuously worldwide over the past decades. Negative environmental impacts as well as waste production are steadily increasing and causing lasting damage to the environment. To counteract this, Beiersdorf is committed to strengthening the circular economy. For example, the ability to recycle our packaging and ingredients is extremely important to us.

Our packaging is largely made of plastics due to its light weight, high stability, and simultaneous flexibility. This means that we use materials that are mostly based on finite fossil resources and are often not recycled. As a result, we are going to great lengths to optimize our plastic packaging in line with the sustainability principles of "avoid, reduce, reuse, and recycle," thereby making our contribution to the circular economy. To make our actions measurable, we have set ourselves the following global targets in the area of packaging, which we intend to achieve by the end of 2025:

- We aim to use 50% less fossil-based virgin plastic in our packaging in comparison to 2019,
- integrate at least 30% recycled material into our plastic packaging, and
- make 100% of our packaging refillable, reusable, or recyclable.

In 2023, we made the following progress toward our goals:

- 16% reduction in fossil-based virgin plastics in our packaging (2022: 15%).
- 12% recycled material in our plastic packaging (2022: 10%).

When calculating the target achievement for 2022 and 2023, the volumes for the base year 2019 were updated due to corrections in the master data.

While the integration of recycled material into our plastic packaging is progressing according to plan, we are expecting a delayed achievement of our reduction target on fossil-based virgin plastic in 2026 instead of 2025. This development is due to longer lead times for molds and equipment as well as above expectation volume growth.

In the reporting year, we decided to extend our target for plastic packaging design. By 2032, we aim to fully cease the use of fossil-based, virgin plastic in our packaging. In addition to the use of recycled and bio-based plastic qualities, this will also require the exploration of new, alternative materials. Starting with the reporting year 2024, we will report against this new mid-term target.

Our third goal, recyclability, relates to the end of the packaging life cycle. To make our progress with respect to recyclability measurable, we introduced a new methodology in 2021 in line with the principles promulgated by the Ellen MacArthur Foundation.¹

In 2022, we established "Design for Recycling," a further metric that requires packaging to be recyclable in at least one country from the outset, even if this is not yet globally possible given today's infrastructure. This means that all packaging that is already globally recyclable today also meets the Design for Recycling criteria.

¹ As defined by the Ellen MacArthur Foundation (EMF), packaging or packaging components are recyclable if their successful collection, sorting, and recycling can be demonstrated in practice and on a large scale globally.

Both targets – Design for Recycling and global recyclability – have been applied to all types of packaging and materials we use (plastic, metal, glass, and paper) since 2022.

We assess global recyclability and Design for Recycling digitally based on the methodology of an independent certification body; the analysis relates to the share of recyclable materials in the total packaging weight. We then use these individual analyses to determine the recyclability of the overall portfolio.

In the reporting year,

- 80% of our packaging weight came from packaging that was "designed for recycling" (2022: 80%).

In addition, the following share meets the requirements for global recyclability:

- 67% of the weight of all packaging was considered globally recyclable (2022: 67%).

Environmentally friendly product formulations

In order to optimize the recyclability of our product formulations, we have set ourselves goals both for eliminating the use of microplastics as defined by the United Nations Environment Programme (UNEP)² and for the use of biodegradable polymers.

One of these goals had already been reached by the end of the reporting year: We discontinued the production of Eucerin brand cosmetic products that contain microplastics – either by completely removing them from our portfolio or by revising their formulation. We have not used microplastics in NIVEA brand products since 2021.

Furthermore, we intend to use only biodegradable polymers in our European product formulations by the end of 2025 and thus make a contribution to preventing environmental pollution.

Polymers are molecules that consist of many recurring subunits. They are commonly used in cosmetics and provide various product properties, such as increased water resistance in sunscreen products. Many polymers containing organic carbon are biodegradable – that is, they can be fully broken down into water and carbon dioxide by microorganisms such as bacteria or fungi. However, this is not the case with other polymers, which leave chemical substances in the environment. We are gradually phasing out the use of such non-biodegradable polymers in order to reduce potential environmental impacts.

To this end, we evaluate all raw materials in terms of their biodegradability. The evaluation is based on Annex XIII of the European REACH Regulation and the corresponding Guidance on Information Requirements (Chapter R.11). The criteria for the persistence of substances contained in these documents define the timescale for a molecule to be considered biodegradable. On this basis, we identify polymers that are not sufficiently biodegradable and that should be eliminated from our European product formulations by the end of 2025. To achieve this goal, we are not only directly replacing ingredients, but also developing completely new polymer technologies. We report separately on the raw material group of silicones, which comprises dimethicone and cyclomethicone, among others. While silicones do degrade in nature over time, they are not biodegradable by definition due to their chemical composition – as they do not contain any organic carbon in the polymer chain. We therefore consider them separately from other polymers and are working to reduce their use as well.

² In its definition, the United Nations Environment Programme (UNEP) describes microplastic particles as solid plastic particles with a diameter of less than 5 mm that are neither biodegradable nor soluble in water.

In comparison with 2018, we already used 67% fewer non-biodegradable polymers in our European product formulations in the reporting year. This means that we reduced their share by a further 4 percentage points compared with the previous year. We were able to reduce the use of silicones by 36% compared to the 2018 baseline.

Moreover, we aim to increase the use of raw materials from non-fossil, renewable resources and at the same time make our procurement more sustainable. By doing so, we want to prevent negative environmental impacts caused by increased demand for certain raw materials (see "Sustainable land use" section).

Partnerships in the field of product sustainability

On our journey toward a circular economy, we at Beiersdorf are working closely with partners who share our goals. We are active participants in associations and international committees and use these platforms to engage in intensive dialogue with other stakeholders.

The Ellen MacArthur Foundation (EMF) is a leading organization devoted to accelerating the transformation to a global circular economy and building a regenerative and restorative economy. In this process, it collaborates with companies, academia, politics, and institutions. Within the foundation's network, we discuss and exchange ideas with other members and develop new ones together. Beiersdorf supports the foundation and reports on the key figures of the Global Commitment. We have also been a network member of the EMF since 2021, and our area of focus during the reporting year was refill solutions.

To tackle the global problem of plastic pollution, the Ellen MacArthur Foundation and the WWF founded the "Business Coalition for a Global Plastics Treaty" in 2022. Beiersdorf has joined the coalition as a supporter. The common goal is to see an ambitious, effective, and legally binding UN treaty signed that will end plastic pollution.

In 2022, Beiersdorf also joined the EcoBeautyScore Consortium, an initiative of more than 70 cosmetics and body care companies and associations aiming to develop an easy-to-understand, globally applicable standard that fosters informed decision-making for the consumption of cosmetics and skin care products. During the reporting year, employees from Research and Development, Corporate Sustainability, and Beiersdorf Shared Services contributed to the work of this consortium.

Beyond making an impact through its direct business activities, Beiersdorf also wants to support new ideas in the area of the circular economy. That is why the company has invested in the Swiss start-up firm DePoly via its OSCAR&PAUL Venture Capital Fund. DePoly develops selective, energy-efficient chemical recycling technologies for plastic and polyester waste streams that are currently not recyclable. This investment enables Beiersdorf to support the development of new recycling solutions for packaging in the cosmetics industry.

In June 2023, we presented our Sustainability Agenda, the progress we have made to date, and our upcoming opportunities and challenges to politicians, businesses, and interested private individuals at the Greentech Festival in Berlin.

Product Sustainability

tesa

Innovative solutions for greater sustainability

With our innovative product solutions, we aim to offer our customers technological progress and at the same time make an active contribution to greater sustainability. This is why we are increasingly using

recycled and renewable raw materials for our products and packaging. Our goal is for 70% of the materials for our products and packaging to be made from recycled or bio-based materials by 2030. Moreover, we want to further reduce the use of solvents in our production, with the aim of either eliminating solvents altogether or fully recovering them by 2030. Our understanding of product sustainability extends beyond product development and also covers the use phase for our customers.

Through our Project Sustainability Assessment, we already established a tool back in 2020 that we use to evaluate projects in the field of product and technology development at an early stage in terms of their contribution to sustainability. All new development projects must undergo this assessment. We use the results to further manage our development portfolio.

Under the tesa ecoLogo sub-brand established in 2010, we offer adhesive rollers, adhesive films, packing tapes, glue sticks, and correction rollers, which are made primarily from recycled or bio-based materials; the packaging used for these products is predominantly recycled as well. This product line is also manufactured without the use of any solvents. We are constantly adding new products to the tesa ecoLogo range. One example from the reporting year is our new tesafilm® Eco & Crystal, the first product to use a carrier film consisting of 90% post-consumer-recycled (PCR) PET material. This material content is certified in accordance with the UL 2809 Environmental Claim Validation Procedure (ECVP).

The entire life cycle in focus

The core ideas of the circular economy include reduced material use, increased reuse, and, ultimately, recycling. If the product or individual components can be recycled or reused, resources can be saved elsewhere. To achieve this, we consider the end of the product life cycle at an early development stage and are investing in further research on this topic. One area of focus here is releasable adhesive bonds, which allow bonded parts to be repaired or reused.

In addition, we continue to carefully analyze the CO₂e footprint of our products. To this end, we steadily expanded our databases in the reporting period, where all of our key raw materials and packaging are linked to primary or secondary emission factors. Another aspect we are working on is the further standardization and validation of our methodology. Here we are cooperating with AFERA, the European adhesive tape industry network, that is helping to harmonize the calculation of CO₂e footprints across the industry.

We also regularly discuss this topic with our suppliers to improve the accuracy of our calculations through primary data. We use the collected data not only for internal management and accounting purposes, but also to provide information to our customers. In the reporting year, we carried out life cycle assessments for various products and had them validated by external partners. For example, we were able to obtain confirmation of the CO₂e savings achieved with our double-sided adhesive tape tesa® 4965, which has been improved in terms of raw materials certification and 40% CO₂e reductions (cradle-to-gate incl. absorption of biogenic carbon).

We also use the results of our assessments to identify relevant sources of emissions along the value chain and to reduce our emissions through targeted measures.

Our understanding of product sustainability goes further, however. Whether in the industrial, electronics, or wind and solar energy sector, some of our products can help our customers operate more efficiently and drive forward sustainable technologies. Our adhesive solutions, for example, can allow products to be repaired or recycled, allowing customers to reduce their waste volumes and cut greenhouse gas emissions.

Paper products made from certified raw materials

Since we use large quantities of paper for our products and their packaging, we also pay attention to sustainability in this area and increasingly source paper that is certified in accordance with the criteria of the Forest Stewardship Council® (FSC® C148769). tesa SE has been FSC®-certified since 2019, as have our production sites in Suzhou, China, Concagno, Italy, Offenburg and Hamburg, Germany. In addition, the first eight European sales organizations were certified in the reporting year. We also consistently launch new products with FSC® certification on the market – increasing the number of FSC®-certified products to 51 in the reporting year.

First step toward using mass-balanced raw materials

We have had our facility in Hamburg certified in accordance with the ISCC (International Sustainability and Carbon Certification) PLUS standard – it is our first site to receive this certification. This means that, in addition to using recycled or directly bio-based raw materials, we also apply a (bio) mass balancing approach there. In accordance with the ISCC PLUS standard, we are introducing certain amounts of bio-based raw materials, e.g., from agricultural waste, into our previously fossil-based production process while maintaining a certified and transparent chain of custody at our Hamburg site. We are thus retaining the same processes and product properties. The balancing is intended to ensure that the quantities of non-fossil raw materials used are recorded correctly across supply chains. The mass balancing approach enables us to progressively replace fossil-based raw materials with bio-based ones, reduce our CO₂e emissions, and transform our production sustainably. For example, we have now switched the adhesive for our tesa® 4965 product to ISCC-certified, mass-balanced raw materials. Combined with the use of a recycled carrier film, this has enabled us to achieve CO₂e savings of 40% compared to the predecessor product – a fact that has been externally confirmed and verified. Further details are presented in a customer report.

Optimized packaging

In our efforts to make our packaging more sustainable, we intend to go beyond the usual level of optimization. We currently believe paper and plastics offer the greatest potential in this regard. Where fiber-based packaging materials such as paper and cardboard are concerned, our goal is to achieve 80% FSC® certification by 2025. In addition, we aim to use 50% less virgin fossil-based plastic in our packaging by 2025 (compared to 2018). We made further progress toward both of these goals during the reporting year. For example, the polyethylene (PE) shrink film used at the site in Offenburg, Germany has been converted to 50% PCR material. In addition, the sites in Hamburg and Offenburg, Germany have converted their PE roll packaging bags to 80% PCR material and their film sleeves to 40% PCR material. And at our site in Suzhou, China, we have established a closed loop for the plastic end caps used for roll transportation, with the end caps being collected and returned by our customers and then reused at the site.

Sustainable land use

Consumer

Sustainable cultivation of raw materials

Natural resources are fundamental to the development of our product formulations. It is important to us that neither the procurement nor the use of these raw materials causes pollution or damage to the environment. We therefore aim to procure our main renewable raw materials – such as palm (kernel) oil derivatives, soybean oil, and primary packaging materials – from more sustainable sources by 2025. Another aim for 2025 is to procure these key raw materials without causing deforestation. To support this objective, "Sustainable Land Use" is firmly anchored in our Sustainability Agenda as a focus field. We have been running sustainability programs for palm oil-based raw materials since 2010 and for

paper-based packaging since 2018. Similar programs are currently being set up for soybean oil for certification, transparency in the supply chain, and deforestation-free procurement.

In June 2023, the EU Deforestation Regulation (EUDR) came into force, banning the introduction and sale of products in the EU if any areas of land were deforested for their raw materials after December 31, 2020. We have set up a task force to bring our internal processes into line with the requirements of this regulation. It consists of employees from the Purchasing, Sustainability, Compliance, Legal, and Research and Development (R&D) functions and is responsible for carrying out comprehensive due diligence activities. In this way, we want to ensure that our main raw materials are procured without causing deforestation in accordance with the EUDR.

Within Beiersdorf, the Sustainability department cooperates with employees from various specialist departments such as Purchasing, R&D, Quality Management, and Supply Chain to implement our programs for sustainably certified raw materials and packaging worldwide. The Sustainability Council is regularly updated on progress and involved in strategy workshops. This input is important so that we can continuously develop our programs and monitor the achievement of our goals.

Palm (kernel) oil derivatives

Palm (kernel) oil derivatives are an important raw material for our cosmetics and body care products; they are processed substances based on palm (kernel) oil. Essential ingredients such as emulsifiers and surfactants are produced from this and other vegetable or mineral oils and corresponding derivatives. Beiersdorf does not source palm oil directly for production, but uses its derivatives. Our total demand for palm (kernel) oil derivatives was roughly 38,000 tons in 2023.

Palm (kernel) oil is a highly efficient renewable resource, as the oil palm has a yield per unit area that is almost five times higher than that of other plants such as coconut, rapeseed, or sunflower.¹ This makes the cultivation of palm oil attractive, but at the same time often leads to the progressive destruction of rain forests. Our aim is to prevent this deforestation worldwide.

Through certification, transparency, and long-term change, we aim to identify and minimize environmental and social risks along the supply chain of palm (kernel) oil-based raw materials. Our "Palm Sustainability Roadmap" and our "Sustainable Palm Policy" guide us in our worldwide activities for more sustainable raw material sourcing. For instance, we strive to improve the working conditions of the local farmers. To achieve our goals, we pursue various approaches:

Sustainable certification

Our goal of only using palm (kernel) oil and palm (kernel) oil derivatives that are certified as sustainable by the end of 2020 has been achieved: 100% of the palm-based raw materials we use in our products now come from sustainable sources in accordance with the "Mass Balance" model of the Roundtable on Sustainable Palm Oil (RSPO).²

According to this model, products can be certified that contain both RSPO-certified and non-certified palm oil. In this context, companies must ensure that the processed quantity of RSPO-certified palm oil corresponds to the purchased quantity of certified palm oil. This option is particularly relevant to the use of palm (kernel) oil-based derivatives, as the derivative supply chains are multi-level and therefore highly complex. Therefore, there is no infrastructure for an RSPO-segregated supply chain, i.e., a supply chain in which RSPO-certified and non-certified derivatives are traded separately.

We are continuing to work toward our goal of procuring our palm (kernel) oil derivatives from deforestation-free sources by 2025 and are using the "Nusantara Atlas" satellite monitoring program to

¹ FONAP www.forumpalmoel.org/home.

² Including La Prairie and STOP THE WATER WHILE USING ME!

measure our progress. Based on the results for 2022 published by the program in the summer of 2023, we were able to verify that around 63% of the palm-based raw material volume in our palm (kernel) oil mills in Indonesia and Malaysia was of deforestation- and conversion-free origin.

Supply chain transparency

The derivatives supply chain involves a large number of different parties. We do not purchase palm (kernel) oil directly, but rather its derivatives from supplier companies and therefore have only limited influence on the upstream supply chain.

Nevertheless, we want to be able to trace the origin of our raw materials back to the level of refineries, mills, and plantations, which is why we are a founding member of the cross-industry Action for Sustainable Derivatives (ASD) initiative, which has been in place since 2019. The ASD's aim is to increase the transparency and sustainability of derivatives supply chains. To achieve this, the initiative contacts our direct suppliers and requests information on their upstream supply chain and palm oil quantities, among other things. In this way, the ASD works steadily upwards through the entire palm oil supply chain. The aim of this annual tracking of our raw materials is to increase transparency in our palm (kernel) oil supply chain, identify "hot spots," and provide targeted support for local projects.

Sustainable transformation in cultivation regions

We conduct activities directly in the regions where palm oil is cultivated in order to improve the local working and living conditions of farmers with small and medium-sized oil palm plantations over the long term and to protect the environment. Our aim is to work with farmers on transitioning to more sustainable farming without further deforestation.

For example, since mid-2018 we have been collaborating with the World Wide Fund for Nature (WWF) on a project in West Kalimantan, Indonesia. We are supporting a total of three villages with a population of around 4,500 inhabitants. Its aim is to train smallholder farmers in more sustainable cultivation practices and help them obtain legal recognition for their cultivation areas. We helped establish an overarching association, allowing them to share knowledge more efficiently and to represent their interests jointly. The first phase was completed in 2022, and the project was extended for a further four years. In the second project phase (mid-2022 to 2026), the aim is to recruit at least 300 members for the farmers' association and certify at least 200 members of the association according to the RSPO standard. Moreover, the smallholder farmers are to be given direct market access to a palm oil mill. The second project phase is also being supported by one of our suppliers, the specialty chemicals company Evonik.

Since 2020, Beiersdorf and Evonik have been supporting the WWF in a second project to realize a landscape project in Sabah, Malaysia. We are working with small and medium-sized farmers on an area of 15,000 hectares to bring their palm oil cultivation in line with the RSPO standard by 2026. Another aim is to create a forest corridor to restore a continuous habitat for the migration of wild animals such as orangutans. By working with communities and plantation owners, we seek to reduce conflicts between humans and animals along the migration routes.

In addition to the aforementioned projects, we are also supporting a project carried out by the Forum for Sustainable Palm Oil (FONAP) in Sumatra, Indonesia, as part of a consortium with 26 partners. The project location is known as one of the last refuges for endangered species such as the Sumatran orangutan, the Sumatran tiger, and the Sumatran elephant. It is our aim to help preserve the buffer zone around the national park. To achieve this, we are establishing sustainable landscape management, setting up a water management system to protect the river and riverbanks, and promoting sustainable oil palm cultivation through regenerative agriculture.

Shea

Shea butter is another important ingredient in many of our products, which is why Beiersdorf has been a member of the "Global Shea Alliance" (GSA) since 2019. We work with the GSA (based in Accra, Ghana) and our shea supply companies in the sometimes very poor rural regions of what is known as the "shea belt" - the main cultivation region in Africa. In close cooperation with the GSA and our shea supplier AAK, we are aiming to support a total of 10,000 female shea collectors in Ghana and Burkina Faso over a period of five years. It is traditionally women who are responsible for harvesting and producing shea butter. Through their production work, the shea collectors secure their livelihood and strengthen their position in society. By organizing themselves in associations and women's groups, they moreover improve their negotiating power for trade on the world market. To promote the independence and autonomy of these women in the long term, we work with the GSA to offer training on topics such as health, occupational safety, and, above all, production sustainability. More than 11,000 women have taken advantage of this offer to date. During the part of the training that focuses on production sustainability, the shea collectors learn, for example, how to build more energy-efficient cookstoves using local materials such as termite sand to pretreat the shea kernels. Their optimized design requires less wood and produces less smoke than the three-stone stoves that are otherwise often used. The cookstoves, which are twice as efficient, can also be used privately by the women. A switch can have a positive impact on the women's health, both in a commercial and private setting, while also reducing CO₂e emissions.

In addition, we intend to plant 10,000 shea trees locally by 2024 in order to help fight climate change, because the trees bind carbon dioxide and can counteract the loss of usable land due to desertification. In 2023, we managed to exceed this target, having planted a total of more than 17,500 shea nut tree seedlings in Ghana and Burkina Faso.

Mica

Mica is a mineral that is mostly used for a decorative effect. We use it sparingly in our NIVEA and Eucerin skincare products: At 0.003%, it makes up a very small proportion of our total raw material volume. Due to its natural origin and lower potential environmental impact, it is preferable to alternatives of non-natural origin. However, mica is sometimes mined under problematic conditions. We are therefore particularly selective when choosing our suppliers and only work with those who are members of the "Responsible Mica Initiative" (RMI). The RMI is an alliance for the development of a fair, responsible, and sustainable mica supply chain in India. Beiersdorf too joined the RMI in 2023, thereby supporting compliance with ethical standards along the mica supply chain. With our membership, we also promote various community projects in the areas of (child) protection and education, nutrition and health, as well as government services in important countries of origin such as India. We also use a blockchain-based tool called "Tilkal" to ensure that our mica raw materials are documented in a transparent, traceable, and verifiable manner right down to the level of the first processing units.

Paper

Much of our product packaging is made from paper or cardboard. We also want to procure this natural resource from sustainable sources. In 2018, we established a "Sustainable Paper and Cardboard Policy," in which we set ourselves the goal that 100% of our primary packaging worldwide should be either recycled or certified as sustainable in accordance with the FSC® standard by the end of 2020. We met this goal for the first time at the end of 2020. Since then, we have sourced 100% of our folding cartons (e.g., the outer packaging for facial creams), all blister cards we use (such as the cardboard packaging parts for lip balm sticks), and all enclosed information leaflets from FSC®-certified material. As of summer 2023, we have been working closely with external partners and our suppliers to be able to trace our paper and cardboard products more accurately. We want to make sure, also with a view to the EUDR, that none of the materials that we use in Europe and that are made from virgin paper or wood are linked to deforestation or forest conversion.

Resource efficiency

tesa

Using resources efficiently is a top priority at tesa. We are committed to promoting the circular economy and to using materials that can be recycled or otherwise reused at the end of their useful life. At the present time, we have yet to succeed in completely avoiding waste during the production of our products. We are, however, committed to reducing it effectively in order to preserve precious natural resources. We are therefore working to raise all stakeholders' awareness of the need to avoid unnecessary waste and to recycle properly.

Measures to increase resource efficiency are an integral part of our corporate environmental protection efforts. Moreover, we continue to improve our environmental management systems and exchange information with external experts for this purpose.

Avoidance and recycling

When it comes to managing our waste and raw materials, we base our approach on the "waste pyramid," in which top priority is given to waste avoidance and reduction, followed by various recycling options. Waste is only disposed of where this is unavoidable. Our sites are pursuing the objective of "zero waste to landfill" by 2025, i.e., eliminating the disposal of waste via landfill sites. We have already achieved this status for six out of seven of our facilities.

In order to use materials efficiently and recycle wherever possible, our production plants are committed to minimizing production-related losses of the raw materials we use. This applies equally to adhesives production as well as to coating tapes and cutting rolls. Among other objectives, we want to technically upgrade equipment in which solvents are used by 2030. The aim is to completely recover the solvents at the end of the process – and thus keep them in the cycle.

We are also reducing the quantities of waste we produce through ongoing improvements to our machinery and manufacturing processes: The recycling process for release liners introduced at the Hamburg site in 2022 meant that we once again recycled around 4 metric tons of carrier material there in the reporting year. Production waste is collected separately on a site-specific basis according to various waste categories and then the materials are recycled to the greatest extent possible. Waste is divided into categories based on whether it is nonhazardous or hazardous and whether it is disposed of or recycled, and the relevant figures are published in our annual sustainability report. tesa recycles almost all nonhazardous waste as well as hazardous waste containing solvents.

Active involvement of employees

At tesa, we leverage our employees' expertise in developing additional waste-reduction measures. This is why in 2023, we once again continued the successful "Great Ideas – Not Waste" campaign at our site in Offenburg. Driving this campaign is a long-term project through which we intend to continuously reduce energy and resource consumption, with the participation of employees from Production, Process Development, and Technology. As part of these activities, regular project meetings are held to coordinate the concrete utilization of improvement potential and to share best practices. Moreover, the project includes communication measures designed to raise awareness of the issue among employees.

A total of 20 resource efficiency projects were implemented at the tesa site in Offenburg in 2023. The six largest projects avoided over 200,000 m² of waste. We also saved around €265,000 through the projects implemented during the reporting period.

Water

Water is the foundation of all life. However, our planet's water resources are unequally distributed and threatened by a range of factors such as climate change, population increase, pollution, and overuse. Some regions are affected particularly severely by water shortages. At the same time, the global supply of clean drinking water is becoming increasingly scarce. In light of this situation, we consider it vital to use water responsibly. Our aim is to keep water consumption and wastewater generation as low as possible across all areas of the company and processes, as well as along our supply chains.

Managing water risks

The Aqueduct Water Risk Atlas, a reporting tool made available by the World Resources Institute (WRI), is used by the tesa Business Segment to conduct an annual risk analysis for its production sites and main headquarters. This analysis takes a number of different aspects into account, such as water resources, water quality, and wastewater management. In addition, we identify locations with an elevated risk of water scarcity or water stress.

The Consumer Business Segment works with WWF's Water Risk Filter to analyze, evaluate, and respond to water risks prevalent in its operations. For even more detailed analyses, we remain in an ongoing dialogue with the WWF. Furthermore, we consider it vitally important to use water responsibly not only in our direct areas of activity, but throughout the entire value chain. For example, Beiersdorf conducted a commodity risk analysis for palm oil, soy, and coconut to understand the role of water risks in sourcing key ingredients.

Our Consumer and tesa Business Segments submit water management data annually as part of the CDP Water Security program. In the reporting year, Consumer achieved an A rating (on a scale from A to D) for the information provided in the CDP Water Security questionnaire, and tesa was rated B-. For the coming year, we plan to continue our efforts to maintain and improve these ratings.

Consumer

In the Consumer Business Segment, we use water to manufacture our products, and it is a core ingredient in our product formulations. Also, water is used by our consumers when they apply our products. This is why we are fully committed to using this precious resource responsibly, while systematically and consistently promoting the sustainable use of water.

Most of the water we use is consumed in our production sites for our formulations and in the production process. Beiersdorf is committed to continuously minimizing water consumption in its production processes: By 2025, we aim to reduce consumption per manufactured product by 25% (compared to the 2018 baseline). Technical and sustainability experts at each site implement specific water conservation and efficiency measures in line with this target. In a bottom-up approach, our Sustainability in Manufacturing (SIM) initiative and our "Global Water & Cleaning Community" are driving these topics and are responsible for coordinating our efforts at the level of individual factories. Progress is monitored and reported to the Sustainability Council and the Supply Chain leadership team on a quarterly basis to ensure we are on the right track.

In 2023, water consumption per manufactured product was reduced by 7% in comparison to 2018 (base year). Despite our efforts and the strides we have made, we acknowledge that external factors and unforeseen obstacles may cause delays to our planned projects and may impact our ability to fully meet our 2025 water targets as hoped. Nevertheless, we remain committed to the measures and projects we have in place to meet our water reduction target.

As we continue to work toward achieving our 2025 targets, we are also collaborating with the WWF on the development of a holistic water strategy for 2025 onwards. Over the course of a three-year strategic partnership, we are exploring options for regenerative water use. This forward-looking approach will be based on location-specific risk analyses and tailored specifically to the circumstances of the regions in which we operate. The goal is to ensure that our efforts are relevant to the different needs of local communities and ecosystems and effectively address them. All these measures are intended to be part of our holistic approach to improve water stewardship within the company and throughout our value chain.

Sustainable water management through state-of-the-art production processes

Sustainable water management is a key priority when expanding production sites. Our global SIM initiative leads our efforts to integrate innovative water management solutions into our production processes. We focus on developing effective solutions to reduce water loss, track water consumption at relevant production sites, and implement new solutions to treating wastewater for it to be reused in production processes.

We rely on modern equipment and advanced technologies, especially for high-consumption cleaning processes. Any wastewater is treated using efficient technical processes (usually in the company's own treatment plants); it is then used for cooling, irrigation, or sanitation. These measures are implemented at our production sites as part of their LEED certification (see "Climate action" section). Even seemingly small improvements such as modernizing sanitary facilities contribute to sustainable water management. In order to continuously improve our water management, we are also in dialogue with water suppliers, local authorities, and neighboring companies. These discussions are aimed at fostering a collaborative community focused on finding innovative and sustainable water solutions. Through these interactions, we exchange ideas and share best practices, ensuring a more effective and efficient use of water. We also regularly conduct reviews at our production sites to identify potential ways to optimize water consumption and wastewater treatment.

New water roadmap

In 2023, the Consumer Business Segment further refined and made changes to its roadmap for water management initially developed in 2022. The SIM initiative is responsible for reaching corresponding global targets by implementing measures at the level of our individual production centers. The water roadmap is based on three pillars under which we have launched the following measures in 2022 and continued them in 2023:

1. Process optimization and continuous improvement

Through the Beiersdorf "Global Water & Cleaning Community," water experts at the production sites share best practices and can learn from each other. They also have the opportunity to discuss progress with the SIM team. We look for and test new (digital) approaches to reducing water consumption in treatment processes, supported by specialist institutes. With the help of internal and external experts, we regularly review whether our facilities meet the latest standards and how we can optimize processes. In this context, we focus on wastewater treatment plants, water treatment plants, and purification processes. In addition, we draw on external expertise for training and to optimize operations.

2. New water treatment technologies

In addition, we are introducing new water treatment technologies, for example via efficient reverse osmosis. In 2023, we installed the first filtration technology unit in our Indian factory. As the initial estimates have shown, the factory's overall water consumption intensity could be reduced as much as 30% as a result of this measure implemented in the 3rd quarter 2023. Based on these promising

results, we will further test this and additional water recovery and process efficiency technologies in ten other factories.

3. Exploring circular water management

We are currently conducting studies to transform the water systems at our facilities in line with the closed-loop principle. The aim is to maximize water recovery and reuse in our production centers. Initial projections show that the savings potential can be as high as 70%, depending on the location and the measured variables. Our factory in Bangkok, Thailand has launched an engineering study of the system. A pre-study from the Bangkok site shows a reduction of 50-60% in water withdrawal. Combined with additional efficiency projects on site, this is likely to result in a cumulative 75% reduction in water withdrawal compared to the year 2020. Further projects will be implemented in Silao, Mexico and Tres Cantos, Spain in the future.

Our water roadmap is an example of how we look to our factories for opportunities to innovate and implement advanced technologies that can reduce the overarching impact on our environment.

tesa

Guidelines and preventive measures

We are committed to efficient water use, water resource conservation, and appropriate wastewater treatment. We collect water-related data at our production sites annually, such as on water consumption and wastewater volumes. We mainly withdraw water from public drinking-water supply and groundwater. Water in our cooling cycles is reused multiple times. Most of the water used is discharged as wastewater into the sewage system or as surface water.

We aim to reduce risks to water sources as much as possible. This is why we take preventive measures against potential accident scenarios. For example, liquids that pose a threat to water are emptied, refilled, and stored only in areas that are equipped with appropriate retention tanks. We use equipment to measure turbidity and solvent concentration to ensure that contaminated surface water is not discharged into the sewer system. Emergency plans are in place for the exact course of action in the event of leakages of substances hazardous to water. All these measures are regularly reviewed in our external ISO 14001 audits and are a precondition for a successful audit result.

Employees

Our employees make a major contribution to the success of our company. Their commitment and expertise ensure our competitiveness and power to innovate. As an employer, we want to offer our employees good working conditions and a wide range of opportunities to grow personally and help shape the future of the company.

Consumer

Training and further education

Our working world has changed fundamentally over the last few years. Agile and dynamic working methods are becoming increasingly important, as are a high degree of flexibility and willingness to learn. That is why we continuously invest in the training and development of our workforce, in line with the idea of a "learning organization." We are also committed to creating employment prospects for young people, for example by offering apprenticeships or trainee programs.

More information on the key topic of training and further education, as well as knowledge and learning, can be found in the Combined Management Report in the section titled "People at Beiersdorf."

Employer attractiveness

It is our goal to create an inclusive and motivating working environment in which all employees can develop their full potential. We can achieve this not only by embracing new, hybrid ways of working but also by living a culture of trust, empowerment, and community and taking our purpose "Care Beyond Skin" seriously.

We bank on the principle of participation, as well as on the employee experience and employee engagement, i.e., the emotional bond between our employees and our company. It is important for us to get a real feel for the atmosphere at Beiersdorf and to find out how engaged our employees truly are. This is why we regularly conduct global employee surveys.

Further information on the results of our engagement survey and other HR topics is provided in the "People at Beiersdorf" section of the Combined Management Report.

Diversity and inclusion

As a company with operations all over the world, we believe that embracing diversity, equity, and inclusion (DE&I) is a real competitive advantage. We are convinced that people are more motivated, more productive, and more satisfied when their different backgrounds, experiences, and skills are valued and they can express their personality and individuality in the workplace. That is why, in addition to offering fair opportunities, we also call for and promote an inclusive corporate culture in which all employees feel they belong – no matter their age, ethnic origin or nationality, gender or gender identity, physical or mental ability, religion or world view, sexual orientation, or social background.

At the beginning of the 2023 financial year, we realigned our Diversity & Inclusion Agenda, which we originally formulated in 2021. With this new global DE&I roadmap, which covers several dimensions of diversity, we want to make Beiersdorf fit for the future and set our clear ambition: We want to become a top employer for global talent by establishing a truly inclusive corporate culture. To this end, we are focusing on three strategic priorities, which are presented in detail in the "People at Beiersdorf" section of the Combined Management Report. You will also find relevant key figures in this section, such as the share of women in management positions.

tesa

Training and further education

Competition for employees with scientific and technical backgrounds is constantly on the rise within our industry. Moreover, work requirements and working methods are changing as a result of advancing digitalization and internationalization. Our response to these challenges is to offer comprehensive training and development programs, because having highly qualified, committed, and performance-oriented employees is a decisive competitive advantage for us. In addition, a wide range of training and development opportunities help to ensure that high potentials enjoy working for us long term. Alongside conventional recruitment methods, tesa focuses on promoting young talent by offering targeted training to bind promising junior staff to the company at an early stage.

tesa offers its own training programs at the production sites in Hamburg-Hausbruch and Offenburg. The focus here is on technical professions, with training courses available for chemicals technicians, electronics technicians for industrial engineering, industrial mechanics, machine and plant operators, and mechatronics technicians. There are also dual degree programs and business-related vocational

training courses in fields such as plastics and elastomer technology, electrical engineering, and IT systems integration.

In addition, a training program was launched at tesa SE's headquarters in Norderstedt in 2023. Twelve students started their dual degree programs there on September 1, 2023: five Master's students and seven Bachelor's students studying industrial engineering and management, data science, business administration, green technology, and electrical engineering. There are also four new trainees who have started their training as chemical laboratory technicians. tesa SE plans to launch another training program of this kind in 2024.

Our goal is to hire our trainees upon completion of their training for the long term. This is also reflected in our retention rates: In Hamburg, 54% of the trainees who completed their training in 2023 were retained, while in Offenburg the retention rate stood at 100%.

We offer our employees a wide range of professional and personal development opportunities to help them recognize and realize their potential. Our programs are designed with specific target groups and areas of expertise in mind and include, for example, basic training for new employees. All employees can take advantage of in-person and online training courses, for example on compliance, occupational safety, sales, as well as management and leadership. In addition, courses from the digital learning platform LinkedIn Learning complement our own programs.

Diversity and equal opportunities

Different perspectives help us to better understand the needs of our customers and at the same time increase tesa's innovative spirit. That is why we are committed to greater diversity and equal opportunities.

When filling new positions, we make a point of hiring employees with different cultural backgrounds. The share of non-German nationals in the workforce increased by 5.3 percentage points to 10.8% between December 2020 and December 2023. We want to consolidate this trend and, for example, advertise all vacancies for certain higher-level positions exclusively in English.

In the coming years, we are going to step up our efforts to promote gender equality within the workforce and in leadership roles. We have set ourselves the target of having women account for 30% of the first level below the Executive Board and 35% of the second level at tesa SE by mid-2027.

Attractive working environment

An appealing environment can contribute to employee well-being. That's why our workplaces are equipped with ergonomic and contemporary furniture and equipment, such as height-adjustable desks and modern lighting and ventilation concepts. In addition, we offer employees a health management program at our corporate headquarters in Norderstedt. This program includes ergonomic counseling, colorectal cancer screenings, a health club, and massages. Company medical care as well as internal and external psychosocial counseling and support are also available.

In addition, our employees at our headquarters in Norderstedt can, among other offerings, take advantage of a cleaning service, visit regular market stalls to purchase regional fruit and vegetables, and utilize various mobility concepts. For example, they have the ability to charge electric vehicles and e-bikes at a company charging point and park rental bikes from Hamburg's "Stadtrad" initiative at a station on-site. Employees also have the option of leasing bicycles through a subsidized program.

Occupational health and safety

Beiersdorf bears a great responsibility for workplace safety and the health of our employees. That is why we view both as a comprehensive, holistic, and preventive management task. Our strategic objective is therefore to reduce the number of accidents at work and work-related illness to zero as well as undue physical and psychological stress factors. To achieve this goal, we work with our internal management system and conduct regular audits to determine how we can make our workplaces even safer and healthier.

Our accident frequency rate (AFR) documents all accidents at work that result in at least one day's absence from work. In the Consumer Business Segment, our 2023 AFR decreased to 0.4 accidents per million hours worked. This represents a 28% reduction in AFR compared to the previous year.¹ We are particularly pleased that in 76% of our production centers there were no accidents resulting in more than one day's absence in 2023. At tesa, the AFR of documented accidents resulting in at least one day of absence at ISO 14001 certified sites stood at 2.7 per million working hours worldwide in the reporting year (2022: 3.6).

Consumer

Driven by our Care Beyond Skin business purpose and guided by our core values, we are committed to reducing potential safety risks and incidents. Our Global and Local safety departments are, together with our leadership teams, responsible for our overall workplace safety management, but we also count on the cooperation and contribution of all employees at our sites.

Our occupational health and safety policy and strategy applies worldwide. It encompasses our most important measures and programs and serves as a basis for our sites to develop their own local implementation plans and measures. We monitor the progress of these measures using indicators at a global level.

As part of our continuous improvement efforts, we have focused on reducing the main risks associated with slips, trips, falls, forklift operation, and machine operation. In 2023 we started to expand this focus to process safety.

Management systems

Supported by external experts, we reviewed our global safety management system and strategy in 2023. We launched a process safety pilot at our manufacturing site in Itatiba, Brazil and initiated Hazard and Operability (HAZOP) studies at our sites located in Malang, Indonesia and Hamburg, Germany. HAZOP studies help us to identify the risks related to our production process and define the measures to either eliminate, reduce or control those risks. Furthermore, Automated Guided Vehicles (AGV) have been implemented at our site in Tres Cantos, Spain and are ongoing at our plant in Leipzig, Germany; similar studies are ongoing at multiple other sites helping us to reduce the risks related with material handling equipment.

To ensure that we have a robust health and safety management system that enables continuous improvement, we conduct external audits at each site every three years. These are based on our internal Environmental and Safety Management Audit System (ESMAS) (see "Respect for human rights" section). ESMAS is based on the two internationally recognized standards ISO 14001 (environmental management systems) and ISO 45001 (occupational health and safety management systems). In line with our overall auditing system and frequency, in 2023 the external audit took place at our production sites in Poznan, Poland, Tres Cantos, Spain and Nairobi, Kenya.

¹ The AFR related to our own production sites

What's next?

We are pursuing the implementation of our strategy and continue to expand the programs that strengthen our health and safety management system. In 2024 we will continue to focus on reducing the number of accidents related to the main risks in our operations. Simultaneously we will gather the learnings from our pilot project in Itatiba, Brazil to further improve and develop the global standards for process safety. We will also conduct internal audits that are being redesigned to focus on a functional compliance to our internal and external standards.

tesa

Occupational health and safety management are firmly enshrined in the tesa organization. In addition to statutory regulations, our internal management system in the field of occupational safety is based on our group-wide occupational safety and health policy ("tesa Policy on Occupational Safety and Health"), which was adopted in 2022. This policy encompasses six key areas: crisis and emergency management, health care, risk assessment and evaluation, accident prevention, fire and explosion prevention, and facility safety. The occupational safety and health policy is complemented by company regulations and specific directives at each site. They stipulate, for example, that employees must be informed about and made aware of safety risks and potential hazards at regular intervals through instruction and training. The objective is to enable employees to prevent accidents and avoid health hazards through correct, responsible behavior.

The occupational safety and health policy also apply to subcontractors carrying out work at our sites. In the respective occupational health and safety committees and annual Management Review, the Executive Board evaluates incidents each year together with the Occupational Safety Department. On this basis, management initiates new measures to improve employee safety and reduce work-related health risks.

Systematic approach to occupational safety

Our occupational safety management focuses on our ISO 14001-certified production sites, as these represent a greater risk for accidents and increased health impairments compared to our administrative offices. In our Sustainability Agenda, we have laid out an ambitious roadmap: By 2025, all tesa sites that already have an environmental management system in accordance with ISO 14001 should also achieve ISO 45001 certification in occupational health and safety. Five out of seven sites already held certification under both systems as of year-end 2023.

In the course of 2023, the tesa SE headquarters and the tesa Manufacturing Hamburg facility obtained the certificate in accordance with the ISO 45001 occupational health and safety standard. This marks another milestone for occupational health and safety at tesa. The certification proves that occupational health and safety is systematically integrated into the management responsibility of the relevant site.

We have also established a new management function, the Global Operations Safety Manager. One of the tasks of this function is to promote an international exchange between safety experts at the various locations. The safety experts discuss the main occupational health and safety risks during annual meetings of the Global Operational Safety team. In addition, they initiate joint projects, set standards, and share their experiences. This approach contributes to the continuous improvement of accident prevention at tesa. Ad-hoc risk assessments are also carried out at tesa. These form the basis for selecting or designing work equipment, materials, processes, workplaces and workflows in such a way that technical and organizational deficiencies can be avoided and employees can perform their duties in a safe and healthy manner. But changes to machinery, equipment or workspaces, as well as new acquisitions and process adaptations, can also have an impact on our employees' safety and health. Safety inspections are already carried out when equipment is procured and brought into service, and hazards are systematically identified and risks assessed in consultation with expert employees.

If we identify a security risk in this context, we take appropriate preventive or corrective action. On occupational safety committees, safety experts, employee representatives, as well as members of management discuss the material results of risk assessments and define satisfactory measures. Furthermore, regular inspections and evaluations take place, and we carefully incorporate the insights gained from these. Further preventive measures are rapidly implemented as required, while our relevant health and safety documentation is regularly updated.

We also have detailed regulations in place governing how we handle hazardous substances. Together with the Corporate Regulatory Affairs Department as well as Research & Development and production managers, the Occupational Safety Department designs tesa-specific processes for the handling, labeling, storage, and transportation of hazardous materials. Employees who work with certain hazardous substances undergo routine health examinations. In addition, equipment and tasks are audited at regular intervals for their safety and emissions. Our emergency management procedures define the actions to be taken in the event of an accident with hazardous materials.

Preventive measures

In 2023, we continued to focus on fire safety. For example, we held evacuation and fire extinguishing training sessions for fire safety assistants at our production sites. In addition, a fire extinguishing exercise was held at tesa headquarters. During this exercise, employees had the opportunity to learn about fire safety in the workplace and what to do in the event of a fire under the guidance of an expert.

At the site in Norderstedt, in 2023, managers from the Research and Development department received training on their tasks and responsibilities in the area of occupational health and safety in order to give them the opportunity to keep their knowledge up to date and exchange ideas on the topic of occupational safety.

We also held an occupational health and safety day at our tesa Manufacturing Hamburg GmbH site in 2023. At this event, all employees were given the opportunity to learn about personal protective equipment, noise exposure, and how to recognize and secure pinch points. Employees were also able to take advantage of colorectal cancer screenings and participate in vein screenings and immunization counseling.

In line with our roadmap for the occupational health and safety management system, we will work on obtaining ISO 45001 certification at the tesa site in Offenburg, the tesa site in Hamburg, and the tesa site in Sparta in 2024 and 2025.

Society

Consumer

Community engagement

As a global company, we consider it our duty to take responsibility for our environment and to have a lasting positive impact on our fellow human beings. Through our corporate purpose Care Beyond Skin, we express our passion and ambitions to reach beyond our core business and contribute to greater social cohesion.

To this end, our global Social Commitments team works together with colleagues from the individual local affiliates who implement the global strategic framework in alignment with local conditions. In addition, at Beiersdorf headquarters we collaborate with colleagues from various specialist

departments such as Marketing, Legal, Controlling, Corporate Communications, and Medical Management. Since 2013, we have evaluated the projects we support worldwide on an annual basis. The project managers at our local affiliates collect all relevant data, which we consolidate to analyze our activities globally. Not only do the results of this analysis serve as an important source of information for internal management, they also form an integral part of our efforts to transparently disclose sustainability data.

As we pursue the vision of an inclusive society, we focus our activities primarily on people who are affected by social inequality, marginalization, and isolation. We support local initiatives that aim to strengthen and support physical and mental health, a sense of social belonging, and the voluntary social participation of all members of society. This is how we would like to contribute towards promoting social cohesion.

Our commitment in the Consumer Business Segment takes place both at the corporate level and at individual brand level, and goes beyond our own value chain. Globally, the focus of our corporate commitment is on empowering girls and on disaster relief. In addition, each brand provides targeted support in areas aligned with its brand identity and area of expertise, considering the social needs and concerns of local communities.

We also involve our consumers in our brand engagement. For example, we continuously and transparently provide them with information on our social initiatives via the corporate and brand websites in an effort to raise public awareness of key social issues.

Engagement at corporate level

Empowering girls - during the COVID-19 pandemic and beyond

In 2023, we continued the COVID-19 aid program for which Beiersdorf Consumer had already initiated global partnerships in 2020. Through the program, we aimed to support people in the epicenters of the pandemic, especially in regions and countries with weak public health systems and infrastructures.

Beyond emergency aid, Beiersdorf has built long-term partnerships to mitigate medium- to long-term socioeconomic impacts of the COVID-19 pandemic - for girls and young women in particular. During the pandemic, girls and young women were more likely to have worked in fields that put them at a higher risk of contracting COVID-19, for example, in (home) care and healthcare sectors. During times of crisis, girls and young women also tend to be at an increased risk of experiencing sexual violence, being married off against their will, and having to leave school permanently. This is why empowering girls has been a particular focus of our COVID-19 aid program.

To provide the most effective assistance possible, we draw on our long-term partnership with the international non-profit organizations Plan International and CARE. They have the expertise needed to implement projects and can rely on established and stable networks on the ground. Also, they have many years of experience in impact measurement, ensuring an evidence-based approach in our social initiatives.

As the effects of the COVID-19 pandemic persist, our joint projects with Plan International in Brazil, Colombia, Ghana, and Nigeria and with CARE in Ethiopia and Kenya have been prolonged. Further projects have been set up in the Philippines and Vietnam with Plan International. The projects focus on mitigating the long-term effects of the pandemic for girls and young women with a focus on education, protection, health services, and economic resilience.

In 2021, Beiersdorf set the goal of directly reaching more than 300,000 people through its empowering girls projects by 2023. We exceeded this goal with 405,043 direct beneficiaries. In this context, direct beneficiaries are defined as individuals who are directly reached by one or more project activities. In

the sense of a holistic, systemic approach that seeks to stimulate change across all of society, people of all genders and ages in a project's locality can be counted as direct beneficiaries. Only by involving different members of a community is it possible to have a lasting impact on individuals - in this case, girls and young women.

In partnership with Plan International, Beiersdorf has been working towards strengthening girls' rights to access education and preventing gender-based violence. For example, as part of the first project phase¹ in Colombia, more than 4,000 girls and young women were provided with hygiene kits accompanied by information and workshops on menstrual health, hygiene, and COVID-19 prevention. The first phase of these projects ran for a total of two years each, starting in October 2020 (Latin America) and February 2021 (Africa).

The projects with Plan International reached a total of 87,102 people.¹

In partnership with CARE, Beiersdorf has been working to ensure that girls and young women receive information about COVID-19 and access to appropriate healthcare. In addition, the objective of our joint projects is to mitigate the socioeconomic consequences for these particularly vulnerable groups and strengthen their livelihoods. The geographical focus of the first phase was on Ethiopia, Kenya, Somalia, and Sudan. In Kenya, for example, 3,472 girls and women (including 145 participants under the age of 18) took part in the financial literacy training during the project period where they learned about different types of investments and risk management. In the project's final evaluation interview, 95% of participants attributed their improved savings behavior to the training received. The first phase of these projects ran for a total of two years each, starting in January 2021.

In total, the projects with CARE reached 317,941 people.²

In addition, Beiersdorf works closely with Ashoka, the world's largest network of social entrepreneurs. October 2021 marked the launch of a one-year social innovation initiative which was extended for another year in December 2022. In 2023, together with Ashoka, Beiersdorf awarded additional grants to seven leading female social entrepreneurs from Portugal, Germany, the United Kingdom, Poland, Italy, and Switzerland, whose projects are dedicated to the empowerment of girls and women. Four of the social entrepreneurs were already supported in 2022, while three others received support from Beiersdorf for the first time in the reporting year.

Beiersdorf has also started promoting social enterprises in the field of plastic recycling as part of the COVID-19 support program under the name "Women in Circularity". The initiative pursues two goals: Against the backdrop of the increased volume of plastic waste as a result of the COVID-19 pandemic, the aim is firstly to expand the capacities of recycling organizations in Argentina, Ghana, India and Kenya; and secondly, to empower the predominantly female workforce through training and development opportunities.

Digital psychological support for people affected by skin conditions - Research

In 2021, Beiersdorf partnered with the University of Cardiff to launch a three-year psychological study. The university is evaluating the impact of the COVID-19 pandemic and similar crises on the well-being of people affected by skin conditions. The study aims to assess, among other things, how the negative impacts can be mitigated using digital support tools. Building on previous project findings, the project entered its final phase in the reporting year, i.e. the development of a smartphone application that aims to provide motivational and psychological support to improve and maintain the well-being of people

¹ Project periods in the first phase: Plan International Latin America: October 1, 2020 – December 31, 2022 (including a three-month extension to complete measures); Plan International Africa: February 1, 2021 – January 31, 2023; CARE Africa: January 1, 2021 – December 31, 2022.

² Note: In Kenya, the number of ultimate beneficiaries of a measure was determined with the help of extrapolation in order to avoid possible double counting.

with skin conditions. The app will combine psychological support with educational and peer support elements.

Disaster Relief - Donations

In 2023, devastating natural disasters struck Syria, Turkey, and Morocco. In response, Beiersdorf donated a total of €1 million to the German Red Cross (Deutsches Rotes Kreuz - DRK) for emergency relief activities.³

Engagement at brand level

As a result of the revision of NIVEA's social mission, the brand has decided to strengthen its social focus, taking into consideration globally relevant social needs. The brand will announce its new social commitments in 2024 alongside a new ambitious goal. The goals announced in 2021 will therefore no longer be pursued. Originally, the brand's "Human Touch" projects were intended to have a positive impact on the personal health and well-being of more than 150,000 people by 2025, underpinned by a total financial commitment of €20 million.

Eucerin and the Health Care brands continued to pursue their own global social missions in 2023.

Eucerin is committed to promoting the social inclusion of people affected by dermatological conditions. Its projects focus on reducing social exclusion and stigmatization, as well as on improving participation in society. Stigmatization of people with skin conditions was investigated in the reporting year by a study on pimple marks⁴ conducted by Eucerin together with dermatologists. The study published in the British Journal of Dermatology shows that people with pimple marks were more frequently described as less self-confident, successful and happy compared to people without skin problems.

In Canada, the brand collaborates with the organization Camp Liberté which offers summer camps for children with skin diseases. Activities are tailored to the children's special needs, allowing them to develop new skills and build self-esteem in a safe environment among peers. By the end of 2023, Eucerin achieved its target of implementing local social projects in 15 countries. Two countries are still in the first implementation step, i.e. preparing the measures with the patients. Ongoing projects will continue in 2024, and Eucerin plans to implement further projects promoting the social inclusion of people with skin diseases in additional countries.

The Health Care brands Hansaplast, Elastoplast, and CURITAS continue working toward their global social mission initiated in 2022: They target to educate 200,000 children in first aid and wound care by 2025. In 2023, 69,479 children⁵ received training in first aid and infection prevention, taking the total number of children reached since 2022 to 148,087. A total of seven affiliates continued to implement the mission locally in 2023.

In Germany, Hansaplast has been partnering with the Jugendrotkreuz (JRK) since 2014 to support first aid training for primary school children. The brand also sponsors the digital platform "DRK Parental Campus" which offers parents a low-threshold opportunity to take online courses, for example on first aid for children.

³ €500,000 were dedicated to emergency support in Syria and Turkey; €500,000 to emergency support in Morocco.

⁴ Barbara Schuster, Julia Gallinger, Wolfgang G Philipp-Dormston, Matthias Vasel, Alison M Layton, Less confident, successful and happy: patients with post-acne hyperpigmentation are stigmatized, British Journal of Dermatology, Volume 188, Issue 5, May 2023, Pages 682–684, <https://doi.org/10.1093/bjhd/ljad026>.

⁵ Note: The number of children is based on information provided by the partner organizations; in some cases extrapolations were used.

Respect for Human Rights

Beiersdorf actively promotes compliance with laws, codes of conduct, and human rights. This responsibility is deeply anchored in how we see ourselves, as well as in our core values. We do not tolerate any form of corruption, forced labor, child labor, or discrimination – that applies to our own sites and employees worldwide as well as to all workers along the value chain. Furthermore, we support the health and safety of employees in the workplace, employees' right to freedom of association, including collective bargaining, and environmental protection. We are also committed to equal rights and treatment as well as diversity.

Upholding human rights throughout the value chain

We primarily see risks relating to compliance with human rights in purchasing and procurement, for example of raw materials or services – and thus in our supply chains. Our goal is to eliminate or minimize all threats to human rights to the greatest extent possible.

Due to our responsibility as a multinational company that operates across the globe and the legal requirements with respect to human rights due diligence, we reevaluate the risk of human rights violations involving our employees and our supply chain every year. If minimum social standards are not met, it may affect the safety, health, and well-being of employees. As a result of Germany's *Lieferkettensorgfaltspflichtengesetz* (Supply Chain Due Diligence Act, *LkSG*) coming into force, human rights violations can now result not only in considerable damage to our reputation, but also in substantial fines for companies. One of the ways we counter the risk is with a cross-functional task force: Employees from the Procurement, Compliance, Legal, and Sustainability departments are preparing the company's internal processes for additional requirements arising from this act and other draft legislation in the area of human rights. In addition, we implement numerous preventive measures when it comes to human rights to reduce negative impacts as far as possible.

As mentioned in our "Declaration of Principles on Respect for Human Rights," we are not only a signatory to the United Nations Global Compact (UNGC) but also steer our own business activities and our collaboration with business partners based on fundamental human rights principles and guidelines. These include the UN Universal Declaration of Human Rights, the International Labour Organization (ILO) Conventions, and the OECD Guidelines for Multinational Enterprises. In addition, we fully comply with all regulations and official requirements applicable in specific countries.

We rely on long-term relationships with business partners who subscribe to our principles of sustainable and responsible corporate governance and demonstrably act accordingly. The internal and external codes of conduct for our employees and our suppliers contain binding requirements on upholding human rights.

We require our business partners to meet our standards and communicate them to their upstream supply chains. This applies both in terms of required product quality as well as transparent, fair, and responsible business practices. If we identify violations of our standards, we proceed as follows: Our first step is to define mandatory corrective measures for the business partner in question. Should we then be unable to identify any improvements, we reserve the right to terminate the business relationship either temporarily or permanently. In this way, we want to ensure that our business partners live up to their social, environmental, and economic responsibilities.

Consumer

Consumer Business Segment creates binding standards

With our Code of Conduct for Business Partners (CoC), the Consumer Business Segment has committed all our business partners along the supply chain with an annual purchasing volume of more than €50,000 to comply fully with our standards. The CoC is aligned with our core values and establishes uniform, binding criteria for responsible business activities, including critical aspects such as prohibiting corruption, child labor, forced labor, and discrimination as well as promoting occupational health and safety, the right to freedom of association and collective bargaining, and environmental protection.

In 2023, we procured more than 90% of our goods and services through partners who have explicitly committed to our CoC; we aim to increase this share in the future. Furthermore, we revised the CoC in the reporting year in order to meet the requirements of the German Supply Chain Due Diligence Act, which came into force on January 1, 2023.

Risk screenings and audits

In addition, environmental protection and occupational safety audits have been carried out at all Beiersdorf Consumer facilities since 2013, with the exception of the new facility in Leipzig. The audits take place every three years and are carried out in accordance with our internal Environmental Protection and Safety Management Audit Scheme (ESMAS). This scheme is based on internationally recognized standards such as ISO 14001 (environmental management systems) and DIN ISO 45001 (occupational health and safety management systems).

ESMAS audits verify whether appropriate measures are implemented to guarantee compliance with our globally applicable environmental as well as occupational health and safety standards at our sites. During the reporting year, Beiersdorf's production sites in Tres Cantos, Spain, Poznań, Poland, and Nairobi, Kenya were audited in accordance with the ESMAS scheme.

In addition to the ESMAS audits, our facilities in Poznań, Poland, Nairobi, Kenya, and Silao, Mexico were audited by external auditors from Intertek in the reporting year in accordance with the standardized 4-pillar audit protocol of the Sedex Members Ethical Trade Audit (SMETA). These audits have taken place at all production facilities over the last three years, with the exception of the new facility in Leipzig, Germany. They are valid for three years and are repeated at regular intervals.

The Vice Presidents of the functions Sustainability and Procurement are responsible for sustainability in our overall sourcing operations and throughout the supply chain. A risk classification assessment is performed on all of our more than 21,000 direct suppliers. We last revised this assessment in 2023. The risk classification, which has been carried out by the external platform EcoVadis IQ since 2023, examines whether more in-depth screening and thus further measures beyond signing the CoC are required. The following risks play a role here: country- and industry-specific risks supplied by EcoVadis IQ, the purchasing volume, and an internal prioritization of all procured product groups. Direct suppliers with a medium risk rating must submit a comprehensive self-disclosure via the Sedex or EcoVadis platforms. On this basis, we conduct a more detailed risk assessment, which the Responsible Sourcing team then uses to decide whether a subsequent audit is required. Direct supplier facilities with a high risk rating are required to undergo an on-site audit. To ensure objectivity, the audits are carried out by independent certified auditors according to the standardized SMETA 4-pillar audit protocol. The results of the audits highlight concrete challenges and fields for action and serve as a basis for the joint development of action plans with our suppliers. In extreme cases, audit results may lead to the termination of business relationships.

The German Supply Chain Due Diligence Act, the introduction of the EcoVadis assessment portal with corresponding supplier surveys, and the company-wide implementation of our updated CoC are currently creating additional fields for action. To be able to fulfill all of these tasks, we expanded our Procurement team in the reporting year.

In addition to using Sedex and EcoVadis, we participate in international collaboration initiatives such as AIM-Progress to continually drive forward our commitment to sustainability along the supply chain together with other companies in our industry. Our aim is to help shape the transformation of the sector in addition to making internal improvements.

tesa

Designing procurement processes in a responsible manner

We require direct suppliers to the tesa Business Segment to sign our Code of Conduct for Suppliers (CoCS). The CoCS forms the foundation for designing our global procurement processes in a responsible manner and outlines fundamental rules and commitments in the areas of human rights, labor standards, environmental protection, and the prevention of corruption. It is based on the ten principles of the UN Global Compact, the conventions of the International Labour Organization (ILO), and the OECD Guidelines for Multinational Enterprises. We expect our suppliers to comply with our standards and to remedy any shortcomings. In light of Germany's Supply Chain Due Diligence Act, we have also expanded the CoCS and thus made the issue of human rights even more relevant. The new CoCS has been valid since April 2023.

Our supply chains are global and complex, as we source raw materials, products, and services from all over the world. By working together closely, we aim to establish long-term, trusting partnerships with regular suppliers. Our goal is to ensure that product quality, supply reliability, and our shared commitment to sustainable growth remains on a high level.

The rules for our global procurement processes are defined and described in the Procurement Compliance Guideline (PCG), which also forms part of our Group-wide Compliance Manual. This policy contains binding rules of conduct for tesa as a purchasing company and is currently reviewed and revised by the Global Procurement Excellence function. From March 2024, it will be communicated and trained as Global Procurement Policy (GPP). The GPP will also apply to all tesa sites worldwide and its mandatory applicability will come into force in the course of the year.

More transparent supply chains

We not only require our major suppliers to comply with the tesa CoCS, our goal is also to gradually increase transparency and sustainability across our entire supply chain.

In the reporting year, we therefore introduced a systematic, two-stage process for screening suppliers and evaluating them using an EcoVadis scorecard already in the reporting year 2022. 8,734 suppliers have already been screened until the end of 2023. As a first step, our Procurement and Sustainability departments examine whether a more in-depth risk analysis of the suppliers is necessary. This screening process takes place once a year. In addition to risks specific to individual countries and industries, the quantity of goods purchased also plays a role in classification, which extends across the risk categories very low, low, medium low, medium high, high, and very high.

The second step – already in place since 2020 – is to invite our direct suppliers to carry out a self-assessment via EcoVadis. Suppliers with a rating can thus demonstrate the extent to which they uphold human rights, maintain fair working conditions, and take environmental aspects into account, as well as responsibly produce and procure their products, raw materials, and services. At the end of 2023, suppliers that are responsible for 70% (2022: 54%) of our purchasing volume of direct materials had

submitted EcoVadis self-disclosures. In the coming years, our aim is to gradually increase this figure, with a goal of having self-disclosures completed for a total of 80% of our purchasing volume of direct materials by 2025.

If suppliers exhibit risks according to our two-stage process, we initiate appropriate improvement measures. Potential for improvement can occur in the areas of environment, labor and human rights, ethics and sustainable procurement and are prioritized by EcoVadis employees as "low", "medium" and "high". Improvement measures are therefore very individual and range from uploading evidence of submitted responses to defining new company guidelines in areas of occupational health and safety. Audits in accordance with the SMETA 4-pillar protocol are planned from 2024 for suppliers with a particularly high risk. Our goal is that by 2030, 80% of our purchasing volume will be sourced exclusively from suppliers who meet our responsible supply chain standards; this means that, among other things, they have an EcoVadis assessment of at least 45 points.

Compliance

The following Compliance section applies to both the Consumer and tesa Business Segments. Both business segments have established their own independent compliance management systems (CMS), which follow uniform standards and are implemented in close alignment between the two respective Corporate Compliance Management teams. Differences in the precise design of the CMS of the two business segments are described below, insofar as they exist.

Our Core Values for responsible conduct

For us, compliance means observing legal and commercial provisions and rules - and doing so without compromise. Both the Consumer and tesa Business Segments have established a respective Code of Conduct (CoC) to ensure compliance with these standards and to fulfill our social responsibility as a company in the best possible way. As an overarching value framework, the CoC is intended to guide everyone at the company when carrying out our business activities. Furthermore, it supports all our employees, managers, and corporate bodies in complying with and living by the core principles and values of the business segments. As a directive for our actions, the CoC contributes to affirming our company's status now and in the future as a trusted partner to our customers, business partners, shareholders, and further stakeholders.

Group-wide compliance management

Our Group-wide CMS is based on established standards such as the IDW AsS 980. We follow these guiding principles:

- **Prevent:** Preventive measures are anchored in our management system to avoid wrongdoing.
- **Detect:** We use risk analyses to detect and manage material compliance risks Group-wide. Additional control instruments help reveal noncompliant behavior.
- **React and improve:** We penalize any violations of statutory or internal regulations as appropriate in each individual case. In addition, we continuously develop improvement measures for the entire CMS. We see our compliance management system as an important contribution to acting in a sustainable and forward-looking manner and thus living up to our tradition as a reliable and trustworthy company.

Prevent

Antitrust law continues to be an important aspect of compliance for both parts of the Group. The reasons for this are our business models, legal complexity, the continually increasing prosecution activity worldwide, as well as the potential for sanctions by antitrust authorities. In addition to antitrust law, preventing corruption and acting in accordance with privacy laws are two other focal points of our compliance programs. These programs serve to specifically raise the awareness of our relevant employee groups to these topics and to provide them with both the confidence to act and make decisions.

Our Corporate Compliance Management departments are responsible for defining, developing, and monitoring the minimum standards for these programs and an appropriate CMS for the business segments.

We have appointed compliance officers with local responsibility in our regions and affiliates who are tasked with communicating all elements of the compliance programs to our employees and ensuring that they are applied at the local level. In this way, we aim to embed all elements of our CMS in the regions and affiliates and to monitor and improve them on an ongoing basis. Our local companies have access to a network of specialized external lawyers, particularly for matters relating to antitrust law. Alongside practical training and advisory services, the core elements of our compliance programs include various guidelines:

- Our antitrust guidelines contain clear instructions on how to behave in accordance with antitrust law, rules on contacting and exchanging information with competitors, guidance on communicating with customers on matters such as sales prices as well as basic dos and don'ts.
- The anti-corruption guidelines provide guidance on how to handle gifts, product samples, and invitations from and to representatives and employees of other companies or public officials. They also contain information on how to deal with conflicts of interest.
- The data protection guidelines describe in particular how to implement the principles of the European General Data Protection Regulation (GDPR) to ensure that our EU companies process data in accordance with the law. These guidelines direct and instruct our employees on how to handle data in a legally compliant manner. In addition, the data protection teams have established internal partnerships with key data protection functions such as Cyber Security and Procurement.

We have implemented a comprehensive, target group-specific training concept. Each year, an average of several thousand employees worldwide receive risk-oriented training on how to prevent corruption and behave in compliance with antitrust law and data protection regulations. The training is provided either face-to-face or through e-learning courses and is designed to raise awareness among our employees and show them where they can seek further support. In addition, members of the Executive Board and Supervisory Board are regularly informed about relevant compliance issues. In fiscal year 2023, the Consumer Business Segment achieved a total training participation rate of 98% and a rate of 98% (January to October). The total participation rate applies to the target and risk group defined in advance for the respective compliance fields of antitrust law, anti-corruption, and data protection. That includes all employees and managers who may come into contact with the topics and requirements in question.

Our employees can find further guidance and information via the relevant compliance pages on the intranet. Moreover, we use various communication channels such as the intranet and emails to keep employees regularly informed about relevant compliance issues and new developments. We are also in regular contact with our local affiliates, for example to discuss general updates, any issues that arise, and best practice approaches.

These regular communication and training measures allow us to embed the principles of compliance within our company.

Detect

Our CMS and compliance programs are based on a compliance risk analysis. To this end, we regularly identify existing and future areas of compliance risk associated with our business models and our geographical positioning in the course of a comprehensive compliance risk assessment. Both Corporate Compliance Management departments also support their respective management teams in detecting risks that go beyond their own organizational responsibility.

In a second step, these risks are assessed and prioritized. Matters of high priority are analyzed for their specific risks so that appropriate countermeasures can be taken. This is carried out both centrally and at the affiliates. The results are communicated to the Executive Board and used to continuously adjust and improve our global and local compliance programs.

If we want our compliance practices to be sustainable and maintain and further promote an open, trusting compliance and communication culture, we need all our employees to be on board and fully committed. This also includes reporting possible compliance violations and other complaints – even anonymously, if they so desire. To this end, we have established and communicated various reporting systems.

For example, the Consumer Business Segment launched the “Speak up. We care.” whistleblowing platform that can be accessed from anywhere in the world around the clock. The tesa Business Segment uses the same platform in parallel.

In addition to our own employees, the whistleblower platforms are also open to customers, consumers, suppliers, and other external stakeholders who wish to report possible misconduct. There are also various internal reporting channels, such as central compliance email addresses.

We have processes in place to help us follow up on all reports of misconduct, shed light on the facts of the matter, and take appropriate action following careful consideration. Relevant specialist functions and the Corporate Auditing department are usually involved in the investigation.

Corporate Auditing is another independent monitoring function within Beiersdorf AG. The department conducts regular audits in both business segments, with compliance-related topics forming an integral part of these audits. In addition, the relevant Corporate Compliance department regularly verifies compliance with centrally defined minimum standards, for example through on-site visits or surveys on the implementation of measures.

React and improve

We gain an impression of the effectiveness of our compliance management system by means of regular Group-wide compliance reports. The results are reported to the Executive Board and Supervisory Board. These reports document compliance incidents as well as the status of our compliance programs centrally and at affiliates worldwide. We derive further courses of action based on this information and implement appropriate measures. Even outside of the reporting cycles, affiliates must of course inform the central Compliance department immediately of any material compliance incidents so that we can take prompt action.

Another key component of our activities is the continuous and consistent further development of our CMS. This is how we take internal adaptation requirements into account, as well as the dynamic changes in legal frameworks and economic conditions. During the year under review, we revised our Code of Conduct for the Consumer Business Segment and introduced it at all affiliates. We also

updated¹ our compliance training guidelines and, in particular, incorporated a newly developed training cockpit. This software provides a real-time overview of the status of compliance training and allows us to improve our training management. Moreover, we have aligned the compliance risk assessment process and system more closely with existing financial risk management formats. The aim here is to create a standardized, integrated approach for both business segments using the same platform.

At tesa, we revised both the content and the design of our e-learning courses on corruption prevention and conduct in compliance with antitrust law and data protection regulations during the reporting year. Within the scope of our compliance risk assessment, we identified "Environmental, Social, Governance" (ESG) as a new, relevant compliance risk area and integrated it into the tesa CMS. We also reviewed the local compliance implementation status at certain affiliates.

Other Issues

Product safety

Our highest priority is to provide safe products that are fully compatible with our consumers' health and the environment. All our products therefore need to comply with numerous statutory requirements before they can receive official market approval. Both business segments apply high standards in this regard.

Consumer

In this respect, our understanding of quality goes beyond the evaluation and approval of our products. We understand quality as a dynamic process that contributes to continuous improvement and express this understanding in the Beiersdorf Quality Policy. It guides our Executive Board, our management, and all our employees in their daily activities. It also serves to maintain and build on our consumers' satisfaction and high level of trust, and to ensure that we remain competitive in the future.

Safety evaluation of all raw materials and cosmetic product formulas

To ensure that we meet our own strict requirements regarding the quality of our products, we employ a team of experienced, highly qualified safety assessors. First, this team must perform the legally required evaluation and approval of the raw materials, formulas, packaging materials, and product claims, thereby verifying their safety and compatibility for consumers. Only then do the safety assessors approve the finished products for distribution. This is done primarily in accordance with the internationally recognized rules set out in EU Cosmetics Regulation 1223/2009 for safety assessment, as well as the requirements of the SCCS Notes of Guidance in their 12th revision from 2023, which are published by the Scientific Committee on Consumer Safety (SCCS) and are applicable EU-wide.

In the interests of consumer protection, the safety assessors work closely with related departments such as Research & Development and Product and Packaging Development.

In addition to experience and expertise, evaluating the safety of cosmetic products requires, above all, scientific exchange and knowledge of new findings regarding the compatibility and safety of raw materials, formulas, and packaging materials. Accordingly, our safety assessors attend international conferences, participate in working groups and expert teams, and also take part in specialist international training courses. The goal of this professional exchange and training is to ensure that we continue to operate appropriately and responsibly in the future. It is also important to us that we hold

¹ Valid since Jan. 01, 2024.

our external service providers and suppliers, such as perfume and raw material manufacturers, accountable. We require them to certify their compliance with statutory requirements as well as those that go beyond the legally required scope.

Beiersdorf's global mandatory safety requirements

We have established our detailed safety requirements in the Beiersdorf Product Safety Policy. This policy is globally binding, as we do not differentiate between regions or locations when assessing the safety of raw materials, formulas, and products, but set the same standards everywhere. The requirements of the EU Cosmetics Regulation 1223/2009 play a particularly important role for us. On the one hand, the EU Cosmetics Regulation governs the qualification of safety assessors and the safety requirements of cosmetic products; on the other hand, it also defines the specifications for correct product labeling and for providing information that ensures safe transportation and product handling. For our medical devices and medicinal products, the applicable regulatory requirements provide the necessary criteria to ensure product safety.

The legal requirements governing the safety of products – viewed on a global level – are constantly changing. We want to preemptively mitigate the risk of violating current regulations, which is why our central Regulatory Affairs team collaborates with an international network of local regulatory affairs officers. They follow all the regulatory requirements and the latest changes to them in the countries in which our products are sold. This way, we ensure that our products meet all the currently applicable requirements for their respective markets as early as the product development stage.

Animal testing

We are resolutely committed to rendering animal testing obsolete worldwide. We are convinced that animal testing is not necessary to prove the skin tolerability and effectiveness of our cosmetic products. For this reason, we do not conduct animal tests for any of our cosmetic products or their ingredients, and do not have animal testing done on our behalf – unless we are required to do so by the authorities. For medical devices and pharmaceuticals, any animal testing is limited to the absolute minimum necessary and is only carried out by qualified third parties in accordance with the strict requirements for regulatory market approval.

In the EU, animal testing has been completely banned for cosmetic products since 2004, and for all the ingredients used in these products since 2013. Beiersdorf abides by these legal requirements and, even before the European ban, refrained from animal testing worldwide whenever local laws permitted. It is our stated goal to advance research to the point when animal testing can be completely abandoned worldwide.

Consumer safety is our top priority. As one of the leading research-based companies, we have been involved in the development and acceptance of alternative testing methods for almost 40 years. In this context, we have been and continue to be instrumental in the development and validation of key methodologies that are internationally recognized by the Organisation for Economic Co-operation and Development (OECD) and major regulatory bodies.

Even though great progress has already been made, at the present time there still aren't alternative testing methods available that have been recognized and established by lawmakers for all safety-related issues. In collaboration with numerous partners and interest groups, we therefore work to ensure that innovative alternative methods are developed and that existing ones are accepted. We are involved in various working groups in the European umbrella organization of the cosmetics industry (Cosmetics Europe), cooperate with the European Centre for the Validation of Alternative Methods (EURL ECVAM), and support the OECD by providing scientific findings. We are an active member of the European Society of Toxicology In Vitro (ESTIV) and a founding member of the European Partnership

for Alternative Approaches to Animal Testing (EPAA), an organization established in 2006 by the European Commission that covers seven industry sectors. In addition, Beiersdorf has established partnerships in the field of cutting-edge research, for example in the study of "organ chips," which simulate the interaction of several organs. In 2023, Beiersdorf co-founded the new International Collaboration on Cosmetics Safety (ICCS) and played a key role in shaping it. The aim of this collaboration is to promote the introduction of methods that do not involve animal testing and to investigate the effects of cosmetics and their ingredients on human health and the environment.

tesa

The quality and safety of our products are crucial to the satisfaction of our customers and thus to our economic success. tesa aims to ensure that our products are high-quality and safe through systematic quality management. If products display safety defects, this can have a negative impact - both on us as a company and on the people who use them. Our aim is to manufacture and distribute products that meet the highest standards of quality and safety.

A systematic approach to quality and safety

tesa wants to design its products and processes to ensure that they fulfill the diverse expectations of our customers and other stakeholders and that no one is harmed during their production or use. As such, all tesa production sites apply certified management systems in accordance with globally recognized quality norms, standards, and regulations. The compliance of our products, systems, and processes is periodically reviewed and confirmed through both internal and external audits at the relevant locations.

We comply with applicable laws and guidelines. Our internal Product Safety Guidelines complement these strict statutory provisions and lay out mandatory measures that enable us to further increase the safety of our products. In addition, they specify the role and responsibilities of the Product Safety & Conformity Representatives (PSCR). The guidelines apply worldwide and our employees have access to the document via our intranet.

Product safety officers

Every production facility worldwide has a local PSCR who reports to the Corporate PSCR, the central product safety officer. All our PSCRs must complete an external training course that is recognized officially. They usually also act as the sites' quality officers.

Product safety management is an integral part of quality management at tesa and is co-steered by the Executive Board. The Corporate Regulatory Affairs Department is responsible for evaluating materials and substances. The employees working there draw on various chemical databases, evaluate scientific findings, and review data on safety-relevant substance properties and the safe handling of substances and mixtures. Each product always has an information sheet (e.g., safety data sheet) containing safety-relevant information, for example on ingredients, correct storage or handling, and recommendations for disposal.

Risk analyses ensure quality

Preventing product defects plays an important role for us, which is why Product Development and Production perform risk assessments or failure mode and effects analyses (FMEA) for every new project. This helps them to identify potential defects in design, production, or even usage directions, such as inaccurate instruction manuals, during the development process. Once products are on the market, our business units continue to monitor them. If the units determine that a new risk analysis and evaluations are necessary, or that further or new measures are required, they take the necessary steps to safeguard the health and safety of our customers and employees.

Internal audits

tesa owes its safe product solutions not only to its strict quality requirements, but also to the systematic development of expertise within the company.

The Quality Management department and PSCRs are responsible for our internal audits. Audits of Product Development and Production are carried out both on an ad hoc and annual basis – and, if necessary, in other departments, such as Marketing. The tesa Group's production sites were again successfully audited in accordance with globally recognized quality norms and standards during the reporting year. The IATF 16949 certification process pays special attention to the conformity of all products, processes, parts, and services, as well as product safety.

EU Taxonomy Reporting

Since the EU Taxonomy Regulation came into force, Beiersdorf has been required to provide information on sales, capital expenditures (CapEx), and operating expenses (OpEx) associated with environmentally sustainable economic activities. The EU Taxonomy Regulation contains criteria for determining whether an economic activity qualifies as sustainable with respect to various environmental objectives. The overarching goal is to create a more sustainable financial sector and channel investments into green and sustainable projects, thereby contributing to the European Green Deal.

With the adoption of Commission Delegated Regulation (EU) 2023/2486 of June 27, 2023, the disclosure obligation for the 2023 reporting year for the first time included four additional environmental objectives: "Water and marine resources," "Circular economy," "Pollution," and "Biodiversity". Further economic activities in connection with the "Climate change mitigation" and "Climate change adaptation" environmental objectives were also added in this context (Delegated Regulation (EU) 2023/2485).

The reporting forms depicted in Annex 3 of Commission Delegated Regulation (EU) 2022/1214 of March 9, 2022 are not taken into account for the reporting year 2023. This is due to the economic activities related to gas and nuclear listed in the annexes do not fall within the business activities of Beiersdorf.

Taxonomy Impact Analysis procedure¹

Beiersdorf uses a top-down approach to determine the Taxonomy eligibility of certain business activities with the help of the relevant specialist units. To this end, we have assembled an interdisciplinary team consisting of employees from the tesa and Consumer Sustainability departments, Group Accounting and Consolidation (Consumer), and Sustainability Controlling (tesa), who continuously analyze – in close cooperation with the specialist units – whether any Taxonomy-eligible economic activities are being performed.

Taxonomy-eligible activities relevant to Beiersdorf are identified based on the activity descriptions, the referenced NACE codes, and the supplementary publications of the EU Commission and the EU Platform on Sustainable Finance. For the 2023 reporting year, the process for determining and identifying Taxonomy-eligible activities relevant to Beiersdorf was extended to include the four additional environmental objectives listed above.

¹ Given the ongoing, dynamic development of the formulations contained within the EU Taxonomy Regulation, also in consideration of the supplementary publications of the EU Commission and the EU Platform on Sustainable Finance, uncertainties persist regarding the interpretation of its wording and terms. As a result, we may make changes to our Taxonomy Impact Analysis in the future.

Identified Taxonomy-eligible economic activities

Beiersdorf's business model was comprehensively analyzed in connection with the implementation of the EU Taxonomy requirements. The core business activities of Beiersdorf are not covered by the activities listed in the latest version of the Delegated Acts. Only one activity in the tesa Business Segment, which relates to the manufacture of subcomponents for batteries (Activity 3.4), was identified as Taxonomy-eligible. However, this activity is of minor importance compared to Beiersdorf's core business activities and only makes up a small proportion of the Group's sales.

In terms of classifying investments and operating expenses, the EU Taxonomy Regulation distinguishes between the following three categories:

- Category A: investments or operating expenses related to assets or processes that are associated with Taxonomy-aligned economic activities.
- Category B: investments or operating expenses that are part of a (CapEx) plan to expand Taxonomy-aligned economic activities or to allow Taxonomy-eligible economic activities to become Taxonomy-aligned.
- Category C: investments or operating expenses related 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.

Due to Beiersdorf's business model, no investments or operating expenses other than those related to economic activity 3.4 are allocated to category A. Similarly, as we are not drawing up any investment plans to convert our activities into Taxonomy-aligned economic activities, none of our investments or operating expenses are allocated to category B. Beiersdorf therefore only has to take into account investments or operating expenses relating to the purchase of output from Taxonomy-aligned economic activities and individual measures (category C).

The economic activities reported relate exclusively to the environmental objective of "Climate change mitigation." Furthermore, in the course of the data collection and reporting process, we make sure that each economic activity is clearly allocated to an EU taxonomy activity. We can thus rule out the possibility of economic activities being allocated twice.

The following economic activities were identified as Taxonomy-eligible:

Information and Communication

- Activity 8.1 "Data processing, hosting and related activities" was identified as relevant for Beiersdorf, since the Consumer Business Segment operates a data center and provides these services to tesa. The acquisition of third-party computing power (cloud computing services) is also taken into account in this context.
- Similarly, Activity 8.2 "Data-driven solutions for GHG emissions reductions" is relevant because Beiersdorf uses the GaBi and SoFi emissions management software as well as other energy management systems.

Construction and Real Estate

- Activities 7.3 "Installation, maintenance and repair of energy efficiency equipment", 7.5 "Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings", and 7.6 "Installation, maintenance and repair of renewable energy technologies" are part of our building management; they also include the installation, maintenance, and repair of heating, ventilation, and cooling systems, photovoltaic systems as well as measuring systems and energy-efficiency control units in our administrative buildings and production facilities.

- Activity 7.4 "Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)" was identified as relevant, as there are vehicle-charging stations on our premises that are operated by a third party.
- Based on the recommendation of the EU Commission (FAQ 2022), reporting related to Activity 7.7, "Acquisition and Ownership of Buildings," will be conducted for the first time for the fiscal year 2023. This activity covers investment activities in connection with the construction or expansion of our production and administrative buildings. The construction of these buildings are carried out by external construction companies. Capitalization of right-of-use assets from leases (IFRS 16) for rented office buildings is also reported under Activity 7.7. In the previous year, these activities were reported as not Taxonomy-eligible.

Energy

- In this area, Activity 4.25 "Production of heat/cool using waste heat" and Activity 4.30 "High-efficiency co-generation of heat/cool and power from fossil gaseous fuels" were identified as Taxonomy-eligible. This is because Beiersdorf uses waste heat for internal heating processes. Other activities from this area, e.g., with respect to the production of renewable energy, have been recorded under "Construction and Real Estate" in accordance with the EU Taxonomy Regulation.

Transport

- Our transportation activities are generally outsourced to service providers, meaning we do not conduct any Taxonomy-eligible activities in this area. Our own fleet of company cars falls under Activity 6.5 "Transport by motorbikes, passenger cars and light commercial vehicles."

Manufacturing Industry/Goods Manufacturing

- The manufacture and sale of products from the Consumer Business Segment do not fall within the scope of the EU Taxonomy. With the manufacture of subcomponents for batteries (Activity 3.4, "Manufacture of batteries"), only a small proportion of the tesa Business Segment's economic activity qualifies as Taxonomy-eligible. Its other activities do not generate Taxonomy-eligible sales. For example, tesa does not manufacture plastics in primary form, but sources them from suppliers.

The data basis for determining the key figures (sales, capital expenditure, and operating expenses) for Taxonomy-eligible and Taxonomy-aligned economic activities (numerator) and their corresponding reference figures (denominator) is generally derived from Beiersdorf's financial controlling systems.

Taxonomy-eligible sales

The denominator for the purposes of the EU Taxonomy is determined in line with the definition of sales in the consolidated financial statements (see Notes to the Consolidated Financial Statements, Income Statement, Note 01).

For the 2023 reporting year, sales relating to the manufacture of subcomponents for batteries are reported under Activity 3.4 "Manufacture of batteries". The sales generated in this area are attributable entirely to the tesa Business Segment. These transactions amount to €16 million (prior year: €16 million) and therefore represent 0.2% (prior year: 0.2%) of our Group sales of €9,447 million.

Taxonomy-eligible capital expenditure (CapEx)

The reference figure (denominator) of our Taxonomy-eligible activities is determined in accordance with the requirements of the EU Taxonomy Regulation. For the 2023 reporting year, the reference figure is €634 million. In addition to the investments in intangible assets (Note 11 to the consolidated financial statements) and property, plant, and equipment (Note 12 to the consolidated financial statements) reported in the annual report, this figure also includes investments related to right-of-use assets from leases (Note 12 to the consolidated financial statements).

Capital expenditure for projects and long-term leases is allocated to the activities identified as Taxonomy-eligible with the help of Beiersdorf's financial controlling systems and interviews with the responsible specialist units. For the 2023 reporting year, capital expenditure amounting to €182 million – a share of 28.6% – is attributable to Activity 7.7 "Acquisition and ownership of buildings."

In total, our Taxonomy-eligible capital expenditure amounts to €209 million (prior year: €17 million). This corresponds to a share of 33% (prior year: 2.7%) of the total capital expenditure (denominator) of €634 million for the 2023 reporting year. The change compared to the previous year is primarily attributed to capital expenditures, which are reported for the first time in connection with activity 7.7 for the fiscal year 2023.

Taxonomy-eligible operating expenses (OpEx)

The data basis for calculating the reference figure (denominator) for Taxonomy-eligible operating expenses for the 2023 reporting year is derived from Beiersdorf's financial controlling systems. Interviews, analyses, and detailed queries addressed to the respective Controlling functions round off the data collection process and ensure the quality of the data. The reference figure is the sum of the following cost components:

- Research and development costs
- Costs in connection with short-term and low-value leases
- Maintenance and repair costs, including all direct expenses in connection with the day-to-day maintenance of property, plant, and equipment by the company or third parties

Where possible, operating expenses were allocated directly to the identified Taxonomy-eligible activities using data from our financial systems. In cases where it was not possible to directly allocate percentage shares, these shares were broken down and, if necessary, allocated using appropriate keys (e.g., capital expenditure for Taxonomy-eligible activities).

Taxonomy-eligible operating expenses amounted to €26 million (prior year: €18 million). Compared with the investment expenditure reference figure of €481 million, this is equivalent to a share of 5.4% (prior year: 4.2%). The change compared to the previous year is primarily attributed to operating expenditures, which are reported for the first time in connection with activity 7.7 for the fiscal year 2023.

Approach and results of the alignment analysis

To assess whether the Taxonomy-eligible activities relevant to Beiersdorf are Taxonomy-aligned, we conducted a comprehensive analysis of the relevant technical screening criteria as set out in the annexes to the Delegated Acts on the EU Taxonomy. For a Taxonomy-eligible activity to be classified as Taxonomy-aligned, the following requirements must be satisfied cumulatively:

- Compliance with the technical screening criteria for a substantial contribution to the respective environmental objective
- Compliance with the technical screening criteria to avoid material adverse effects on other environmental objectives (do no significant harm, DNSH)
- Compliance with minimum safeguards

In principle, compliance with the technical screening criteria is checked and documented individually for each activity. DNSH compliance regarding Appendix A ("Climate change adaptation") is verified centrally for the relevant Taxonomy-eligible activities with the help of climate risk and vulnerability analyses for each site.

Beiersdorf relies on processes, documents, and guidelines that are established within the Group to review and comply with the minimum protection requirements (see section Respect for human rights and Compliance). Beiersdorf actively promotes compliance with laws, codes of conduct, and human rights. Our annual risk management process includes an assessment of human rights violations by our employees and in our supply chain. Beiersdorf stands up for fair competition and actively prevents corruption through a number of compliance programs. Through appropriate monitoring measures, Beiersdorf ensures that the minimum protection requirements of the EU Taxonomy are met.

Based on our analyses we have identified a Taxonomy-aligned share for the following activities:

- Activity 6.5 "Transport by motorbikes, passenger cars and light commercial vehicles"
- Activity 7.5 "Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings"
- Activity 7.6 "Installation, maintenance and repair of renewable energy technologies"
- Activity 7.7 "Acquisition and ownership of buildings"

To check our compliance with the technical screening criteria in connection with Activity 7.7 "Acquisition and ownership of buildings", we primarily relied on the available energy performance certificates (EPCs) and the primary energy demand listed therein. In the event that no energy performance certificate was available, we used alternative external confirmations that provide appropriate evidence of compliance with the limits specified in the technical screening criteria (e.g., energy class A).

The majority of Beiersdorf's Taxonomy-eligible activities involve products and services obtained from suppliers and service providers. In some cases, there were no third-party evidence and confirmations available for these economic activities to conclusively assess their potential Taxonomy-alignment. For other economic activities, the technical screening criteria could not be fully met, resulting in no Taxonomy-aligned disclosure for this portion. This particularly applies to portions of investment and operating expenses for activities 6.5 and 7.7.

The 2023 reporting year again posed considerable challenges for both Beiersdorf and its suppliers in terms of proving the Taxonomy-alignment of the identified Taxonomy-eligible activities. In some cases, the technical screening criteria for the Taxonomy-alignment of individual activities had not yet been published or sufficiently clarified at the time the investment projects were planned. This complicated the analysis and verification process, particularly in the case of long-term investment projects (e.g., investments in administrative buildings or plant expansions) for which the project and planning phase had been completed well before the technical screening criteria were published. With a view to 2024 and subsequent years, Beiersdorf will continue to work on improving individual reporting processes for verifying the Taxonomy-alignment of the identified Taxonomy-eligible activities, and will also draw on the findings from the analyses for the 2023 reporting year for this purpose.

Key figures EU Taxonomy Reporting

Key figures Turnover

1	2023			Substantial contribution criteria						DNSH criteria (Do No Significant Harm)						17	18	19	20	
	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16					
Economic activities	Code	Absolute Turnover	Proportion of Turnover	Water and marine resources	Circular economy	Biodiversity and ecosystems	Pollution	Climate change mitigation	Climate change adaptation	Climate change adaptation	Climate change adaptation	Water and marine resources	Pollution	Climate change mitigation	Climate change mitigation	Minimum safeguards	Biodiversity and ecosystems	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) turnover, year 2022	Category enabling activity	Category transitional activity
A.TAXONOMY-ELIGIBLE ACTIVITIES	kEUR	%	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	Y/N	Y/N	%	E	T
A.1. Environmentally sustainable activities (Taxonomy-aligned)																				
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)	0	0%	0%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	Y	0%			
Of which Enabling	0	0%	0%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	Y	0%	E		
Of which Transitional	0	0%	0%						Y	Y	Y	Y	Y	Y	Y	Y	0%		T	
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																				
Manufacture of batteries	CCM 3.4	16,248	0.2%	EL	N/EL	N/EL	N/EL	N/EL										0.2%		
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)	16,248	0.2%	0.2%	N/EL	N/EL	N/EL	N/EL	N/EL										0.2%		
Total A.1 + A.2	16,248	0.2%	0.2%	N/EL	N/EL	N/EL	N/EL	N/EL										0.2%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
Turnover of Taxonomy non-eligible activities (B)	9,431,091	99.8%																		
Total A + B	9,447,339	100%																		

Key figures CapEx

1	2023			Substantial contribution criteria					DNSH criteria (Do No Significant Harm)							18	19	20	
	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17			
Economic activities	Code	Absolute CapEx	Proportion of CapEx	Climate change mitigation	Climate change adaptation	Water and marine resources	Pollution	Circular economy	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Pollution	Circular economy	Biodiversity and ecosystems	Minimum safeguards	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) CapEx, year 2022	Category enabling activity	Category transitional activity
A.TAXONOMY-ELIGIBLE ACTIVITIES		kEUR	%	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.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	96	0%	0%	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0%		T
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	CCM 7.5	134	0%	0%	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0%		
Installation, maintenance and repair of renewable energy technologies	CCM 7.6	967	0.2%	0.2%	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0%		
Acquisition and ownership of buildings	CCM 7.7	99,593	15.7%	15.7%	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0%		
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)	100,790	15.9%	15.9%	0%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	0%		
Of which Enabling	0	0%	0%	0%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	0%	E	
Of which Transitional	96	0%	0%	0%						Y	Y	Y	Y	Y	Y	Y	0%		T
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Production of heat/cool using waste heat	CCM 4.25	118	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.7%		
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	17,710	2.8%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	4,193	0.7%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.4%		

Key figures OpEx

1	2023			Substantial contribution criteria						DNSH criteria (Do No Significant Harm)						17	18	19	20	
	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16					
Economic activities	Code	Absolute OpEx	Proportion of OpEx	Climate change mitigation	Climate change adaptation	Water and marine resources	Pollution	Circular economy	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Pollution	Circular economy	Minimum safeguards	Biodiversity and ecosystems	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) OpEx, year 2022	Category enabling activity	Category transitional activity	
A. TAXONOMY-ELIGIBLE ACTIVITIES		kEUR	%	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.1. Environmentally sustainable activities (Taxonomy-aligned)																				
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	40	0%	0%	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0%		T	
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	CCM 7.5	6	0%	0%	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0%			
Installation, maintenance and repair of renewable energy technologies	CCM 7.6	42	0%	0%	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0%			
Acquisition and ownership of buildings	CCM 7.7	4,329	0.9%	0.9%	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0%			
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		4,417	0.9%	0.9%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	0%			
Of which Enabling		0	0%	0%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	0%	E		
Of which Transitional		40	0%	0%						Y	Y	Y	Y	Y	Y	Y	0%		T	
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																				
Manufacture of batteries	CCM 3.4	2,537	0.5%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.6%			
Production of heat/cool using waste heat	CCM 4.25	14	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.2%			
High-efficiency co-generation of heat/cool and power from fossil gaseous fuels	CCM 4.30	0	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.1%			

	To the shareholders	Combined Management Report					Consolidated Financial Statements				Additional Information			
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	5,670	1.2%	EL	N/EL	N/EL	N/EL	N/EL	N/EL					1%
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	755	0.2%	EL	N/EL	N/EL	N/EL	N/EL	N/EL					0.2%
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	CCM 7.4	4	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL					0%
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	CCM 7.5	156	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL					0.1%
Installation, maintenance and repair of renewable energy technologies	CCM 7.6	110	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL					0%
Acquisition and ownership of buildings	CCM 7.7	3,553	0.7%	EL	N/EL	N/EL	N/EL	N/EL	N/EL					0%
Data processing, hosting and related activities	CCM 8.1	8,563	1.8%	EL	N/EL	N/EL	N/EL	N/EL	N/EL					2%
Data-driven solutions for GHG emissions reductions	CCM 8.2	174	0%	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)	21,536	4.5%	4.5%	0%	0%	0%	0%	0%	0%					4.2%
Total A.1 + A.2	25,953	5.4%	5.4%	0%	0%	0%	0%	0%	0%					4.2%
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES														
OpEx of Taxonomy-non-eligible activities (B)		454,702	94.6%											
Total A + B	480,655	100%												

Relevant Key Figures for the Non-financial Statement of the Beiersdorf Group

Consumer Business Segment	Unit	2022	2023
Environment			
GHG emissions (Scope 1 and Scope 2)	t CO ₂ e	40,820	35,585
GHG emissions (Scope 3) considering biofuel certificates	t CO ₂ e	994,613	974,015
GHG emissions (Scope 3) not considering biofuel certificates	t CO ₂ e	1,005,213	985,177
Reduction absolute GHG emissions (Scope 1 and Scope 2) vs. 2018	%	31	40
Reduction absolute GHG emissions (Scope 3) vs. 2018 ¹	%	16.3	18.0
Reduction of fossil-based virgin plastic vs. 2019 ²	%	15	16
Recycled material in plastic packaging ²	%	10	12
Reduction of nonbiodegradable polymers in European product formulas (based on raw material volume) vs. 2016 ²	%	63	67
Reduction of microplastic ³ in NIVEA products (based on raw material volume) vs. 2016	%	100	100
Reduction of microplastic ³ in Eucerin products (based on raw material volume) vs. 2016	%	76	100
Share of mass balance palm (kernel) oil and derivates ²	%	100	100
FSC-certified paper in folding boxes ²	%	100	100
Employees			
Share of women management group 1 – 3	%	40	43
Share of internal recruitments management group 1	%	100	100
Share of internal recruitments management group 2	%	89	73
Accident frequency rate (AFR)	Accidents per 1 million working hours	0.5	0.4
Human Rights			
Coverage supplier risk screening	%	100	100
Coverage code of conduct	%	91	92
Compliance			
Participation rate compliance training	%	97	98

tesa Business Segment	Unit	2022	2023
Environment			
GHG emissions (Scope 1 and Scope 2)	t CO ₂ e	50,860	43,447
Specific GHG emissions per metric ton of end product	t CO ₂ e	0.71	0.73
Electricity from renewable energy sources	%	66	65
Employees			
Accident frequency rate (AFR)	Accidents per 1 million working hours	3.6	2.7
Compliance			
Participation rate compliance training	%	99	98
Human rights			
Coverage direct spend from suppliers assessed by EcoVadis	%	54	70
Product safety			
tesa plants with quality management certificates	%	100	100

¹ Taking into account the reduction through biofuel certificates.

² Not including Coppertone.

³ According to definition of United Nations Environment Programme.

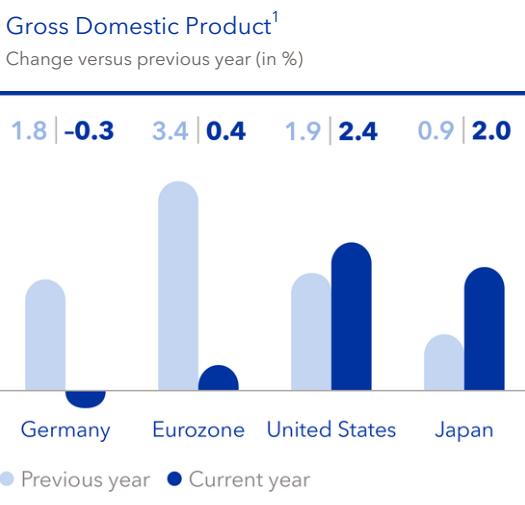
Relevant Key Figures for the Non-financial Statement of the Beiersdorf AG

	Units	2022	2023
Environment			
GHG emissions (Scope 1 and Scope 2)	t CO ₂ e	5,956	5,204
Absolute reduction GHG-emissions (Scope 1 and Scope 2) vs. 2018	%	10	22
Employees			
Share of women in first management level	%	31	39
Share of women in second management level	%	48	42
Share of internal recruitments management group 1	%	N/A	100
Share of internal recruitments management group 2	%	100	89
Accident frequency rate (AFR)	Accidents per 1 million working hours	2,1	3,8
Compliance			
Participation rate compliance training	%	97	97

Economic Report

Economic Environment

General economic situation



¹ Commerzbank Research.

The **global** economy lost momentum. Despite a robust start to 2023, growth slowed noticeably over the summer. This was mainly due to weak industrial production and a significant rise in interest rates in most regions of the world, which inhibited investment in residential construction in particular. Another dampening factor was China's subdued economic development, which was largely based on debt in the country's real estate sector. Inflation fell only slowly from a very high level. Real income growth resulting from wage adjustments only made a gradual contribution to stimulating consumption. Supply chain difficulties have largely been replaced by new challenges. Although supply chains disrupted by the pandemic have largely been restored, the global manufacturing sector has shown weaknesses in the face of weak productivity growth, the expiry of COVID-19 support measures and difficult financial conditions. In addition, the shift in demand toward the service sector and increased uncertainty about the future geo-economic situation have led to a reluctance to invest.

The sentiment indicators for the corporate sector and private households in **Europe** often showed opposing trends over the course of 2023. The significant rise in interest rates and the associated decrease in the inflation rate caused consumers to breathe a sigh of relief. The consumer climate has gradually stabilized since the low point in autumn 2022, when the inflation rate in the eurozone reached double digits at times. By contrast, the situation in industry is considered to be particularly critical. This sector suffered from weak global demand and a deterioration in price competitiveness, triggered by the appreciation of the euro. In the second half of the year, there were signs of a decline in new orders in industry. However, this decline has not yet been fully reflected in production, as companies were still processing many orders that had been left unfilled due to the supply bottlenecks that had occurred in the meantime. The situation in the construction industry was also poor. The significant deterioration in financing conditions and the drastic rise in construction costs had a noticeable dampening effect on demand for construction services.

The **German** economy remained in a difficult situation in 2023. Private consumption in particular proved to be susceptible to economic weaknesses, and exports also recorded a decline. The tensions between China and the West led to below-average growth in foreign trade. Although the burden of energy prices on companies and private households eased, this was not enough to compensate for other negative factors, as the massive interest rate hikes by most central banks put the brakes on the economy. They significantly reduced demand for industrial goods and residential construction. The fluctuations in incoming orders in industry were very pronounced. This was due to the fact that the volume of large orders varied from month to month. Despite these challenges, companies were able to keep production largely stable and thus reduce the order backlogs built up in recent years.

The **US** economy recorded fairly strong growth, mainly due to an unusually expansive fiscal policy. The inflation rate, which fell significantly in the first half of the year, was unable to continue the trend in the second half of the year, particularly due to a significant rise in gas prices in the meantime. Nevertheless, both private consumption and fixed asset investments recorded noticeable growth. The latter can probably be attributed to the subsidies introduced for the semiconductor industry and transformation technologies. The downturn in residential construction investment has, continued but slowed somewhat. At the end of the year, the slowing factors became increasingly noticeable. The savings rate recently reached unusually low levels.

In **Japan**, macroeconomic production increased sharply in the first half of 2023, mainly due to rising exports as a result of a significant devaluation of the yen. This also led to a very significant rise in inflation by Japanese standards.

Developments in the **emerging markets** painted a mixed picture. **China** surprised on the downside in the final months of the year. The end of the zero COVID policy in December 2022 only gave the economy a brief boost. The problems on the real estate market had a significant impact on the economy. In combination with uncertainties on the labor market, these developments weighed on consumer spending. In addition, industrial production, corporate investment and exports recorded a decline, which is attributable to both weakening foreign demand and geopolitical uncertainties. In **Russia**, overall economic production in the second quarter of 2023 returned to its level before the invasion of Ukraine. Investments increased in connection with the rise in military spending, but private consumption also increased thanks to higher real wages and social benefits. Nevertheless, there are bottlenecks in the labor market, as many workers have been drafted into the army or left the country to avoid military service since the beginning of the war. Nevertheless, overall economic development proved to be robust. The increase in growth reflected a significant fiscal stimulus, strong investment and stable consumption against the backdrop of a tight labor market. Growth was largely driven by the production of military goods, which do not benefit the population. The **Brazilian** economy benefited from a record harvest. High revenues from the export of crude oil and iron ore and the recovery of the service sector also boosted gross domestic product growth. The reduction in oil production led to weak development in the **Middle East**. However, the decline in activity in the oil sector was offset by other sectors of the economy, supported by sustained private consumption, strategic fixed investment and a supportive fiscal policy stance. The **Indian** economy remains a reliable growth driver for the global economy. In 2023, the high pace of the previous year was maintained. For the third year in a row, the Indian economy was characterized by a strong increase in private investment. At the same time, the previous year's record-high level of exports was maintained. The **Southeast Asian emerging markets** are on the upswing. Their fundamentals are stabilizing, growth is returning and corporate balance sheets look solid.

Sales market trends

The global market environment was in a volatile position again in 2023. Materials shortages, which resulted from continuing supply chain pressures combined with very buoyant markets, represented a major challenge. Meanwhile, geopolitical tensions and continued high inflation stoked fears of recession. While global commodity prices eased slightly, energy costs remained at a very high level. The volume and value of the global cosmetics market grew despite the challenging circumstances. The only exception was China, where the cosmetics market bounced back less than expected after the lifting of COVID-19 restrictions. Globally, there was year-on-year growth particularly in the deodorant, sun, and lip care categories.

Uncertainty continued to leave its mark on the tesa Business Segment's activities in 2023. The global recovery from the COVID-19 pandemic is slow and uneven. The Russian invasion of Ukraine continues to affect the economic situation, and economic activity remains below pre-pandemic levels. The conflict in the Middle East has also further unsettled markets. Inflation remained at a high level in 2023, albeit below the previous year's peaks. In this environment, performance in industrial sales markets was mixed. The automotive industry was resilient and recorded an upturn globally. However, other industrial sales markets along with the distribution business saw high levels of consumer uncertainty, inventory reduction measures, and an overall downward trend. This was particularly the case in Europe and to a certain extent in North America, while growth momentum from Asia was positive.

Procurement market trends

Offshoots of the 2021 and 2022 supply chain crisis continued to shape developments in 2023. Further supply shortages occurred particularly in the first half of the year, combined with significant inflation in many raw materials, packaging, and logistics markets. This was partly due to high levels of macroeconomic uncertainty, driven by factors such as the Russia-Ukraine war, the China-Taiwan conflict, and the sluggish recovery of Chinese manufacturing output. Energy costs also remained at a high level. Combined with inflation for other input factors, this prompted production costs to rise further. A first correction in important markets for materials and services was observed in the second half of the year, chiefly due to capacity expansion. This, together with our cross-departmental management of supply shortages and preferential position with key suppliers, enabled us to further limit the negative impact of supply difficulties on our production sites and distribution partners.

Overall assessment of the economic environment

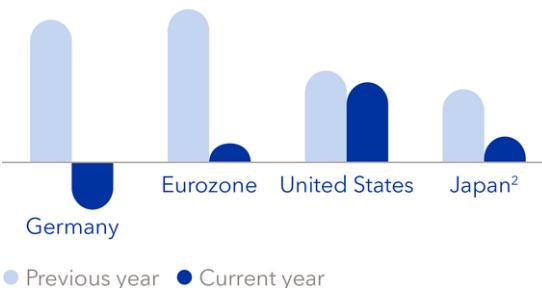
The global cosmetics market performed positively in 2023. In the mass market, where NIVEA competes, growth was still largely driven by price rises, although volume growth was also positive. The components of growth were more balanced in the dermocosmetic skin care market. Overall, both Skin Care and Personal Care (deo, soaps, shower gels) produced strong growth. The focus in the Consumer Business Segment remained on Skin Care, which accounts for the largest share of our marketing budget. All Skin Care subcategories posted growth again in the reporting year.

Significant impacts of the continued high inflation and significant price rises for raw materials, logistics, and energy made themselves felt in the tesa Business Segment again in 2023. Despite difficult

Consumer Spending¹

Change versus previous year (in %)

3.9 | -1.3 4.2 | 0.5 2.5 | 2.2 2.0 | 0.7



● Previous year ● Current year

¹ Commerzbank Research.

² OECD.

circumstances, tesa posted an increase in sales. This was driven by new products, new customers and projects, and the necessary price rises in both divisions - Industry and Consumer.

Results of Operations

Results of operations - Group

Income Statement

(in € million)

	2022	2023	Development in % ¹
Sales	8,799	9,447	7.4
Cost of goods sold	-3,842	-4,031	4.9
Gross profit	4,957	5,416	9.3
Marketing and selling expenses	-2,998	-3,250	8.4
Research and development expenses	-291	-320	10.2
General and administrative expenses	-524	-570	8.9
Other operating result (excluding special factors)	14	-8	-
Operating result (EBIT, excluding special factors)	1,158	1,268	9.4
Special factors	-66	-163	-
Operating result (EBIT)	1,092	1,105	1.2
Financial result	4	-	-
Profit before tax	1,096	1,105	0.8
Income taxes	-325	-356	9.5
Profit after tax	771	749	-2.9

¹Percentage changes are calculated based on thousands of €.

Sales

Group sales increased organically by 10.8% year on year. The Consumer Business Segment recorded an encouraging, double-digit rise in organic sales of 12.5%. The tesa Business Segment achieved organic sales growth of 3.2%. Exchange rates increased nominal growth by 3.3 percentage points. Structural effects had an overall negative impact of 0.1 percentage points on sales. Nominal sales for the Group increased by 7.4% year on year to €9,447 million (previous year: €8,799 million).

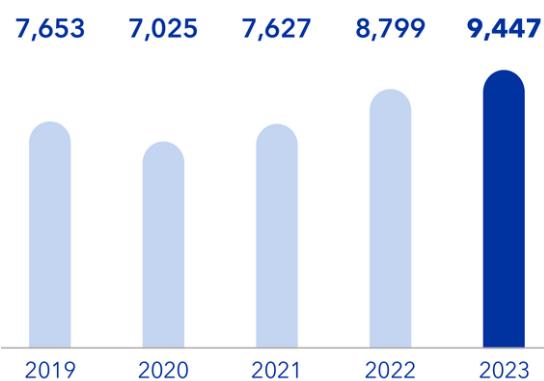
In **Europe**, organic sales were up 8.0% on the previous year. Nominal sales stood at €4,161 million (previous year: €3,900 million), putting them 6.7% higher than the previous year.

Organic year-on-year growth in the **Americas** reached 16.8%. In nominal terms, sales rose by 16.8% to €2,484 million (previous year: €2,126 million).

Organic sales in the **Africa/Asia/Australia** region were 10.1% above the previous year's level. Nominal sales climbed by 1.0% to €2,802 million (previous year: €2,773 million).

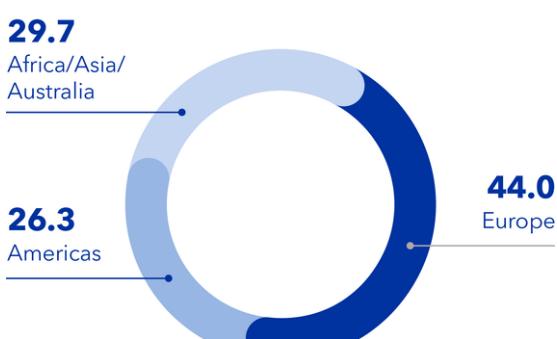
Group Sales

(in € million)



Group Sales by Regions

(in %)

**Expenses/other operating result**

The **cost of goods** sold climbed by 4.9%, which was slower than the increase in sales. Persistent price pressure on procurement markets and negative exchange rate effects were more than offset by positive price and mix effects as well as efficiency gains. This resulted in an overall positive effect on **gross profit**.

With an increase of 8.4% to €3,250 million (previous year: €2,998 million), **marketing and selling expenses** developed at a higher rate than the strong sales growth. This development is mainly due to higher investments in digital media and an increased focus on Skin Care as part of the C.A.R.E.+ strategy. The marketing budget is constantly adjusted to the changing market conditions and especially to changes in consumers' media use. A total of €2,076 million (previous year: €1,883 million) was spent on advertising and trade marketing.

Research and development expenses increased by €29 million to €320 million (previous year: €291 million). Some focuses in this respect were on forward-looking technologies and research fields, new digitalization options, and sustainable concepts. Continuous research work, taking into account regional specificities, enables the company to respond to consumers' wishes all around the world.

General and administrative expenses rose from €524 million to €570 million and were mainly driven by resuming travel after COVID-19, strengthening the organization in key areas (such as e-commerce and digital) and investment in digitalization projects.

The **other operating result** (excluding special factors) totaled €-8 million (previous year: €14 million). This development was mainly due to gains from asset disposals from the sale of a property at La Prairie Group AG in the previous year as well as higher value adjustments on receivables in 2023.

Operating result (EBIT, excluding special factors)

The Beiersdorf Group's results of operations are determined on the basis of the operating result (EBIT) excluding special factors. This figure is not part of IFRS Standards and should be treated merely as voluntary additional information. The special factors listed are one-time, non-operating transactions.

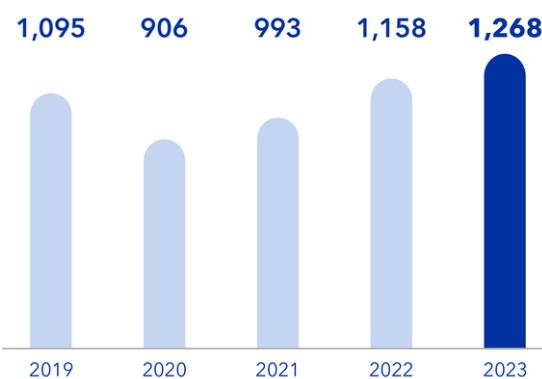
EBIT excluding special factors amounted to €1,268 million (previous year: €1,158 million), while the EBIT margin was 13.4% (previous year: 13.2%). The Consumer Business Segment generated EBIT excluding special factors of €1,002 million (previous year: €880 million). The EBIT margin was 12.9%

(previous year: 12.3%). The tesa Business Segment achieved EBIT excluding special factors of €266 million (previous year: €278 million) and an EBIT margin of 16.0% (previous year: 16.7%).

In **Europe**, the Group posted EBIT excluding special factors of €678 million (previous year: €618 million). The EBIT margin was 16.3% (previous year: 15.9%). EBIT excluding special factors in the **Americas** came to €123 million (previous year: €140 million). The decrease was mainly a result of the devaluation of the Argentinian Peso. The EBIT margin was 5.0% (previous year: 6.6%). In **Africa/Asia/Australia**, EBIT excluding special factors amounted to €467 million (previous year: €400 million). The EBIT margin was 16.7% (previous year: 14.5%).

Group EBIT

Excluding special factors (in € million)



Special factors

The Group special factors totalled €163 million (previous year: €66 million). The special factors include the following impairments of goodwill: Chantecaille €160 million and the tesa unit nie wieder bohren GmbH €4 million and, the impairment of intangible assets from the goodwill associated with the tesa unit Twinlock B.V. in the amount of €5 million (previous year: €8 million). Additionally, they include restructuring expenses for the Supply Chain organization and the Consumer division in the amount of €19 million (previous year: €43 million), expenses from the "Care-Beyond-Skin" program in the amount of €8 million (previous year: €5 million) and expenses of €10 million resulting from a technical incident at the tesa plant Concagno, as well as other expenses of €7 million (previous year: €4 million), which were mainly incurred in connection with the integration of the Chantecaille business. The special effects also include income from the sale of Beiersdorf Daily Chemical (Wuhan) Co., Ltd. in the amount of €11 million and €15 million for the reversal of provisions for performance-related purchase price components in connection with the acquisition of Chantecaille in the financial year 2022, as well as income from insurance benefits relating to the technical incident at the tesa plant Concagno in the amount of €24 million.

Operating result (EBIT)

The operating result (EBIT) amounted to €1,105 million (previous year: €1,092 million). This corresponds to an EBIT margin of 11.7% (previous year: 12.4%).

Financial result

The financial result amounted to €0 million (previous year: €4 million).

Income taxes

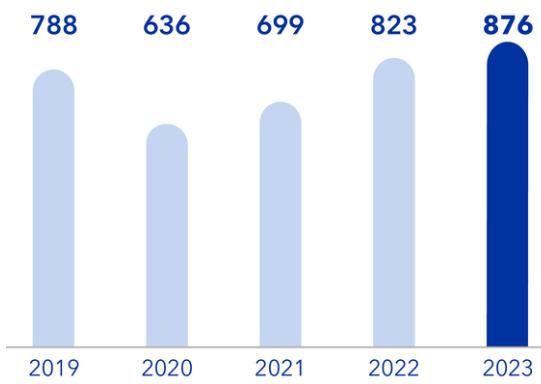
Income taxes totaled €356 million (previous year: €325 million). The tax rate was 32.2% (previous year: 29.6%). Tax benefits in connection with the special factors amounted to €36 million (previous year: €14 million).

Profit after tax

Profit after tax was €749 million (previous year: €771 million). The return on sales after tax was 7.9% (previous year: 8.8%). Excluding special factors, profit after tax increased to €876 million (previous year: €823 million). The corresponding return on sales after tax was 9.3% (previous year: 9.4%).

Group Profit after Tax

Excluding special factors (in € million)



Earnings per share - dividends

Earnings per share stood at €3.24 (previous year: €3.33). Excluding special factors, earnings per share amounted to €3.80 (previous year: €3.56). These figures were calculated on the basis of the weighted number of shares bearing dividend rights (226,818,984). The Executive Board and Supervisory Board will propose a dividend of €1.00 per no-par-value share bearing dividend rights to the Annual General Meeting (previous year: €0.70). For further information on the number, type, and notional value of the shares, please refer to Note 19 "Share Capital" in the notes to the consolidated financial statements.

Results of operations - Business Segments

Consumer

Sales - Consumer Business Segment

(in € million)

	01.01.-31.12.2022	01.01.-31.12.2023	Change (in %)	
			nominal	organic
Europe	3,104	3,364	8.4	9.7
Western Europe	2,505	2,672	6.7	6.8
Eastern Europe	599	692	15.5	21.9
Americas	1,841	2,196	19.3	19.1
North America	900	980	8.8	12.2
Latin America	941	1,216	29.2	25.6
Africa/Asia/Australia	2,186	2,220	1.6	11.1
Total	7,131	7,780	9.1	12.5

Sales in the **Consumer** Business Segment grew organically by 12.5% in 2023. Growth increased by 0.1 percentage points due to structural effects. Exchange rate effects reduced growth by 3.5 percentage points. In nominal terms, sales therefore increased by 9.1% to €7,780 million (previous year: €7,131 million).

All regions contributed to the growth in the Consumer Business Segment. Market share gains were recorded with the NIVEA brand particularly in the Emerging Markets with very strong development in Mexico, Chile, and India, and with the Derma business unit's Eucerin and Aquaphor brands in the

United States, Mexico, and Germany. The Healthcare business also gained market share, particularly in Germany, Australia, Mexico, and Indonesia.

EBIT excluding special items totaled €1,002 million (previous year: €880 million), while the EBIT margin excluding special items was 12.9% (previous year: 12.3%). The special factors in the Consumer Business Segment amounted to €168 million (previous year: €52 million). The special effects shown for the reporting year mainly include impairment of goodwill of Chantecaille in the amount of €160 million, restructuring expenses for the supply chain organization and the Consumer division in the amount of €19 million (previous year: €43 million), expenses from the "Care-Beyond-Skin" program in the amount of €8 million (previous year: €5 million), as well as other expenses in the amount of €7 million (previous year: €4 million), which were mainly incurred in connection with the integration of the Chantecaille business. The special effects also include income from the sale of Beiersdorf Daily Chemical (Wuhan) Co., Ltd. in the amount of €11 million and €15 million for the reversal of provisions for performance-related purchase price components in connection with the acquisition of Chantecaille in the 2022 financial year. The reversal of the performance-related purchase price component due to the reassessment of the contractually defined valuation parameters is driven by both the delayed entry into the Chinese market and the general market development in China and South Korea. The Chantecaille impairment of goodwill is mainly driven by the unfavorable development of the cost of capital, as well as by the factors described above. The operating result including special factors stood at €834 million (previous year: €828 million), while the EBIT margin was 10.7% (previous year: 11.6%).

NIVEA - including Labello - grew organically by 16.2% globally in 2023. Nominal sales increased from €4,732 million to €5,304 million. The strong double-digit sales growth in percentage terms was associated with global gains in market share. NIVEA saw growth in both volume and price. Strong growth was recorded across all regions, driven by the introduction of new products as well as the strong performance of the basic range. All main categories posted growth in 2023. The main growth drivers were NIVEA Deo, NIVEA SUN, NIVEA Body Care, NIVEA Face, and Lip. In the NIVEA Deo category, existing core product lines such as Black & White and Fresh as well as Pearl & Beauty were among the key growth drivers. The NIVEA SUN category recorded significant growth across all regions, particularly driven by the Body and Face segments. The NIVEA Body business grew primarily due to a positive performance by the basic range. NIVEA Face posted double-digit growth, chiefly due to the continuing outstanding success story of the product lines NIVEA CELLULAR LUMINOUS630® and NIVEA Q10. The deprioritized hair care and baby categories saw their sales decline.

The **Derma** business unit again achieved strong organic sales growth of 24.0%. Nominal sales rose to €1,252 million (previous year €1,026 million). The sales growth was spread across all categories and regions. The United States remained a key market with the two brands Aquaphor and Eucerin. South America and our MEA region as well as the strong double-digit growth in Europe also contributed significantly to the growth. By category, the particular sales drivers were Eucerin Sun, which had an extremely successful launch for the Hydro Protect Ultra-Light Fluid, and Eucerin Face, driven by further expansion of the Thiamidol range in the anti-pigment segment. The Aquaphor brand also contributed to the strong global growth, especially in the United States. The e-commerce sales channel remained an important business driver, and its growth continued to outperform other channels.

Healthcare recorded organic sales growth of 4.2%, reaching €267 million (previous year: €261 million). The sales growth was driven by XL+ plasters and brand innovation in the injury care category. This growth was seen in all major markets.

In selective cosmetics, our **La Prairie** brand's organic sales were down by 15.4%. Nominal sales fell from €655 million to €542 million. This result was mainly down due to the challenges in the travel retail

business in Korea and Hainan, which were caused by a strong decline in daigou¹ business and the reduction in inventories, while the expected bounce-back from COVID-19 in China excluding Hainan remained below expectations due to the weak economic environment. The introduction of our Skin Caviar Harmony L'Extrait innovation in China and the relaunch of Skin Caviar Luxe Cream and White Caviar Pearl Infusion helped to mitigate the decline in sales, together with a positive performance in Hong Kong and Japan, which benefited from the return of tourists and from a dynamic local client base. In addition, the travel retail market outside China and Korea recovered strongly.

In the **Europe** region, organic sales were up 9.7% on the previous year. Nominal sales climbed by 8.4% to €3,364 million (previous year: €3,104 million).

In **Western Europe**, organic sales rose by 6.8%. Very healthy growth rates were achieved especially in Spain, Italy, the UK, and France. Sales of NIVEA Deo, SUN, and Lip along with the wound care categories in the Healthcare area developed positively. The Eucerin Face, Body, and Sun categories also contributed especially positively to sales growth. For the La Prairie brand, the negative development of the travel retail business had a significant impact.

Sales in **Eastern Europe** were up 21.9% on the previous year in organic terms. This strong performance is primarily driven by strong growth in Poland, Kazakhstan, and Romania and by the consistently positive performance in other Eastern European countries. The NIVEA Deo, Lip and SUN Care and Eucerin Face, Sun and Body categories performed especially well in the region.

In the **Americas** region, the Consumer Business Segment achieved strong organic sales growth of 19.1%. At €2,196 million, nominal sales were up 19.3% on the previous year (€1,841 million).

In **North America**, there was strong organic sales growth of 12.2%. The NIVEA, Aquaphor, and Eucerin brands were the key growth drivers.

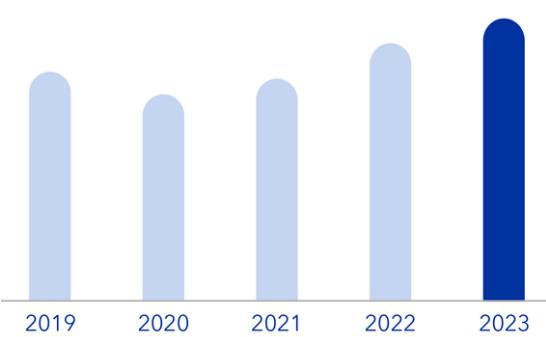
Extraordinary organic sales growth of 25.6% was also achieved in **Latin America**. Sales growth was seen in virtually all countries. This was particularly strong in Brazil, Mexico and Colombia. Both NIVEA and Eucerin were strong growth drivers.

Sales in the **Africa/Asia/Australia** region grew by 11.1% in organic terms. In nominal terms, sales rose by 1.6% to €2,220 million (previous year: €2,186 million). Sales trends were especially positive in Australia, Nigeria, Thailand, and South Africa. In particular, Face, Lip, and SUN all performed very well. Eucerin also achieved strong growth in the region, especially driven by the strong market in Thailand.

¹ Daigou shoppers purchase goods abroad on behalf of domestic customers, offering these customers tax and price advantages over domestic retailers.

Consumer Sales

(in € million)

6,274 5,700 6,129 7,131 7,780**Consumer Sales by Region**

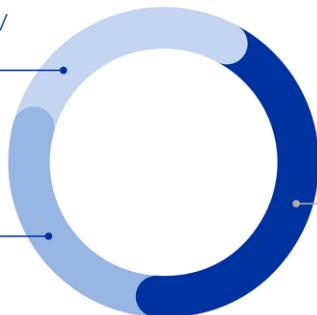
(in %)

28.5Africa/Asia/
Australia**28.2**

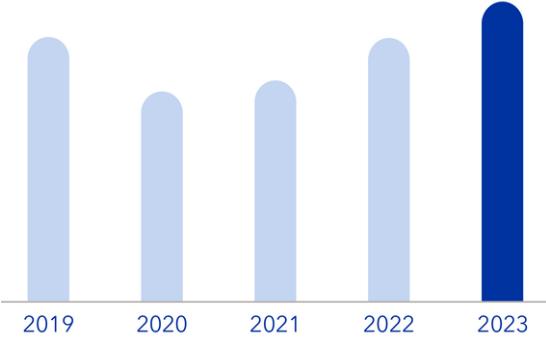
Americas

43.3

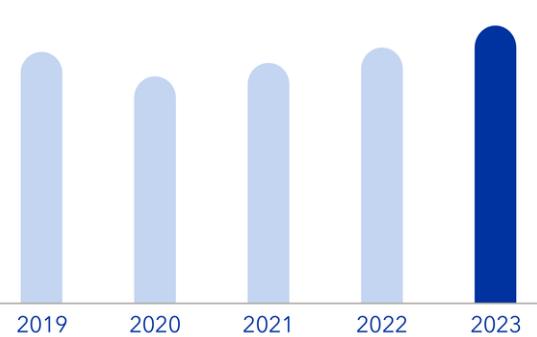
Europe

**Consumer EBIT**

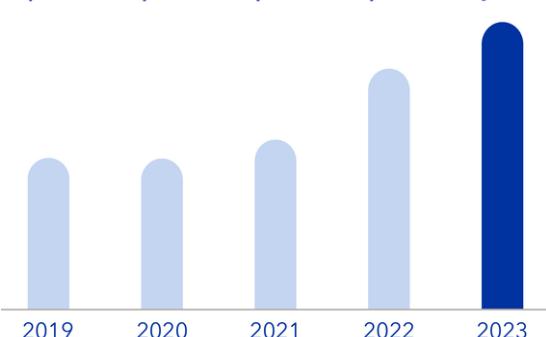
Excluding special factors (in € million)

883 702 740 880 1,002**Consumer Sales in Europe**

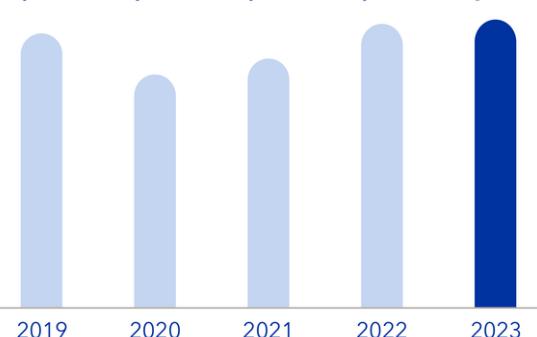
(in € million)

3,027 2,752 2,910 3,104 3,364**Consumer Sales in Americas**

(in € million)

1,145 1,153 1,302 1,841 2,196**Consumer Sales in Africa/Asia/Australia**

(in € million)

2,102 1,795 1,917 2,186 2,220

tesa

Sales – tesa Business Segment

(in € million)

	01.01.-31.12.2022	01.01.-31.12.2023	Development (in %)	
			nominal	organic
Europe	796	797	0.2	1.2
Americas	285	288	1.0	2.4
Africa/Asia/Australia	587	582	-0.8	6.3
Total¹	1,668	1,667	0.0	3.2

¹The total comprises the sales of the tesa Industry, Consumer, and Others divisions.

tesa achieved organic sales growth of 3.2% in 2023 in a challenging market environment. Exchange rate effects reduced this development by 2.7 percentage points and structural effects by 0.5 percentage points. In nominal terms, the sales development was therefore 0.0% compared to the prior year, reaching €1,667 million (previous year: €1,668 million).

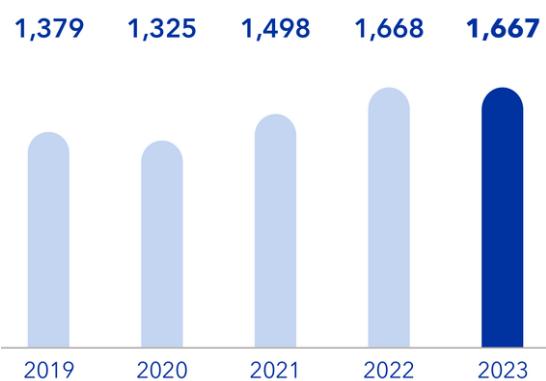
In **Europe**, organic sales were up by 1.2%. Business in the Consumer division in particular continued to grow after a good previous year. Sales in the consumer business developed positively in all markets, including via digital sales channels. In a difficult market environment, the Industry division recorded sales growth, particularly in the automotive sector. In nominal terms, tesa generated European sales of €797 million (previous year: €796 million) and therefore grew by 0.2%. The region's share of Group sales rose to 47.8% (previous year: 47.7%).

In **North and South America**, tesa achieved a positive sales trend with organic growth of 2.4%. The Industry division performed positively, posting sales increases in the automotive market and industrial growth markets. Sales in the end consumer business in Latin America also developed favorably. The region's sales were up by 1.0% in nominal terms to €288 million (previous year: €285 million). The region's share of Group sales rose to 17.3% (previous year: 17.1%).

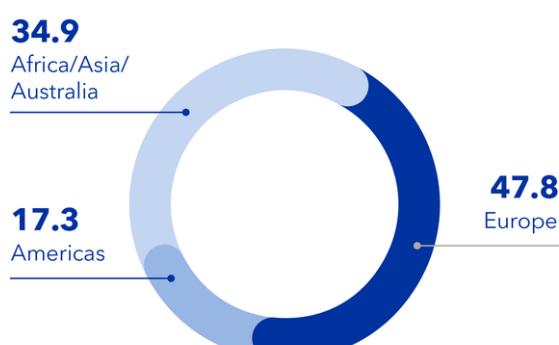
In **Asia**, tesa achieved organic sales growth of 6.3%, particularly due to new project business with products for the electronics industry. The recovery in the automotive sector led to additional business in this region, too. In nominal terms, sales in Asia decreased by 0.8% to €582 million (previous year: €587 million). The region's share of Group sales fell to 34.9% (previous year: 35.2%).

EBIT excluding special factors decreased to €266 million (previous year: €278 million). The EBIT margin excluding special factors was 16.0% (previous year: 16.7%). The special factors in the tesa Business Segment in the amount of €5 million (previous year: €14 million) mainly relate to insurance benefits from the technical incident at the tesa plant Concagno, amounting to €24 million. This is offset by expenses for compensation for the damage in the amount of €10 million. In addition, expenses from the impairment of goodwill from nie wieder bohren GmbH in the amount of €4 million and impairment of intangible assets from tesa Twinlock B.V. in the amount of €5 million, which were recognized in the past as part of the purchase price allocation together with the goodwill, are included. The goodwill of tesa Twinlock B.V. was already fully depreciated in the financial year 2022. The operating result including special factors stood at €271 million (previous year: €264 million), while the EBIT margin was 16.3% (previous year: 15.8%).

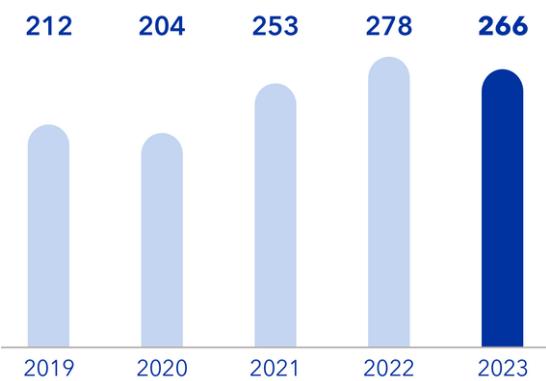
tesa Sales
(in € million)



tesa Sales by Regions
(in %)



tesa EBIT
Excluding special factors (in € million)



Industry

tesa **Industry** posted solid sales growth in the 2023 fiscal year. The price rises implemented in the previous year and the good performance in the automotive business areas made a substantial contribution to this. The Industry division recorded organic sales growth of 3.7%. Nominal sales decreased by 0.4% to €1,292 million (previous year: €1,297 million). The share of the Industry division in total sales was 77.5% (previous year: 77.8%).

The **automotive** business achieved double-digit growth again in 2023. The **electrical systems** business achieved very strong organic growth. On the back of global market growth, tesa benefited from new projects with both OEMs and their suppliers. Examples included automated adhesive tape solutions for vehicle bodywork (hole covering), security labels, and masking applications, as well as specialist adhesive tape solutions for abrasion protection and soundproofing. The focus on e-mobility and display applications also yielded further growth. tesa continued to drive its ongoing expansion of the product range in close cooperation with automotive manufacturers and suppliers in line with the transformation of the automotive industry.

In **consumer electronics**, tesa was unable to fully match the previous years' very strong growth rates. Amid a sharply contracting market environment, particularly in the first half of the year, tesa performed well and closed fiscal year 2023 with strong growth. This growth was driven by innovative adhesive tape solutions for the manufacture of smartphones and tablets. These included acrylic foams for mounting smartphone displays and rear casings, as well as the use of innovative reactive tapes.

Sales in other areas fell back in the course of 2023. In **printing and paper**, sales figures were slightly below the level of the prior year. Overall weak market demand and customers' inventory reduction measures contributed to this. The adhesive tape business in the household appliance industry declined significantly. tesa is represented here with products for securing loads during transport, for example. Positive momentum came from increased demand for more sustainable adhesive tape solutions for the packaging industry.

The **industrial distribution** business was also characterized by falling demand in 2023, and sales were down on the previous year's figure. This was particularly the case in Europe and North America. Price rises due to higher material and energy costs made a positive contribution to sales performance, as did the transformation of the product range toward greater sustainability. New product generations with the same high performance but considerably reduced carbon footprints were successfully introduced to the market.

Consumer

Organic sales in the **Consumer** division increased by 2.5% amid a challenging market environment. In nominal terms, this translated to growth of 2.3%, lifting sales to €371 million (previous year: €363 million). As a result, the Consumer division contributed 22.3% (previous year: 21.8%) of tesa's total sales in the reporting year.

Business with private consumers and professional craftsmen grew moderately in Europe and Latin America. This was due to significant effects from price adjustments, product launches such as the more sustainable tesafilm® Eco & Crystal, bathroom accessories, and successfully realized customer projects.

Mounting tapes and tapes for painters and repairs were the primary growth drivers in the product range, while the sale of packaging tapes declined.

In terms of sales channels, there was growth particularly in the hardware store business and in e-commerce. Against the backdrop of declining construction activity, we achieved slight growth in business with professional craftsmen. However, the stationery business was slightly below the previous year.

Net assets

Net assets – Group

(in € million)

Assets	Dec. 31, 2022	Dec. 31, 2023
Non-current assets	6,806	6,517
Inventories	1,557	1,514
Other current assets	2,905	3,465
Cash and cash equivalents	1,080	1,133
	12,348	12,629

Equity and liabilities	Dec. 31, 2022	Dec. 31, 2023
Equity	7,805	8,339
Non-current provisions	528	500
Non-current liabilities	254	286
Current provisions	614	629
Current liabilities	3,147	2,875
	12,348	12,629

Non-current assets decreased by €289 million to €6,517 million (previous year: €6,806 million). Long-term securities decreased by €509 million to €2,675 million (previous year: €3,184 million). The decline in this item is mainly due to increased investment in short-term securities. Capital expenditure on property, plant, and equipment, and investment in intangible assets amounted to €517 million (previous year: €1,137 million). Of this amount, €418 million related to the Consumer Business Segment (previous year: €1,054 million, of which €532 million for the Chantecaille acquisition) and €99 million related to the tesa Business Segment (previous year: €83 million). The capital expenditure in 2023 primarily involved securing the future of the Beiersdorf sites and expanding them, increasing capacity at the production locations, and constructing the new Beiersdorf Group headquarters. Depreciation and impairment losses amounted to €449 million (previous year: €287 million). The increase in this item is mainly related to the goodwill impairment at Chantecaille.

Inventories decreased by €43 million to €1,514 million (previous year: €1,557 million). **Other current assets** increased to €3,465 million (previous year: €2,905 million). This item includes short-term securities of €1,227 million (previous year: €771 million). Trade receivables increased by €90 million to €1,598 million (previous year: €1,508 million). Income tax receivables amounted to €227 million (previous year: €205 million), while other current assets increased by €14 million to €253 million (previous year: €239 million).

Cash and cash equivalents increased to €1,133 million (previous year: €1,080 million). Net liquidity (cash, cash equivalents, and long- and short-term securities less current and non-current lease liabilities less other financial liabilities) increased by €143 million to €4,620 million (previous year: €4,477 million). Other financial liabilities decreased by €184 million to €183 million (previous year: €367 million). The remaining short-term borrowings are mainly from Beiersdorf AG to TROMA Alters- und Hinterbliebenenstiftung.

Financing Structure

(in %)



Total **non-current provisions and liabilities** stood at €786 million (previous year: €782 million). This item includes provisions for pensions and other post-employment benefits, which amounted to €350 million (previous year: €382 million). Deferred tax liabilities stood at €133 million (previous year: €137 million).

Total **current provisions and liabilities** decreased by €257 million to €3,504 million (previous year: €3,761 million) as a result of the decline in current financial liabilities and in trade payables. The equity ratio was 66% (previous year: 63%). Non-current liabilities accounted for 6% (previous year: 6%) and current liabilities for 28% (previous year: 31%).

Significant changes in Beiersdorf's capital structure are not expected.

Financial position

Cash Flow Statement - Group

(in € million)

	2022	2023
Gross cash flow	1,084	1,057
Change in net current assets	-287	-116
Net cash flow from operating activities	797	941
Net cash flow from investing activities	-402	-341
Free cash flow	395	600
Net cash flow from financing activities	-345	-492
Other changes	-6	-55
Net change in cash and cash equivalents	44	53
Cash and cash equivalents as of Jan. 1	1,036	1,080
Cash and cash equivalents as of Dec. 31	1,080	1,133

Gross cash flow amounted to €1,057 million in the period under review, down €27 million on the prior year's value.

The change in working capital led to an outflow of €116 million (previous year's outflow: €287 million). The decrease of €43 million in inventories was accompanied by a €108 million increase in receivables and other assets and a decrease of €51 million in trade payables and current provisions.

The net cash outflow from investing activities amounted to €341 million in the reporting year (previous year: €402 million). Net investments of €67 million in the sale of securities, interest and other financial income received of €75 million, proceeds of €16 million from the sale of intangible assets and property, plant, and equipment, as well as proceeds from the sale of subsidiaries and non-current assets held for sale of €23 million were offset by capital expenditure of €517 million for property, plant, and equipment and intangible assets as well as payments for investments in associated companies and other investments of €5 million.

Free cash flow was €600 million, up by €205 million on the prior-year value (€395 million). The net cash outflow of €492 million from financing activities (previous year: €345 million) comprised the Beiersdorf AG dividend payment of €159 million, and other financial cash outflows in the amount of €333 million.

Cash and cash equivalents amounted to €1,133 million (previous year: €1,080 million).

Financing and liquidity provision

Hedging currency, interest rate, and default risks as well as investing liquid assets are at the heart of financial management at Beiersdorf. Providing liquidity for the Group is also a paramount objective. The type and volume of transactions are in line with the basic operating and financial business. Scenarios and rolling 12-month cash flow planning are used to establish liquidity requirements. Details on financial risk management can be found in the notes to the balance sheet, Note 29.

Overall assessment of the Group's economic position

Overall Assessment of the Group's economic Position

		Result in 2022	Forecast for 2023 2022 Annual Report	Forecast for 2023 in H1 2023 Report	Forecast for 2023 in 9M 2023 Quarterly Statement	Result in 2023
Sales growth (organic)						
Consumer	(in %)	10.5	in the mid-single-digit range	in the high-single-digit to low-double-digit range	in the low-double-digit range	12.5
tesa	(in %)	8.8	in the mid-single-digit range	in the mid-single-digit range	in the low-to-mid-single-digit range	3.2
Group	(in %)	10.2	in the mid-single-digit range	in the high-single-digit to low-double-digit range	in the low-double-digit range	10.8
EBIT margin (excluding special factors)						
Consumer	(in %)	12.3	50 basis points above the previous year's level	50 basis points above the previous year's level	50 basis points above the previous year's level	12.9
tesa	(in %)	16.7	slightly below the previous year's level	slightly below the previous year's level	slightly below the previous year's level	16.0
Group	(in %)	13.2	slightly above the previous year's level	slightly above the previous year's level	slightly above the previous year's level	13.4

The **Group** generated sales of €9,447 million (previous year: €8,799 million). Organic sales were up by 10.8% (previous year: increase of 10.2%). EBIT excluding special factors reached €1,268 million (previous year: €1,158 million). The EBIT margin excluding special factors was 13.4% (previous year: 13.2%).

The **Consumer** Business Segment can once again look back on a strong fiscal year 2023, on the basis of which we have continued investing heavily in our strategic fields. This includes the important area of digitalization, where the exceptional growth in our e-commerce sales is most notable. The increase in sales here played a significant role in overall growth, particularly in emerging markets. In the area of sustainability, we were able to launch innovative solutions on both the formula and packaging level, thereby significantly advancing our sustainability strategy.

The Consumer Business Segment again achieved double-digit organic sales growth of 12.5% in 2023 (previous year: 10.5%). This again demonstrated that Beiersdorf is strongly positioned with its wide-ranging portfolio. In particular, the strong performance of NIVEA and Derma more than compensated for the weaker performance of our luxury brands.

Our core brand NIVEA achieved double-digit growth in both Skin Care and Personal Care. All relevant sub-categories contributed to this growth. Particularly notable are the exceptional performance of the Skin Care business in the face care, sun care and lip care categories, as well as the growth in Personal Care with the deodorants category. The Derma business with the Eucerin and Aquaphor brands continued its success from previous years and achieved strong growth in both sales and market share. Innovations related to the active ingredient Thiamidol and very healthy e-commerce business were also growth drivers in 2023. Even with the prior year's strong figures, Healthcare could once again achieve good growth figures, both in established markets such as Germany and Australia and in growth markets such as India and Mexico. Luxury business with the La Prairie and Chantecaille brands can reflect on a difficult year in 2023. In particular, limitations on travel business in China and South Korea resulted in lower sales for both brands. The proactive streamlining of inventories in the second half of the year also

had a short-term dampening effect on sales growth. The operating result (EBIT, excluding special items) and the corresponding EBIT margin improved as planned despite significant investments to implement the strategy. The Consumer EBIT margin excluding special factors was 12.9% (previous year: 12.3%).

The **tesa** Business Segment achieved organic sales growth of 3.2% in 2023 (previous year: 8.8%) amid a continued challenging global market environment. The Industry division, which handles business directly with industrial customers and industry trade, and the Consumer division, which comprises sales to end consumers and tradespeople, both recorded an increase in sales compared to the previous year. In particular, the business areas Automotive, with double-digit growth rates, and Electronics showed positive sales trends. The tesa EBIT margin excluding special factors was 16.0% (previous year: 16.7%).

Geopolitical crises and conflicts had no material impact on Beiersdorf's earnings, net assets or financial position. In a dynamic and challenging environment, Beiersdorf achieved healthy growth and returns in the fiscal year 2023.

Beiersdorf AG

Business activities

Beiersdorf AG is based in Hamburg (Germany) and is the parent company of the Beiersdorf Group. As of December 31, 2023, Beiersdorf AG employed 2,439 people (previous year: 2,415). The number of vocational trainees and trainees not included in this figure was 114 (previous year: 115).

Beiersdorf AG is responsible for the German Consumer business and provides typical holding company services to its affiliates. In addition to its own operating activities, the company manages an extensive investment portfolio and is the direct or indirect parent company of over 200 subsidiaries worldwide. Beiersdorf AG also performs central planning/financial control, supply chain, treasury, and human resources functions, as well as a large proportion of research and development activities for the Consumer business. In addition, the company is responsible for the regional management of European sales and the procurement of products as well as global royalty management.

Beiersdorf AG's operating business is one part of the Beiersdorf Group's business activities. The entire company is managed on the basis of the key performance indicators outlined in the "Management and Control" section of the Combined Management Report. It is only possible to gain a full insight into the key performance indicators at the level of the Group.

The net assets, financial position, and results of operations of Beiersdorf AG are dominated by its own business activities and by the activities of its affiliates in the form of royalty income and dividend income. Consequently, the economic position of Beiersdorf AG essentially corresponds to that of the Group as a whole. Similarly, the opportunities and risks as well as the expected business development for Beiersdorf AG correlate closely with those for the Group, particularly regarding the growing global political and economic uncertainties and their potential impact on our key procurement, transport, and sales markets.

Basis of preparation

The annual financial statements of Beiersdorf AG are prepared in accordance with the provisions of the *Handelsgesetzbuch* (German Commercial Code, *HGB*) and the *Aktiengesetz* (German Stock Corporation Act, *AktG*). The recommendations of the German Corporate Governance Code that are relevant to the annual financial statements were taken into account.

Result of operations - Beiersdorf AG

Income Statement - Beiersdorf AG in accordance with HGB

(in € million)

	2022	2023
Sales	1,429	1,727
Other operating income	47	35
Cost of materials	-306	-327
Personnel expenses	-331	-364
Depreciation and amortization of property, plant, and equipment and intangible assets	-41	-46
Other operating expenses	-797	-962
Operating result	1	63
Net income from investments	352	303
Net interest expense	-19	-59
Other financial result	1	-5
Financial result	334	239
Profit before tax	335	302
Income taxes	-27	-37
Profit after tax	308	265
Transfer to other retained earnings	-132	-13
Net retained profits	176	252

Beiersdorf AG's **sales** increased by €298 million to €1,727 million in the reporting year (previous year: €1,429 million). This includes product sales of the Consumer Germany division as well as royalty income and income from the provision of services to affiliates. €997 million (previous year: €1,023 million) of sales were generated in Germany and €730 million (previous year: €406 million) in other countries.

The **operating result** rose by €62 million to €63 million due to considerably higher sales accompanied by a sharp increase in other operating expenses as a result of one-off compensation payments due to settlement payment agreements.

The **financial result** deteriorated by €95 million compared to the previous year. This decline resulted from a lower net income from investments of €49 million, a €40 million drop in net interest expense, and a €6 million decrease in other financial result.

Accordingly, **profit before tax** was down by €33 million at €302 million compared to previous year.

Profit after tax amounted to €265 million (previous year: €308 million).

Net assets and financial position - Beiersdorf AG

Balance Sheet - Beiersdorf AG in accordance with HGB

(in € million)

	Dec. 31, 2022	Dec. 31, 2023
Assets		
Intangible assets	110	80
Property, plant, and equipment	193	382
Financial assets	5,879	5,421
Fixed assets	6,182	5,883
Inventories	4	9
Receivables and other assets	896	1,065
Securities	82	561
Cash and cash equivalents	18	43
Current assets	1,000	1,678
Prepaid expenses	7	7
Deferred tax assets	102	132
	7,291	7,700
 Equity and liabilities		
Equity	2,913	3,019
Provisions for pensions and other post-employment benefits	643	634
Other provisions	329	329
Provisions	972	963
Liabilities	3,406	3,718
	7,291	7,700

Fixed assets fell by a considerable €299 million year-on-year. This decrease was largely due to the maturity and sale of long-term government and corporate bonds. The additions to property, plant, and equipment of €205 million include €184 million in connection with the completion and commissioning of the new Beiersdorf Campus. Investments in property, plant, and equipment were offset by depreciation of €17 million.

Current assets increased by €678 million over the fiscal year to €1,678 million. This includes short-term securities of €561 million (previous year: €82 million). The increase in this item is mainly due to an increase in new investments of cash and cash equivalents in short-term government and corporate bonds. In addition, financial receivables from affiliated companies increased by €157 million under receivables and other assets.

In contrast, liabilities decreased by a considerable €312 million year on year to €3,718 million. This was mainly due to an increase of €416 million in financial liabilities to affiliated companies.

€3,019 million (previous year: €2,913 million), or 39.2% (previous year: 40.0%), of the total balance sheet assets of €7,700 million (previous year: €7,291 million) is financed by **equity**.

The Executive Board and Supervisory Board will propose a **dividend** of €1.00 per no-par-value share bearing dividend rights to the Annual General Meeting (previous year: €0.70).

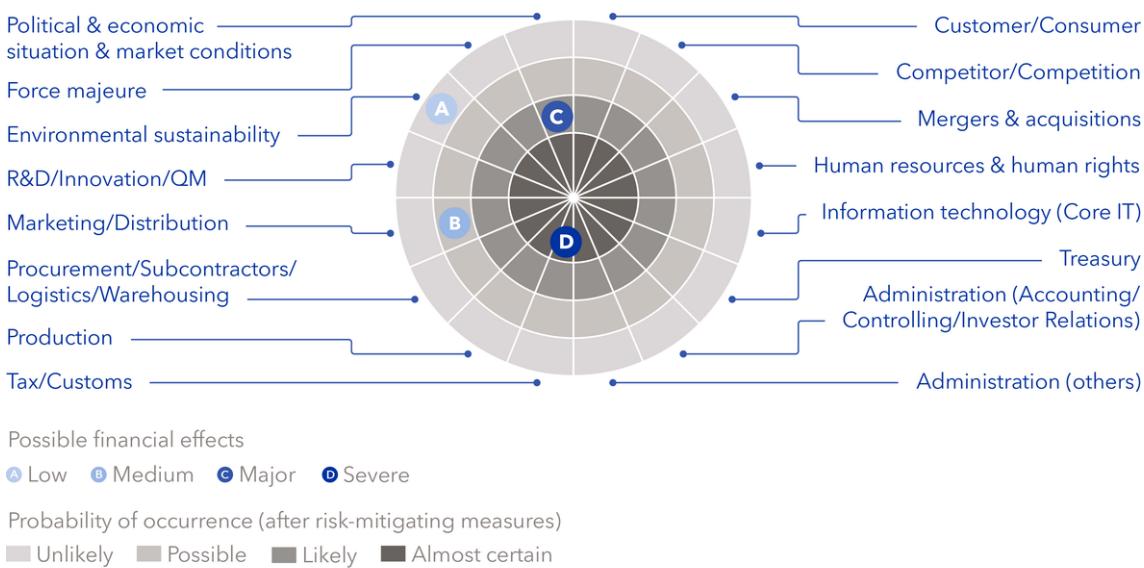
Risk Report

Risks and opportunities

In the course of its business activities, the Beiersdorf Group is exposed to a multitude of risks and opportunities. These risks and opportunities result, among other things, from its activities that seek to develop and make use of opportunities to improve the company's competitiveness. Risks and opportunities encompass specific events and developments with a certain probability of occurrence that may have material negative or positive financial and/or non-financial effects on the achievement of the Beiersdorf Group's objectives. Beiersdorf uses an integrated risk and opportunity management system to identify and evaluate material risks at an early stage and to consistently limit them using counteractive measures. This system is coordinated at Group headquarters.

Beiersdorf Risk Radar

Schematic diagram



Integrated risk and opportunity management system

The risk and opportunity management system at Beiersdorf is an integral part of the central and local planning, management, and control processes in the individual companies, management units, and regions, at Consumer and tesa Business Segment levels, and at Group level. Risk and opportunity management is complemented by the accounting-related internal control systems, the various internal and external monitoring bodies - supported by Internal Audit - and external auditors. Compliance management, which is also relevant in this context, is described extensively in the chapter "Non-financial Statement."

Risk and opportunity management is closely aligned with corporate strategy and helps Beiersdorf to identify its potential and to analyze and make optimal use of this potential while always taking risks into account. Regularly performing analyses of customers and the competition, for example, enables a swift response to dynamic market developments. Specific market opportunities and risks are derived from the information obtained.

Beiersdorf actively incurs risks only if there is a corresponding opportunity for an appropriate increase in value, and only if they can be managed using established methods and measures within the relevant organization. In cases where the full avoidance of risks is not possible or reasonable, risks are mitigated using appropriate measures, or are transferred to third parties such as insurance companies.

Within the risk management process, periodic inventories are carried out to identify, evaluate, document, and subsequently communicate the material risks in a structured way along with the measures to manage these risks. The corresponding principles, reporting and feedback processes, and responsibilities are laid out in a directive that applies across the Group. This is updated regularly.

Beiersdorf Risk Presentation

Strategic, functional & operational risks	Probability of occurrence	Possible financial effects
	Unlikely	Low
	Possible	Medium
	Likely	Major
	Almost certain	Severe

Unlikely (< 10%)

Possible (10% < - < 50%)

Likely (50% < - < 90%)

Almost certain (> 90%)

Beiersdorf distinguishes between strategic, functional, and operational risks. Strategic risks encompass fundamental frameworks, developments, and events that could have a substantial impact on the Group's business model or its business segments. Functional risks are challenges inherent to the business model. The various specialist functions generally work at the global or regional level to counter these risks, with sustainable actions relating to the design of operational and organizational structures as well as with specific individual measures. The opportunities and risks associated with climate change are also particularly integrated into strategic and functional risk management. Operational risks and opportunities are those that may influence short-term sales and profits of our corporate affiliates. Appropriate observation periods are assigned to these risk categories.

A period of five years generally applies for strategic risks. For functional risks, the period is two years as a rule, and for short-term operational risks one year.

In the Group's internal risk reporting, individual risks are uniformly presented by positioning them on the Beiersdorf Risk Radar. The various fields of the radar reflect, in summarized form, the relevant areas for the company both inside and outside the Group that may give rise to risks. The graph on the previous page (Beiersdorf Risk Radar) shows the structure of the risk radar for strategic risks. By combining financial, sustainability-related, and legal compliance topics in a single system, the radar has been expanded from 8 to 16 topics.

For each category, the risks are also classified based on their probability and the potential financial and non-financial impact of their occurrence. The likelihood of occurrence and impact of risks are

determined on a net basis, assuming that risk-mitigation measures have already been implemented or at least that specific plans for them exist.

The Executive Board and supervisory bodies are regularly updated on the risk situation at Consumer and tesa Business Segment levels and at Group level. Besides this, direct lines of communication ensure that suddenly occurring material risks are also reported immediately to management. Continuous information sharing with the Corporate Development function additionally encourages the consideration of risk aspects in the support provided to management. Central risk management is also in constant communication with topic-specific task forces, which are created by the Executive Board as necessary.

The Corporate Risk Board (CRI_B), which was newly established in 2022, continued its work in the reporting year and is a key body advising the Executive Board on risk management matters. The CRI_B continues to consist of the heads of important, mostly globally responsible corporate departments comprising multiple areas of responsibility (Marketing, Quality Management, Internal Audit, Communication, Sustainability, Group Accounting, IT Security, Legal). The task of this body is to collate the various risks – both those already known and those newly identified by the Corporate Risk Board – using a broad-based approach and to analyze them in depth and present them in summarized form. By bringing together many different perspectives, it provides Beiersdorf with important collective intelligence, further improving and complementing the existing analysis of material risks.

As in the previous year, in analyzing the material risks and opportunities, the Executive Board and Supervisory Board looked at the comparison of the qualitatively and quantitatively aggregated risk portfolio with the updated financial total risk-bearing capacity. The aim was again to determine whether there was any need for a change in the overall assessment of the risk situation (see below) on this basis.

To ensure maximum transparency and accountability, Beiersdorf's financial risk-bearing capacity is calculated based on average net liquidity. The available free cash flow to be used for the development of net liquidity in the multi-period perspective is adjusted solely for the previously deducted investments in securities and effects from past M&A transactions. The calculation of risk-bearing capacity is therefore based on a very conservative approach, as it deliberately does not take into account potentially significant short-term increases in our liquidity, which could be used in actual crisis situations.

These increases could include, for example, new and/or increased credit lines, the release of hidden reserves, the sale of fixed assets, individual business units, or own shares from our portfolio, the temporary suspension of dividend payments, or the reduction of planned investments in the market or in maintaining/expanding our fixed assets. Lastly, for net liquidity and cash flow, we have used only the average for the last five years, rather than the higher recent figures for 2023.

As a result of comparing the risk situation with risk-bearing capacity, it can be concluded that, over the relevant observation period of the next two years, the current risk portfolio, revalued during the reporting year, would still not give rise to a financial situation even remotely endangering the Beiersdorf Group's continued existence, even given the full and simultaneous occurrence of all the individual risks.

Description of the material risks and opportunities

Strategic risks and opportunities

All strategic risks that already existed in 2022 or newly emerged in the 2023 reporting year were again subjected to a comprehensive review. Where necessary, we adjusted the precise definitions of these risks and our assessment of their probability and/or impact. This analysis showed no material year-on-year change in the overall risk situation. Increased risk in some areas, such as climate-related effects

along the entire value chain, were offset by lower risks in others, for example in relation to the energy supply situation. In addition, in line with our cautious approach, we have currently completely removed opportunities beyond our medium-term planning from the quantitative net calculation of the risk portfolio. This approach was also taken in the previous year. We have also removed some risk aspects, that, we regard as part of the day-to-day challenges we continuously face as part of our business model, from the definition of strategic risks, since these are generally already captured by our financial planning. These include, for example, recurring disputes with retailers over pricing, diverse attacks on our brands and products by competitors, and, in particular, the defense of our trademarks and product claims.

1. Reputational risks to brands and the company

Maintaining and increasing the value of our major consumer brands with their broad appeal remains of decisive importance to Beiersdorf's business development. The trust of our customers and, in particular, of the consumers of our products, is essential to this and cannot be taken for granted. We have designed our risk management system to fully justify this trust and to provide enduring, successful protection to the value of our brands. We continuously review our internal processes in all areas of the company in order that we can respond appropriately, correctly, and effectively to any events that could harm or threaten our reputation. Combined with the activities described below in relation to the quality of our products and overall market image, we expect this to help prevent any potential reputational problems from escalating into critical issues. This applies equally to our brands and to our company as a whole. Our extensive operational and communication measures in relation to sustainability, diversity, and other aspects of Corporate Social Responsibility (CSR) also help to limit the risks. In the short term, however, we see a slight increase in net risk as a result of the new Lieferkettensorgfaltspflichtengesetz (German Supply Chain Due Diligence Act, LkSG), despite all the measures already implemented. We categorize the risks to the reputation of our brands and our company as **medium and possible** overall.

2. Critical ingredients

For a clearer distinction and risk assessment, we have presented the risk arising from the use of critical ingredients separately from general procurement risks in this report. Our research and development department, with its broad expertise and geographical coverage, ensures that we always comply with all local legal requirements. It is supported in this by a specialized regulatory affairs function. We are also in permanent dialogue with the relevant authorities so that we can react in good time when changes to product formulation requirements begin to emerge. As a member of the relevant associations, particularly at the European level, we as a company receive early notice of emerging changes. This also includes our regular dialogue with the key suppliers. In the reporting year, we made further improvements to our internal process for dealing with critical ingredients. However, we note that challenges are growing with the further spread of digital applications and channels critical of the ingredients used in the cosmetics industry. We continue to categorize the risk as **medium and possible**.

3. Accelerating digitalization

The penetration of digital technology in **consumer interaction all along the marketing and sales process** is still constantly increasing. Beiersdorf therefore continues to work hard at planning and implementing these interactions in a way that makes them as specific to the target group as possible. We made considerable efforts in precision marketing in 2023, enabling us to invest significantly more effectively. At the same time, we put in place organizational measures for even more integrated working, across all brands, between the functions and IT in close collaboration with the business. Specifically in **e-commerce**, we further increased our resourcing to reflect the growing importance of this channel. Recruiting and retaining suitable talent remains a big challenge. This is

particularly the case in the field of data analysis, which is crucially important for generating fast and accurate information to guide our actions, including in close dialogue with our customers. Another aspect is ensuring the full **protection of private data**. Our data protection management system, globally steered and locally implemented, helps us ensure that sensitive data of our company, business partners, and consumers is handled securely at all times. This includes, for example, the development and use of our social media presence and the development of new software solutions. These efforts are complemented by clear internal rules of conduct, transparent management structures, extensive training and monitoring activities, and, in the case of data protection, further work on global roll-out. In this reporting period, as a result of our various measures, we regard the risk as **medium and possible**.

4. Growing political and economic uncertainty

The **global political situation** remained very fraught in the reporting period. Alongside the war in Ukraine, the new military conflict in the Middle East is causing uncertainty, as it is unclear whether it will spread to the wider region. Any such spread could then also have somewhat larger direct impacts on our business in this region. While the US-China relationship has not deteriorated further in recent months, it continues to represent significant uncertainty.

The outlook for the world economy is difficult to assess overall, since the effects of the very sharp interest rate hikes of the last 18 months may take some time to be fully reflected in the economic figures. Highly indebted countries in particular are at high risk if materially higher borrowing costs weigh on current budgets. The same applies to highly indebted individual companies with which Beiersdorf has a direct or indirect business relationship. The real estate crisis in China is potentially a not-to-be-underestimated factor in this regard. At the same time, Beiersdorf remains geographically relatively well balanced across all its divisions, without extreme dependency on a particular market. Potential market entries in new countries are comprehensively evaluated in their economic and political context. In the case of Russia, care is taken to strictly comply with all sanctions. Nevertheless, we categorize the risk from the impact of an escalating military conflict or economic crisis in a market relevant to Beiersdorf as **major and possible** overall.

5. Shortage of raw materials, natural resources, and energy

The general procurement situation has improved in recent months with the easing of COVID-19-related restrictions in the global supply chain. This is also evident in falling prices for some important raw materials and packaging materials, even though many categories have not reached the price level seen before the pandemic. The same applies to the energy supply, which is regarded as largely secure at the current time. To allow us to respond swiftly and appropriately to potential future supply crises, we are continuously monitoring our markets and suppliers and use appropriate contract management. Procurement also carefully manages the scope, timing, and frequency of our individual purchases. Strategic partnerships remain an important element of actively managing our supplier portfolio, as do internal programs designed to ensure the agility of the supply chain as a whole and its resilience to disruption. In addition, we are intensively seeking potential cost reductions throughout the value chain as part of the continuation of our broad-based value engineering project. While we see overall positive trends, this area remains one of significant uncertainty. Therefore, we regard the strategic and functional risks in relation to availability and price trends on the procurement side as **medium and possible** given the volatile environment.

6. Cybersecurity

As part of the review of our strategic risks, we have now returned to reporting the risk from threats to our IT system and the IT systems of our direct business partners as a specific individual risk. This reflects the special and further increasing significance of this risk. This year, the risk of physical unavailability of critical infrastructure excluding IT (chiefly production and storage centers, including

transport) has been allocated to risks from climate change. With regard to cybersecurity, we successfully defended ourselves again in 2023 against direct and indirect attacks on our own IT systems. We achieved further improvements in IT infrastructure, particularly in cloud services. We used technical and training-based measures to reduce the particular risk arising from increased working from home. We also repeated our ISO 27001 certification as an important independent confirmation of our efforts. In addition, we began to even better protect our operational systems along the value chain. In light of the growing overall number of threats, we categorize the risk as **medium and possible**, despite all the progress achieved.

7. Growing ESG requirements

Regulatory requirements in this area are constantly increasing. This is due particularly to the European Green Deal, which is implemented through national law, and to the Lieferkettensorgfaltspflichtengesetz (German Supply Chain Due Diligence Act, LkSG). Irrespective of legal requirements, Beiersdorf has been setting very high goals. This is evident from our own specific sustainability targets in relation to packaging reduction and avoidance, as well as climate protection. We are continuing to follow through on implementing our new plastics cycle strategy, first announced in 2021, along with our efforts to develop and use sustainable packaging and applications. We have continuously increased our ability to transparently measure progress against interim targets. In 2023, we again held various events in different formats that were designed to help improve the awareness and understanding of our employees and managers around the topics of the environment and sustainability. We also organized a global diversity and inclusion week in 2023 to share our progress and announce ambitious new targets, for example in relation to people with disabilities. To meet the requirements of the new LkSG, we held training programs primarily on aspects related to human rights, both internally and for our suppliers. At the same time, we began assessing and auditing suppliers in relation to this legislation. Given their large number, it will take an extended period of time for this process to cover all our business partners. We anticipate that expectations on the part of the public, NGOs, and our customers will continue to grow in relation to both our environmental protection efforts and our actions as a responsible corporate citizen. We therefore still categorize this risk as **major and possible**.

8. Climate change-related effects along the value chain

In this new risk category, we include all the possible impacts of climate change on our entire value chain - from procuring crucial raw materials and packaging to transporting products to end customers. In 2023, we arranged for an extensive external study on risk trends at our own locations between now and 2040. The resulting insights are now being translated into appropriate packages of measures. We have also begun to set up continuous monitoring of these risks, including for critical ingredients. Particular attention is being paid to the water supply at our production sites. We are also constantly updating our emergency plans for critical infrastructure and supplies so that we can swiftly and fully respond to such situations. At the current time, we categorize this risk as **medium and possible**.

9. Shortage of talent and skills

Another risk, which we are now upgrading from a functional risk to a strategic risk, relates to the growing challenge of recruiting and retaining suitable talent and providing all of our individuals with appropriately swift and comprehensive training on new technologies. This risk affects both our German locations and our national companies, particularly in relation to all activities with a strong digital component. Beiersdorf is competing here not only with other players in our industry but also especially also with technology firms both large and small. As our most important measure, we therefore worked urgently in the reporting year on a new employer branding program, which we will shortly roll out worldwide. We have also stepped up our presence on social media, including by

involving all senior managers in our external communications, so as to raise Beiersdorf's profile and increase awareness of us as an attractive employer. Partnerships and contacts with universities also serve to build links with qualified potential new employees so that we can prepare them for a career at Beiersdorf through special trainee programs. As in previous years, we reviewed our employees' satisfaction using an external, standardized, and anonymous survey, comparing the results both to our own track record and the wider market. The results showed a further slight improvement on the previous year's very high satisfaction level. The even greater focus internally on regular, high-quality personal development meetings and measures should have contributed to this. We have launched training programs to tailor employees' skills to the constantly growing requirements, particularly in relation to digital technology. These cover general and function-specific skills for which our various academies are responsible. Given our current competitive strength, we currently assess this risk to be **low and possible**.

10. Generative artificial intelligence

We have listed this risk, which also represents an incredible opportunity, separately from the risk of general digital acceleration in order to reflect the very rapid pace of developments in this area. As a brand owner, Beiersdorf is also exposed to particular challenges here. We distinguish between two types of risks: firstly, risks arising from the feeding of data to external models, and secondly, risks arising from the use of these models' output. In response to the rapid growth of Chat GPT and similar tools, we quickly published binding legal guidance that all Beiersdorf employees must follow when using these applications. This is designed in particular to avoid errors in the handling of copyrights and data protection. We have also put our own Beiersdorf GPT environment in place, where the models can be trained securely on our own data. The insights from the first large-scale application cases are being communicated in such a way that they can be applied to other trials. Alongside research and development, we have begun particularly in marketing to intensively explore the risks and opportunities as part of a task force. This work is looking at both creative opportunities and productivity-boosting aspects of the new technology. We will continue to work on shaping the framework for the safe use of these tools. At the current time, and partly because the application cases are still limited, we categorize the risk as **low and unlikely**.

Functional risks and opportunities

We once again had all functional risks and opportunities evaluated by the global functions during the reporting period. Given the strong overlap with the strategic risks and opportunities in some cases, separate quantification is not useful for the most part. This particularly applies to the topics of reputation, climate change, sustainability, and procurement. For all these topics, however, we take additional compensatory measures from a purely functional perspective, which in the case of strategic risks are limited to the main activities. One example is the use of procurement contracts with protective clauses to reduce the volatility affecting important raw materials and packing materials in uncertain markets.

We have classed **non-conformity in relation to European capital markets law** as only a functional risk, for example, specifically as it concerns the risk of insider trading or non-compliance in terms of required adhoc reporting. Here we have been providing regular, target-specific training since many years. We also ensure continuous internal information sharing on potentially relevant ad hoc facts. An ad hoc committee evaluates and documents the information. We assess the risk to be **medium and possible**.

Another purely functional risk concerns **market risk from investments**. Potential default risks relating to the investment of the Group's liquid funds are limited by only making investments with defined reliable counterparties. Counterparty risk is monitored daily based on ratings and the counterparties' liable capital as well as continuously updated risk indicators. These parameters are used to determine

maximum amounts for investments with partner banks and securities issuers (counterparty limits), which are compared with the investments actually made throughout the Group. We have invested most of our liquidity in low-risk investments (such as government/corporate bonds and *Pfandbriefe*). The investment strategy, which is documented in writing, is regularly agreed with our internal supervisory body and with the Supervisory Board. Our risk management process includes looking at the conditional value at risk so that even extreme market situations can be simulated, understood, and factored into investment decisions. Our financial risk management is characterized by the clear allocation of responsibilities, central rules for limiting financial risks as a matter of principle, and the conscious alignment of the instruments deployed with the requirements of our business activities. Specific, additional information on the extent of the currency, interest rate, default, and liquidity risks described above can be found in Note 29 of the notes to the consolidated financial statements, "Additional Disclosures on Financial Instruments, Financial Risk Management, and Derivative Financial Instruments." The higher interest rates make our cautious strategy easier to implement. We therefore categorize this risk as **medium but unlikely**.

Lastly, there is a risk from tax and customs audits in a challenging economic environment, particularly in the context of some important changes in our global transfer pricing model. Here, we see the specific risk that local affiliates may not be able to provide the relevant documentation, leading to non-acceptance of our transfer pricing and thus higher taxes. We have therefore stepped up our efforts in tax training and our general communication on tax-related topics. At the same time, we are working to develop digital applications for more transparency and common global standards, for example in relation to tax calculation and documentation. We have also increased the support from third-party experts on certain issues. Overall, we consider the risk to be **major and possible**.

Short-term operational risks and opportunities

Alongside the possible long-term impacts of the many geopolitical and economic uncertainties highlighted in the strategic risks, we also see ramifications of this volatility for operational risks. Price negotiations with our customers and the reaction of our consumers to changing prices will play an important role. Over the past two years, we have gathered valuable experience that we have used in our analytical tools for simulation purposes. With just a few exceptions, the key assumptions on prices and volumes have therefore already been fully incorporated into the basic plan. We regard the risk of effects exceeding this as improbable and low.

The general risk of a pandemic has been included in our functional risks for the last years along with the corresponding measures. Our short-term assessment changed in the reporting period to the extent that the end of pandemic restrictions in many countries enabled positive catch-up effects, especially in categories such as sun protection and lip care. We have generally included these opportunities in the basic forecast and do not see any further significant effects in the medium term.

The key net operational risks currently remaining arise exclusively from legal and tax proceedings and from tax audits, as in the previous period. These risks are prudently quantified by both internal and external experts to the extent possible. Assessing the course and outcome of legal disputes is associated with considerable uncertainty. Based on the information currently available, no material charges are expected for the Group that would be considered probable.

Further information and details on the extent of the risks described here can be found in Note 30 of the notes to the consolidated financial statements, "Contingent Liabilities, Other Financial Obligations, and Legal Risks."

Monitoring of risks and opportunities

Formal monitoring of the strategic and functional risks, including corresponding mitigating measures, takes place once a year at division board and full Executive Board level and subsequently in the Audit Committee of the Supervisory Board. Along with adherence to our risk policy principles, this naturally feeds into every business decision taken at the various levels of our company.

In addition to the above monitoring, operational risks and opportunities are continuously monitored as part of the financial planning, forecasting, and reporting process at the local, regional, and central levels. This ensures that all sales and earnings effects regarded as relatively likely are directly and appropriately incorporated into our financial reporting, taking into account the measures implemented and planned (e.g., recognition of provisions). This is supplemented by a monthly review of key financial figures for the Group companies, led by the Group Controlling function together with Risk Management, Internal Audit, and other relevant controlling functions. The review is designed to enable potentially critical developments to be addressed swiftly and precisely with those involved and corrective action to be initiated where appropriate.

The latest information on risk development is thus also fed into the management and planning systems of the corporate units regularly throughout the year and becomes part of the decision-making and control processes. By directly integrating the risk inventory and planning process, the risk management system is continuously developed further, and risk awareness is embedded throughout the company.

Summary of the risk situation

Looking at the individual risks, we assess the likelihood of occurrence for the material existing risks to have increased compared with the previous year only in the case of "reputational risks to brands and the company." Given that the three new strategic risks were largely covered by the functional risks in the previous period, there is no change to the risk situation as a whole. In some cases (digital acceleration, shortages of materials and energy), we have reduced our estimate of the potential financial impact should the existing strategic risks occur. However, we have added new strategic risks at the same time. We therefore see no overall need for qualitative repositioning specifically for strategic risks.

Even considering the updated estimations, there is currently no fundamental change to our assessment of the overall risk situation. As in the previous year, this assessment was substantiated by comparing the current quantitatively and qualitatively aggregated total risk portfolio with the very conservatively calculated risk-bearing capacity of the Beiersdorf Group. Risk-bearing capacity has slightly increased, partly due to the Group's further improved liquidity position. This analysis has confirmed Beiersdorf's view that, at the current time, neither the Beiersdorf Group nor individual segments of the business are exposed to any risks that could endanger their continued existence.

Accounting-related internal control system

The aim of the accounting-related internal control system is to implement appropriate principles, procedures, and controls to ensure the correctness and reliability of accounting and financial reporting in the financial statements and management report of the Beiersdorf Group and Beiersdorf AG in line with the legal regulations and relevant accounting standards.

The scope and orientation of the internal control system have been shaped by the Executive Board based on the Group-specific requirements. The accounting-related internal control system consists of the following components: control environment, risk assessment process, control activities, information, communication, and monitoring.

An analysis was used to identify the items and positions containing the material risks for the financial statements. The underlying processes were then assigned to these. Preventive, monitoring, and detective measures designed to ensure security and control in accounting, information processing, and the operational functions have been defined Group-wide for these processes. Among other things, the measures include the separation of functions, manual and IT-based approval processes using the dual control principle, IT checks, access restrictions and authorization concepts for the IT system, and systems-based processes for handling Group accounting data. These measures are updated regularly.

Internal and external shared service centers provide uniform handling of the core accounting processes at Beiersdorf AG and most of its affiliates. In some cases, they achieve this with the help of fully automated processes. Standardized IT systems are used to support financial reporting for the affiliates included in the consolidated financial statements and consolidation. Procedural instructions, standardized reporting formats, and IT-based reporting and consolidation processes support financial reporting.

The consolidated financial statements are based on accounting directives specified by Beiersdorf AG. These guidelines are updated on an ongoing basis through continuous analysis of the relevance and impact of changes in the regulatory environment.

The accounting process and compliance with the control requirements and accounting directives by the companies included in the consolidated financial statements are also regularly reviewed and adjusted if necessary.

It remains the case that even putting in place appropriate, effective systems does not guarantee the correct, complete, and timely recording of information in the accounts with absolute certainty. It is impossible to entirely rule out personal judgments, erroneous controls, criminal acts, or other circumstances. Should these occur, they could limit the effectiveness and reliability of the internal control system.

Adequacy and effectiveness of the internal control and risk management systems¹

In addition to the accounting-related processes, risk early warning and monitoring systems, and related controls, all of which are continuously and systematically audited by internal audit, both centrally and locally, Beiersdorf also has extensive internal rules, regulations, and processes (including interdepartmental processes) in all areas material to ensuring proper and legally compliant operations (e.g., in R&D, production and logistics, quality management, and marketing and sales, and especially in the innovation process, which involves practically all corporate functions). The rules and regulations are regularly communicated and updated as appropriate. Compliance with them is monitored and training

¹ This section of the Combined Management Report is not subject to audit requirements.

continuously provided. We have developed data collection and control mechanisms for sustainability aspects, too. Internal Audit regularly checks that these are being adhered to. We also implemented an integrated IT system for Risk Management in 2023, bringing together risks in the areas of finance, compliance, and sustainability. The Executive Board deals with the monitoring and control of these systems on an ongoing basis, also in close consultation with Internal Auditing. The Executive Board is regularly advised and monitored by the Audit Committee of the Supervisory Board on issues relating to the appropriateness and effectiveness of the internal control system, the risk management system, and the internal auditing system. This has not recently resulted in any significant need for adjustment or improvement with regard to these systems. Beiersdorf therefore has no reason to believe that there are inadequate or ineffective internal control and risk management systems in the relevant business areas or in relation to the relevant topics.

Independent monitoring

The supervisory bodies and the Internal Audit department are integrated into the Beiersdorf Group's internal control system with audit activities that are independent of the Group's operations. Internal Audit systematically evaluates the integrity of financial accounting, the effectiveness of the accounting-related internal control system and of the risk and opportunity management system, and compliance. As a process-independent organizational unit, it uses a risk-based approach to reviewing the business processes, the systems and controls that have been put in place, and the financial accounting of transactions. The audit findings are used for ongoing enhancement of the company's management and of preventive and detective controls. A standardized monitoring system was introduced in 2022, enabling implementation of the controls to be globally monitored, initially in the order-to-cash and purchase-to-pay core business processes. Use of the system was further refined and expanded in 2023.

In accordance with § 317 (4) HGB and § 91 (2) AktG, the Group auditor also evaluates the effectiveness of the risk early warning and monitoring system. Internal Audit and the Group auditor regularly report the audit results to the supervisory bodies.

The Audit Committee of Beiersdorf AG monitors, in particular, the accounting process and the effectiveness of the internal control system, the risk management system, and the internal audit system. Alongside standard reports, in-depth analyses on fundamental and/or currently relevant issues are regularly used for information purposes.

Report on Expected Developments

Expected macroeconomic developments

The escalation in the Middle East has created an additional uncertainty factor for the **global** economy. Provided the conflict does not escalate and the oil price does not rise significantly, the impact on inflation and growth is expected to remain limited. However, the long-term effects of monetary and fiscal policy will continue to shape the economy and the capital markets in 2024. Although most of the major central banks have probably already completed their interest rate hikes, the first interest rate cuts are not likely to take place until the second half of 2024. The high level of interest rates is helping to reduce the very high inflation in almost all regions of the world in the medium term. The loss of purchasing power caused by inflation will increasingly be offset by wage increases and should help to stimulate consumption. Overall, growth in the industrialized countries is expected to remain largely weak, while growth in the emerging markets will present a mixed picture and must therefore be viewed in a differentiated manner.

The **European** economy is characterized by many years of zero and negative interest rates. Adapting to the new interest rate regime takes much longer than normal interest rate hikes. Economic weakness is therefore likely to persist for an unusually long time and will characterize both 2024 and 2025. The economy could emerge from recession in the spring, but the usual upturn that normally follows a recession is unlikely. Due to declining but still high inflation, the European Central Bank (ECB) is unlikely to consider lowering its key interest rates until the end of 2024. In addition, not only the ECB but also all other Western central banks have raised interest rates significantly, which means that monetary policy will continue to slow down the economy in 2024. The slowdown in the Chinese economy is further dampening the prospects for growth in the eurozone through exports. Against this backdrop, overall economic production is likely to grow at a below-average rate over the course of the year. The level of capacity utilization in the economy is therefore likely to decline, which points to a moderate rise in unemployment figures. In addition, the sharp rise in wages may represent a further burden for companies.

There are no signs of a far-reaching recovery for the **German** economy in 2024 either. The economy first has to get used to the new interest rate environment, and this process is likely to take longer. The first interest rate cut is not expected until fall 2024. Most economists therefore expect only a slight increase in economic output in 2024. The inflation rate is likely to fall further in the first few months. This is due to the fact that companies have now largely passed on their significantly increased costs for primary products, energy, and other raw materials to their customers. However, the next cost push has already begun with the sharp rise in wages, which could lead to inflation being significantly higher in the foreseeable future than the European Central Bank (ECB) is actually aiming for.

The **United States** has recorded robust economic growth until recently, mainly due to an unusually expansive fiscal policy. However, the dampening effect of the previous massive key interest rate hikes is likely to become noticeable in 2024. The higher interest rates are weighing on construction projects, investments and the debt-financed part of consumption. Coronavirus savings are likely to be largely exhausted. Consumer spending will therefore rise more slowly than incomes, which could lead to a mild recession in the summer half of 2024. Despite the likely decline in economic output in the medium term, the Fed is unlikely to cut interest rates any time soon. After all, it is unlikely to jeopardize the hard-won successes in the fight against inflation lightly. The first interest rate cut is expected at the beginning of the third quarter of 2024. Slight US growth is expected for the year as a whole.

The depreciation of the yen is having a negative impact on the purchasing power of the **Japanese** population, which is likely to slow economic growth in 2024. The yen is not expected to appreciate again until the central banks in the USA and the eurozone cut interest rates again or the Japanese central bank raises them. According to market experts, the latter is not expected until the first quarter of 2024 at the earliest, if at all. Even in this case, the Japanese central bank's room for maneuver will be limited by the high level of government debt.

The **emerging markets**, too, continue to be hit by the ailing global economy. At the same time, there are opportunities to position themselves well for the future and realign the economy. In 2024, the **Chinese** economy is likely to suffer from the long-term consequences of policies that have led to a significant crisis in the real estate sector, among other things. This could have negative effects on the Chinese economy for several years. Another factor behind the low growth is the loss of confidence in government economic policy due to the coronavirus policy and in particular the crackdown on the technology sector. The political tensions between China and the USA, which are limiting the supply of high-tech products, are further exacerbating the situation. Although short-term growth in China could benefit from further political impetus, the multi-year economic slowdown in China is likely to continue. The **Russian** government is using various methods to burden the economy with taxes and duties. However, there is a risk that these measures to increase revenue will also slow down economic growth. The difficult situation on the labor market is also curbing growth potential. The budget for 2024, which earmarks a large part for "national defense", is a further indication that Russia is continuing its war of aggression against Ukraine. After a surprisingly positive 2023, the **Brazilian** economy is optimistic about 2024. Falling interest rates should boost investment, but there are risks due to high government spending. The interest rate cuts are expected to stimulate investment and consumption. Especially against the backdrop of the ongoing restructuring of the Chinese economic model, the **Southeast Asian emerging markets** now have the opportunity to position themselves as a new production base for the world. The **Indian** economy is expected to grow at a similar rate in 2024 as in the previous year. The pace of growth, which is outstanding by international standards, will be driven by domestic demand. The **Middle East** is expected to be spared the effects of the global economic slowdown in 2024. Cuts in oil production quotas by OPEC+, comparatively robust growth in Asia's most important markets, and strategies to diversify trade and investment should support regional growth. However, geopolitical risks in the region are increasing and the ongoing conflict shows no signs of easing.

Procurement market trends

In 2024, we expect a further correction on important raw materials and packaging markets, driven by increased capacity. However, inflationary pressure on production costs is set to remain high, influenced by energy, labor, and higher borrowing costs. A key uncertainty factor is the ongoing critical macroeconomic situation, which, not least due to the conflict in the Middle East, has effects on the important commodity markets.

Sales market trends

After a year of strong market growth, we expect a continued positive trend in the Consumer Business Segment in 2024, albeit at a significantly lower level than in the previous year. The environment will remain uncertain given the economic situation and major political volatility. With continued high commodity prices, the declining but still high inflation rates, and stretched consumer budgets, the market faces constant challenges. The expectation of an inflationary environment with the growing risk of a global recession remains. Price rises to offset increased product costs are not anticipated on the same scale as in 2023. We therefore expect more moderate growth for 2024, driven chiefly by continued strong demand in the skin care categories and in the emerging markets along with North America.

For tesa, we expect business to remain volatile in 2024. In Europe and North America, we are planning cautiously but expect less positive momentum for our business in 2024 than we saw in the previous year. We expect moderate growth in Asia, with Southeast Asia in particular becoming ever more important as a growth market. China will remain a centrally important market. Consumer sentiment, the declining but still high inflation in Europe, the performance of the global automotive market, and our rather modest expectations for the electronics industry will heavily influence developments.

Our market opportunities

Despite a still fraught global geopolitical situation, there are signs that inflationary pressure will weaken in 2024 after the very high levels seen in 2023. Lower commodity and logistics prices are set to be the main drivers of this easing, while wage costs will continue to rise. Overall, a recovery in the world economy is expected in 2024. We see ourselves as well positioned in the Consumer Business Segment and expect our growth to outperform the market with our large proportion of products for everyday use. A focus on skin care products, strong innovations, and implementing our sustainability and digital strategy will continue to drive growth.

We will build on our sound financial structure and strong earnings position together with our dedicated employees to continue exploiting future opportunities with our internationally successful brand portfolio. Extensive research and development activities resulting in successful, consumer-driven innovations will be flanked by targeted marketing measures, creating enduring confidence among our consumers.

For tesa, expected growth for the coming year is slightly above the global market trend. This applies to business with both end consumers and industrial customers. The close collaboration with the electronics industry in Asia remains positive; however, its project-based nature continues to entail a high risk of volatility. tesa expects to bolster its market position with ongoing investment in product and technology development and the expansion of its innovative product portfolio.

Business development

The described challenges in large areas of the world result in a high degree of uncertainty with regard to the outlook for sales markets and our business development.

Independently from the development of the skin care market, we will continue to achieve above-market sales growth. We expect further improvement of the global skin care market in 2024. Based on this, we expect organic sales growth in the mid-single-digit range in the **Consumer** Business Segment. The EBIT margin from ongoing operations (excluding special factors) in the Consumer Business Segment will be 50 basis points above the previous year level.

Subject to the same uncertainty regarding market development in 2024, we also expect sales growth above the market in the **tesa** Business Segment. Based on this, we expect organic sales growth in the low-to-mid-single-digit range. The EBIT margin from ongoing operations (excluding special factors) will be on the level of previous year.

Based on the forecasts of the two business segments, **Group** organic sales growth is expected to be in the mid-single-digit range. We expect the consolidated EBIT margin from ongoing operations (excluding special factors) to be slightly above the previous year's level.

Hamburg, February 7, 2024

Beiersdorf AG
The Executive Board

Other Disclosures

Corporate Governance Statement

The combined Corporate Governance Statement of Beiersdorf AG and the Group (§§ 289f, 315d *Handelsgesetzbuch* (German Commercial Code, *HGB*) contains the Declaration of Compliance (§ 161 *Aktiengesetz* (German Stock Corporation Act, *AktG*)), information on key corporate governance practices and on Executive and Supervisory Board working practices and composition (including information on the company's corporate governance), information on the diversity policy for the Supervisory Board and Executive Board, and information on the statutory requirements for the equal participation of women and men in leadership positions. The auditing of the Corporate Governance Statement by the auditor pursuant to §§ 289f (2) and (5), 315d *HGB* is limited to determining whether the information has been provided (§ 317 (2) sentence 6 *HGB*).

Declaration of Compliance

In December 2023, the Executive and Supervisory Boards issued the Declaration of Compliance with the recommendations of the German Corporate Governance Code in the applicable version dated April 28, 2022 ("Code") in accordance with § 161 *AktG*. Beiersdorf AG fulfills all the recommendations made in the Code with a small number of exceptions, as well as all the suggestions. There are no Code recommendations that do not apply to Beiersdorf due to overriding legal stipulations. The auditor must promptly inform the Supervisory Board of any facts identified during the audit that reveal an inaccuracy in the Declaration of Compliance submitted by the Executive Board and Supervisory Board and must note these in the audit report. The 2023 Declaration of Compliance was also made permanently accessible to the public on the company's website at www.beiersdorf.com/declaration_of_compliance.

Declaration by the Executive Board and the Supervisory Board of Beiersdorf Aktiengesellschaft on the Recommendations of the "Government Commission on the German Corporate Governance Code" in accordance with § 161 of the *Aktiengesetz* (German Stock Corporation Act, *AktG*)

In fiscal year 2023, Beiersdorf Aktiengesellschaft complied with, and continues to comply with, all recommendations of the Government Commission on the German Corporate Governance Code in the version dated April 28, 2022, ("Code"), with the following exceptions:

Recommendation G.10

In accordance with Recommendation G.10, the Executive Board members' variable remuneration shall be predominantly invested in company shares by the respective Executive Board member or shall be granted predominantly as share-based remuneration, taking the respective tax burden into consideration. Granted long-term variable remuneration components shall be accessible to Executive Board members only after a period of four years.

The variable remuneration for the Executive Board, comprising an annual variable bonus on the one hand and a long-term Enterprise Value Component on the other, will not be invested in shares or share-

based instruments but will be paid out solely in cash after the expiry of the applicable bonus period. In this regard, the Supervisory Board believes that, taking due account of the interests of the customers, employees, business partners, shareholders, and other stakeholders, the remuneration system and the financial and non-financial performance criteria underlying the variable remuneration offers sufficient incentive for sustainable and value-oriented development of the company notwithstanding the absence of any share-based component. At the same time, the remuneration system generates incentive for the Executive Board to pursue and achieve the goals defined in the company's business strategy.

In addition, the long-term variable remuneration components are in principle accessible to Executive Board members only after a period of four years. Under the remuneration system that applied until 2021, long-term variable remuneration was linked to the period of appointment of Executive Board members. Under the new remuneration system since 2021, a fixed bonus period initially applies until the end of 2024. Executive Board members who have already stepped down, and whose long-term variable remuneration is calculated at the end of the fiscal year, may therefore already have access to individual amounts of long term variable remuneration before the expiry of the four-year period if these were allocated during their period of appointment in the final three years before the expiry of the relevant bonus period.

Hamburg, December 2023

For the Supervisory Board

Prof. Dr. Reinhard Pöllath

Chairman of the Supervisory
Board

For the Executive Board

Vincent Warney

Chairman of the Executive
Board

Astrid Hermann

Member of the Executive
Board

Corporate Governance practices

Beiersdorf AG and the Group (Consumer and tesa Business Segments) pursue the following key corporate governance practices:

Corporate governance

Good corporate management and supervision (corporate governance) has always been a high priority at Beiersdorf and provides for sustainable value generation. Close, efficient cooperation between the Executive and Supervisory Boards, respect for the interests of shareholders, employees, and other stakeholders, open corporate communication, proper accounting and auditing, compliance with statutory provisions and corporate guidelines, and responsible risk management are the basis of the company's success in this area. Beiersdorf is also aware of its social and environmental responsibility and ensures that its business strategy, sustainability agenda, and operational decisions take this into account.

The German Corporate Governance Code (the Code) ensures transparency with respect to the legal framework for corporate management and supervision and contains accepted standards for good, responsible, and sustainable corporate management. The Code and its amendments did not require any fundamental changes at Beiersdorf. We understand corporate governance as an ongoing process and continuously and carefully develop this understanding, above and beyond the Code as well. We give consideration to comments, suggestions, and criticism from investors and proxy advisors and make changes where appropriate to corporate governance and its reporting in this Corporate Governance Statement.

Compliance

For Beiersdorf AG and the Beiersdorf Group (including tesa), compliance with the law and internal guidelines is an essential prerequisite for successful and sustainable business. The Executive Boards of Beiersdorf AG and tesa SE have issued compliance principles, which can be found at www.beiersdorf.com/investors/compliance/compliance-principles and www.tesa.com/en/about-tesa/sustainability. Based on our compliance risk analyses, extensive antitrust, anti-corruption, data-protection, and capital market law compliance programs have been implemented among other measures in order to safeguard compliance. Numerous internal guidelines and processes for preventing legal violations in these areas in particular have been issued. Employees and managers receive awareness-raising information and support on these topics through regular training and a wide variety of advisory offerings.

Indications of potential compliance violations are followed up consistently. Appropriate measures are taken to prevent and sanction wrongdoing, taking into account the principle of proportionality. In order for us to gather information about potential compliance violations, employees at Beiersdorf and tesa have access to a number of reporting channels. In most countries, these also include a whistleblowing platform operated by an independent provider. The Compliance functions at Beiersdorf and tesa use a range of tools – not least Group-wide reporting – to support the Executive Board and managers in the continuous control, monitoring, and development of the compliance management system and safeguarding of general compliance.

Further, more detailed information on the compliance management system can be found in this Annual Report in the Non-financial Statement of the Beiersdorf Group (Consumer and tesa Business Segments) and Beiersdorf AG in accordance with §§ 289b (3) HGB in conjunction with 315b (1) and (3) HGB (CSR report).

Code of conduct

The success of Beiersdorf AG and the Beiersdorf Group (including tesa) is based on the trust placed in us by consumers, customers, investors, and employees. That is why high standards are set when it comes to responsibility - both for the company and for each individual. The Codes of Conduct of Beiersdorf and tesa lay down these standards in a binding set of guidelines that are to be used worldwide. The objectives are to help all employees implement the key principles and values of our company in their everyday working life and to show them how to handle potential issues or difficult situations that affect our business practices or our dealings with each other.

The Beiersdorf and tesa Codes of Conduct are available online at www.beiersdorf.com/investors/corporate-governance/code-of-conduct and www.tesa.com/en/about-tesa/sustainability/our-guidelines-and-standards.

Sustainability

Sustainable corporate governance involves minimizing social and environmental risks and leveraging new market opportunities in such a way that value is generated for the company and negative social and environmental impacts are avoided. Beiersdorf was early to recognize the importance of responsible action and has continuously worked to improve its sustainability.

Today, sustainability is a core component of Beiersdorf's C.A.R.E.+ business strategy. As part of the strategy, the Consumer Business Segment has been pursuing the CARE BEYOND SKIN sustainability agenda since 2020. This is oriented on the United Nations Sustainable Development Goals (SDGs) and comprises seven focus fields that illustrate our key areas of impact along the entire value chain. We have set ambitious targets in all these areas for 2025 and 2030.

At tesa, too, sustainability is firmly enshrined in the business strategy. The framework for this is formed by five strategic action areas for which tesa has defined long-term targets for the period through 2030. These fields extend across the business segment's entire value chain and are as follows: Reduction of Emissions, Responsible Sourcing, Use of Recycled and Bio-based Materials, Circularity and Reduction of Waste, and Enable Sustainability at our Customers.

The tesa and Consumer Business Segments committed to a joint climate target in 2020. This is in line with science-based reduction targets designed to limit global warming to 1.5 degrees Celsius and has been validated by the Science Based Targets Initiative.

Since the entry into force of the *CSR-Richtlinie-Umsetzungsgesetz* (CSR Directive Implementation Act, *CSR-RUG*), we have been required to supplement our existing financial reporting with information on key non-financial aspects of our business activities in relation to environmental, employment, and social issues, respect for human rights, and combating corruption. This information can be found in this Annual Report in the combined Non-financial Statement of the Beiersdorf Group (Consumer and tesa Business Segments) and Beiersdorf AG in accordance with §§ 289b (3) *HGB* in conjunction with 315b (1) and (3) *HGB* (CSR report).

Human Resources policies

Beiersdorf's success hinges to a large extent on the hard work, skills, and commitment of its employees. More than 20,000 people all around the world contribute to this success every day by putting their specialist expertise, commitment, and ideas into practice in their field.

In doing so, they act as an important stimulus for improvements and innovations. At Beiersdorf, viable and robust human resources work with a long-term focus is based on both the C.A.R.E.+ strategy, which highlights people as a critical factor for ensuring the sustained success of the company, and on our

Core Values. All of Beiersdorf's human resources decisions are guided by the Core Values, which are shared by all employees across hierarchies, functions, and countries.

In this context, Beiersdorf aims to promote a working environment where employees can be deployed and continually developed to make the best possible use of their skills and potential. Beiersdorf expects managers to motivate their employees to achieve top performances. Instilling excellent leadership skills in the management team is key to this. This encourages employee commitment and helps Beiersdorf establish itself as one of the most attractive employers in the consumer goods industry.

tesa is an expert for adhesive technology, offering its customers innovative solutions and outstanding service. The company's success is materially attributable to the skills of its employees and their willingness to continuously develop them further. Qualified employees who contribute actively to helping us extend our position as one of the leading companies in adhesive technology are the key to the successful implementation of our business strategy. This is why our human resources strategy is oriented toward winning and retaining well-trained, committed employees for our company and continually increasing our great attractiveness as an employer through appropriate measures. Beyond this, it is tesa's express aim to promote a corporate culture that strengthens performance, teamwork, cross-functional cooperation, and internationalization.

More detailed information can be found in the "People at Beiersdorf" section of this Annual Report.

Risk management

Risk management at Beiersdorf AG and the Beiersdorf Group is an integral part of central and local planning, management, and control processes, and conforms to consistent standards across the Group. Our open communications policy, the risk inventory carried out at regular intervals, and the planning and management system ensure that our risk situation is presented transparently.

Further information can be found in the "Risk Report" section of this Annual Report and in the Annual Report of tesa SE.

Corporate boards

Beiersdorf AG is governed by German stock corporation, capital market, and codetermination law, among other things, as well as by its Articles of Association. The company has a dual management and supervisory structure consisting of the Executive Board and the Supervisory Board, as is customary in Germany. The Annual General Meeting of the shareholders is responsible for taking fundamental decisions for the company. These three bodies are all dedicated in equal measure to the good of the company and the interests of all shareholders.

1. Supervisory Board: Composition and working practices

Beiersdorf AG's Supervisory Board consists of 12 members. Half of these are elected by the Annual General Meeting in accordance with the *Aktiengesetz* (German Stock Corporation Act, *AktG*) and half by the employees in accordance with the *Mitbestimmungsgesetz* (German Codetermination Act, *MitbestG*); all members are elected for a maximum period of five years. The most recent regular election took place in fiscal year 2019. The regular term of office of all current Supervisory Board members will expire at the end of the Annual General Meeting resolving on the approval of their activities for fiscal year 2023. Starting from the new election of the shareholder representatives to the Supervisory Board by the Annual General Meeting in 2024, their regular term of office will be reduced to four years; as in the past, the Annual General Meeting will elect the members on an individual basis. No former Executive Board members of Beiersdorf AG currently serve as Supervisory Board members.

The Supervisory Board appoints, advises, and supervises the Executive Board in connection with the latter's management of the company, including sustainability, as laid down by the law, the Articles of Association, and the bylaws. The Supervisory Board and Executive Board work closely together for the good of the company and to achieve sustainable added value. In accordance with the bylaws for the Executive Board, certain decisions of fundamental importance are subject to Supervisory Board approval. The bylaws for the Supervisory Board are available on the company's website at www.beiersdorf.com/bylaws_supervisory_board.

The Supervisory Board regularly makes decisions at its meetings on the basis of detailed documents. The Supervisory Board members may also participate in the meetings via conference calls or video conferencing. The Supervisory Board also meets regularly without the Executive Board to discuss Executive Board and Supervisory Board matters along with strategy, planning, and business performance. In principle, the auditor's presentations on the audit of the financial statements are also held without the Executive Board. Meetings are regularly discussed in advance, partially by the employee and shareholder representatives separately. The Supervisory Board is informed in a regular, timely, and comprehensive manner about all relevant matters. In addition, the Chairman of the Executive Board informs the Chairman of the Supervisory Board regularly and in a timely manner (including between meetings) about important transactions and liaises with him on important decisions. The bylaws provide rules to ensure the supply of high-quality information from the Executive Board. The Chairman of the Supervisory Board coordinates the work of the Supervisory Board, chairs its meetings, and represents the interests of the Supervisory Board externally. Within reason, he discusses Supervisory Board-related topics with investors.

The Supervisory Board regularly evaluates, including with the help of an external consultant, how effectively the Board and its committees are performing their tasks and decides on measures to improve this performance (efficiency audit and self-assessment). The Supervisory Board again conducted a self-assessment in 2023 with the support of an external consultant. This began by using questionnaires and interviews to analyze the work of the full Board and committees and the cooperation between Supervisory Board and Executive Board. The analysis included a comparison with other companies. The results of these analyses and other considerations formed the topic of further interim discussions and Supervisory Board meetings. Various key topics were discussed in depth. These particularly included: preparation and implementation of Supervisory Board and committee meetings; strategic dialogue between Executive Board and Supervisory Board; the composition, profile of skills and expertise, and team development of the Supervisory Board, including length of service (continuity versus change); and the remuneration system. Specific measures were discussed for the areas identified, including optimizing preliminary discussions for Supervisory Board meetings, planning meeting agendas and timings, enhancing the flow of information to the Supervisory Board with additional discussion formats such as strategy workshops and regular deep dives, enhancing the profile of skills and expertise, and improving succession planning.

The members of the Supervisory Board ensure that they have sufficient time at their disposal to fulfill their duties and are personally responsible for ensuring they receive the necessary training and further education. Reasonable costs for this purpose are reimbursed by the company. The company provides them with support, such as in the form of internal training events on topics relevant to Supervisory Board work and information on changes in legislation and other developments. Training events were held in fiscal year 2023 on the topics of sustainability as well as diversity and inclusion. New members of the Supervisory Board benefit from thorough onboarding meetings and information materials. In particular, these cover Beiersdorf's history, corporate profile, and organization (including brands and research & development), the business strategy (including sustainability), business performance and financial reporting, corporate governance, and the rights and duties of Supervisory Board members. The latter are also explained to the members after every new election of the Supervisory Board.

a) Composition, profile of skills and expertise, diversity policy, and implementation status

The Supervisory Board most recently discussed the concrete company-specific objectives and the profile of skills and expertise for its composition in December 2021. These objectives reflect the company's international activities, potential conflicts of interest, the number of independent Supervisory Board members, regular limits on age and length of membership for Supervisory Board members, and diversity – especially an appropriate degree of female representation. According to its profile of skills and expertise the Supervisory Board members must collectively possess the knowledge, skills, and professional experience required to properly perform the Board's duties. The objectives and profile of skills and expertise form part of the diversity policy for the composition of the Supervisory Board. They apply until the end of 2024 and will be taken into account in future proposals for election as they have been in the past. The Supervisory Board to be newly elected in 2024 will again engage with the objectives, profile of skills and expertise, and diversity policy.

International focus

All members of the Supervisory Board must be open to the company's international orientation. At least four members should embody this in concrete terms and should therefore have particular international experience due to their activities abroad or their background, for example. At least three members on the shareholder side should have international experience.

Gender diversity

The Supervisory Board's goal is to further strengthen the number and position of women on the Supervisory Board and to maintain a target of at least four female members. At least two women should be shareholder representatives. As a listed company subject to codetermination on a basis of parity, the Supervisory Board needs to be comprised of at least 30% women and 30% men under § 96 (2) AktG.

Regular limits on age and length of membership

According to the Supervisory Board bylaws, members should normally retire at the Annual General Meeting following their 72nd birthday, and at the latest after a term of office of 20 years. The goal for the Supervisory Board's composition is that different age groups are adequately represented. The term of office of each Supervisory Board member is disclosed on the company's website at www.beiersdorf.com/boards.

Independent focus

The Supervisory Board should include what it considers to be an appropriate number of independent members on the shareholder side; it should take into account the ownership structure. A Supervisory Board member is not considered to be independent in particular if he or she or a close family member has personal or business relations with the company, its Executive Board, a controlling shareholder, or an enterprise associated with the latter which may cause a material and not merely temporary conflict of interests. In addition, in line with the recommendations of the Code, the assessment of the shareholder representatives' independence from the company and Executive Board particularly takes into account whether the member themselves or a close relative has served as an Executive Board member at Beiersdorf AG in the two years preceding appointment to the Supervisory Board. It further considers whether they have a material business relationship with the company or a dependent company – either directly, or as a shareholder, or in a position of responsibility at a non-Group company – or has had such a relationship in the year preceding the member's appointment. It also takes into account whether the member has a close relative on the Executive Board or has been a Supervisory Board member for more than 12 years.

Considering the fact that Beiersdorf AG is a dependent company within the meaning of § 17 (1) AktG, the Supervisory Board considers it to be adequate if at least three of its members on the shareholder side are independent.

Potential conflicts of interest

All members of the Supervisory Board must inform the Supervisory Board, by way of communication addressed to the Chairman of the Supervisory Board, of any conflicts of interest, in particular those relating to a consulting function or directorship with clients, suppliers, lenders, or competitors of the company. Members of the Supervisory Board must resign their office if faced with material and not merely temporary conflicts of interest. Where involvement of the Supervisory Board is not already required by statutory law, material transactions between the Group and members of the Supervisory Board and their related parties require the approval of the Supervisory Board and must comply with the standards customary in the sector.

Profile of skills and expertise

The Supervisory Board ensures that its members collectively have the knowledge, skills, and professional experience needed to properly perform their duties. In addition to the concrete objectives for its composition, the Supervisory Board has prepared a profile of skills and expertise setting out the particular personal and professional skills and expertise required. In terms of their expertise, the members must, in accordance with § 100 (5) AktG, collectively be familiar with the sector in which the company operates; in addition, there must be at least one member with expertise and experience for each of the following areas in particular:

- Familiarity with the business areas and sectors (consumer goods, beauty and skin/body care, international markets (including emerging markets))
- Marketing and Sales (brand development and management, distribution and retail, communication and media)
- R&D (innovation management, research and development)
- Supply Chain (supply chains and production)
- Human Resources and organization (personnel development and management, corporate organization, corporate culture, diversity)
- ESG (sustainability, corporate social responsibility, ethics)
- Law and Governance (law, compliance, auditing, regulatory law, corporate governance)
- Digitalization and IT (digitalization, data management, IT and IT security)
- Finance (finance and controlling, accounting, risk management)

The Supervisory Board's aim is that all these areas of expertise should be represented among its members in as balanced a way as possible and complement one another. In addition to this, every Supervisory Board member should meet the necessary general and personal requirements for fulfilling their duties in terms of education, international professional orientation, international diversity, seniority, reliability, diligence, and availability to the required and appropriate extent.

Diversity officers

Two Supervisory Board members have been appointed as diversity officers in order to develop the targets further and promote diversity on the Supervisory Board: Frédéric Pflanz and Prof. Manuela Rousseau. Their role is to support the Supervisory Board at every intended election of a shareholder representative to the Supervisory Board, or of a committee member, and to issue a statement together with the Chairman of the Supervisory Board regarding the proposals for election made by the Nomination Committee responsible for this, after consultation with the remaining members of the Supervisory Board. They also support the Company's HR work on diversity issues, which includes working with the Personnel Committee.

Implementation status of targets and the profile of skills and expertise
 In addition to a balanced mix of professional skills within the Supervisory Board as a whole, diversity is an important criterion for the selection of Supervisory Board and committee members in the company's best interests. There are currently five female Supervisory Board members in total: Prof. Manuela Rousseau and Kirstin Weiland as employee representatives, and Hong Chow, Uta Kemmerich-Keil, and Dr. Dr. Christine Martel as shareholder representatives. The statutory gender quota for the Supervisory Board's composition has therefore been fulfilled. Currently, 42% of Supervisory Board members are women and 58% are men. On the employee side, 33% of members are women and 67% are men, while on the shareholder side women and men each make up 50% of the members. In addition to their particular professional skills, all the shareholder representatives embody the idea of international orientation by virtue of their background or extensive international experience. Currently, at least three of the shareholder representatives on the Supervisory Board are independent. The Supervisory Board assumes, as a precautionary measure, that a Supervisory Board member belonging to the controlling shareholder should not be regarded as independent. Notwithstanding this, the Supervisory Board believes that relationships to the controlling shareholder do not in themselves pose the risk of a material and permanent conflict of interest; rather, it assumes that the company's interests will largely coincide with those of its majority shareholder given that their business activities do not overlap.
 Among the shareholder representatives, at least the following active members are independent from the controlling shareholder: Hong Chow, Uta Kemmerich-Keil, and the Chairwoman of the Audit Committee, Dr. Dr. Christine Martel. Recommendation C.9 sentence 1 of the Code, under which a Supervisory Board consisting of more than six members should have at least two shareholder representatives who are independent of the controlling shareholder, is therefore complied with.
 Moreover, the Supervisory Board believes that all shareholder representatives are independent of the company and Executive Board. This also applies to the Chairman of the Supervisory Board and Presiding Committee, Prof. Dr. Reinhard Pöllath, despite the fact that he has served on the Supervisory Board for more than 12 years. The Supervisory Board believes that the long-standing experience and knowledge gained by the Chairman of the Supervisory Board at Beiersdorf and a series of other companies are conducive to the goals of advising and supervising the Executive Board and coordinating the Supervisory Board's work in a lasting and objective manner. Moreover, given his length of service, there are no circumstances in his specific case that might cause a material and not merely temporary conflict of interests. Dr. Dr. Christine Martel, who has been a Supervisory Board member since April 2012, will not be standing for election at the 2024 Annual General Meeting. Going beyond the Code's requirements, the Supervisory Board believes that all employee representatives are independent within the meaning of the Code. This applies to Prof. Manuela Rousseau, despite her length of service on the Supervisory Board of more than 12 years. She will not be standing for election in 2024.

The Chairman of the Supervisory Board and Wolfgang Herz have currently already exceeded the regular age limit of 72. In addition, the Chairman of the Supervisory Board and another Supervisory Board member, Prof. Manuela Rousseau, have exceeded the regular term of office. Given their knowledge and experience, the Supervisory Board has decided to make reasonable exceptions for these members from the regular limits on age and length of membership. The regular limits on age and length of membership and the rules governing potential conflicts of interest were otherwise complied with. All members of the Supervisory Board also fulfill the necessary personal competence requirements for their tasks. Moreover, the Supervisory Board members are collectively familiar with the sector in which the company operates. The current implementation of the profile of skills and expertise is set out in the qualification matrix below; this shows that each area of the profile of skills and expertise is covered by at least one member.

Qualification matrix for the Supervisory Board

	Chow	Hansert ¹	Herz	Kemmerich-Keil	Koltze ¹	Köhn ¹	Martel	Papier ¹	Pflanz	Pöllath	Rousseau ¹	Weiland ¹
General information												
Member since	April 2017	April 2017	April 2020	August 2022	April 2019	April 2019	April 2012	April 2019	April 2019 ²	May 2002	June 1999	April 2019
Independence³	•	•		•	•	•	•	•		•		•
Gender	f	m	m	f	m	m	f	m	m	m	f	f
Year of birth	1971	1961	1950	1966	1963	1964	1970	1974	1968	1948	1955	1969
Nationality	German	German	German	German	German	German	French	German	German-French	German	German	German
Skills and expertise												
Familiarity with the business areas and sectors	•	•	•	•	•	•	•	•	•	•	•	•
Marketing and sales	•		•	•	•		•	•	•	•	•	
Research and development	•	•		•		•			•			•
Supply chain					•	•	•		•			•
Human resources and organization	•	•	•	•	•	•	•	•	•	•	•	•
ESG	•			•			•			•		•
Law and governance		•	•	•	•		•	•	•	•	•	
Digitalization and IT				•			•	•	•			
Finance and accounting	•	•	•	•	•		•	•	•			

• Criterion met, based on a self-assessment by the Supervisory Board. With respect to the skills and expertise this includes at least "good knowledge" and thus the ability to comprehend the relevant issues well and make informed decisions on the basis of existing qualifications, knowledge and experience gained in the course of work as a Supervisory Board member and/or training measures taken.

¹ Employee representatives.

² Previously member of the Supervisory Board from September 2015 until April 2018.

³ According to the criteria of the German Corporate Governance Code.

b) Committees

The work of the Supervisory Board is performed at, and outside of, the meetings of the full Board as well as in the committees. The committee chairs each regularly report to the full Supervisory Board on the work of their committee at the subsequent Supervisory Board meeting. The Supervisory Board has formed six committees:

Presiding Committee

The Presiding Committee is composed of the Chairman of the Supervisory Board, two additional shareholder representatives, and one employee representative. The Committee prepares meetings and human-resources decisions and resolves – subject to the resolution of the full Board specifying the total remuneration – instead of the full Board on the contracts of service and pension agreements for members of the Executive Board and on other issues involving the Executive Board. Finally, it can make decisions on transactions requiring Supervisory Board approval in those cases in which the Supervisory Board cannot pass a resolution in time. The members of the Presiding Committee are as follows: Prof. Dr. Reinhard Pöllath (Chairman), Wolfgang Herz, Frédéric Pflanz, and Prof. Manuela Rousseau.

Audit Committee

The Audit Committee consists of the Chairman of the Supervisory Board, two shareholder representatives, and two employee representatives. At least one member of the Audit Committee is an independent member of the Supervisory Board who has special knowledge, experience, and expertise in accounting (including accounting standards and internal control and risk management systems) and auditing, including sustainability reporting and its audit and assurance. In particular, the Chairwoman of the Audit Committee, Dr. Dr. Christine Martel, has pronounced expertise in these areas given her many years of experience in managerial positions in financial, strategic, and commercial departments of a global consumer goods company and her prior scientific work at the French-German Institute for Environmental Research (DFIU), including on end-to-end life cycle analyses. In addition, her doctorates in engineering and industrial management give her the necessary skills base to effectively evaluate the relevant cross-functional interrelationships in the area of sustainability. In addition, at least one other member of the Audit Committee has expertise in the field of auditing. This requirement is met in particular by Frédéric Pflanz given his long experience as Chief Financial Officer at international companies. The Audit Committee prepares decisions of the Supervisory Board, in particular on the annual and consolidated financial statements (including CSR reporting), the proposal to the Annual General Meeting on the election of the auditors, and the agreement with the auditors (issuing the audit engagement, stipulating the areas of emphasis of the audit, and agreeing on the fee), and provides corresponding recommendations to the Supervisory Board. In close consultation with the auditors, the Audit Committee works on the assessment of audit risk, the audit strategy, and audit planning. The Audit Committee also monitors the auditor's independence, looks at the additional services that the auditor provides in accordance with the guidelines set by the committee for approving non-audit services, and regularly evaluates the quality of the audit. Relevant topics, particularly the progress of the audit, are discussed regularly with the auditors, including outside of meetings, with the Chairwoman reporting back to the Committee as necessary. The Audit Committee advises and supervises the Executive Board on questions relating to accounting, the adequacy and effectiveness of the internal control system, the risk management system, and the internal audit system. In addition, it discusses the half-year reports and quarterly statements with the Executive Board before their publication. The members of the Audit Committee are as follows: Dr. Dr. Christine Martel (Chairwoman), Reiner Hansert, Uta Kemmerich-Keil, Olaf Papier, and Frédéric Pflanz.

Finance Committee

The Finance Committee is composed of the Chairman of the Supervisory Board, two shareholder representatives, and two employee representatives. It monitors corporate policy in the areas of finance, financial control, tax, and insurance. It decides in place of the Supervisory Board on approval for raising and granting loans, on the assumption of liability for third-party liabilities, and on investment

transactions. In addition, the Finance Committee advises and supervises the Executive Board on compliance and on all items assigned to it by the full Board in general or in individual cases. The members of the Finance Committee are as follows: Frédéric Pflanz (Chairman), Reiner Hansert, Uta Kemmerich-Keil, Dr. Dr. Christine Martel, and Olaf Papier.

Personnel Committee

The Personnel Committee comprises a total of six members representing shareholders and employees. It regularly discusses long-term succession planning for the Executive Board (including the remuneration structure) and addresses the diversity policy for the Executive Board's composition along with the manner of its implementation. It also proposes a target for the proportion of women on the Executive Board as well as a deadline for achieving this. The members of the Personnel Committee are as follows: Frédéric Pflanz (Chairman), Hong Chow, Andreas Köhn, Reiner Hansert, Prof. Dr. Reinhard Pöllath, and Kirstin Weiland.

Mediation Committee

The Mediation Committee required under codetermination law consists of the Chairman of the Supervisory Board and the Deputy Chairman, as well as one member elected from among the employee representatives and one member elected from among the shareholder representatives. It makes proposals on the appointment of Executive Board members if the requisite two-thirds majority is not reached during the first ballot. The Mediation Committee has not met for several terms of office. The members of the Mediation Committee are as follows: Prof. Dr. Reinhard Pöllath (Chairman), Olaf Papier, Frédéric Pflanz, and Prof. Manuela Rousseau.

Nomination Committee

The Nomination Committee is composed of the Chairman of the Supervisory Board and three additional shareholder representatives. In accordance with the objectives for the composition and profile of skills and expertise of the Supervisory Board, the Nomination Committee suggests, after extensive preparatory work and detailed discussion, candidates to the Supervisory Board for proposal for election to the Annual General Meeting.

While preparing nominations for the new elections to the Supervisory Board by the 2024 Annual General Meeting, the Nomination Committee intensely discussed the requirements laid down by laws, the Code, and its own objectives. In view of the current areas of expertise and profiles of the shareholder representatives, the Nomination Committee expressed its support for maintaining the current composition, with the exception of one position that will become vacant, and proposing its re-election. The Nomination Committee also used external consultants as part of its search for a qualified female candidate who could replace the departing member Dr. Dr. Christine Martel. With the nomination of Ms. Donya-Florence Amer (Chief Information Officer and Chief Human Resources Officer, Hapag Lloyd Aktiengesellschaft), the committee succeeded in finding a highly respected expert in the areas of digitalization and IT, ESG as well human resources and organization. The role of independent financial expert will primarily be assumed by Ms. Uta Kemmerich-Keil, who, like the remaining shareholder representatives, is nominated for re-election to the Supervisory Board.

The current members of the Nomination Committee are as follows: Prof. Dr. Reinhard Pöllath (Chairman), Hong Chow, Dr. Dr. Christine Martel, and Frédéric Pflanz. The composition of the Supervisory Board and its committees can be found on our website at www.beiersdorf.com/boards and in the "Beiersdorf AG Boards" section of this report. Up-to-date résumés of the Supervisory Board members can also be found at the web address above.

2. Executive Board: composition and working practices

The Executive Board manages the company on its own responsibility and conducts the company's business. It is obliged to act in the company's best interests and is committed to increasing its sustainable enterprise value. It performs its management duties as a collegiate body with collective responsibility.

The members of the Executive Board are appointed by the Supervisory Board. As a rule, Executive Board members are initially appointed for a maximum of three years. The duties of the Executive Board are broken down by functions and regions. The schedule of responsibilities constitutes part of the bylaws for the Executive Board.

The Executive Board develops the corporate goals and the Group's strategy, agrees them with the Supervisory Board, ensures their implementation, and regularly discusses their implementation status with the Supervisory Board. It is responsible for managing and monitoring the Group, for corporate planning including annual and multi-year planning, and for preparing the quarterly statements, the half-year reports, and the annual and consolidated financial statements. It is also responsible for Group financing. In addition, the Executive Board is responsible for ensuring internal control and risk management that is commensurate with the business activities and risk situation and that also covers the sustainability-related goals relevant to the company. This also includes a compliance management system tailored to the risk situation, through which the Executive Board particularly ensures that statutory provisions and internal corporate guidelines are observed and works toward ensuring that Group companies abide by them (compliance). A description of the principles of this system and a statement on its adequacy and effectiveness can be found in the "Risk Report" section and in the "Non-financial Statement" in this Annual Report. The Executive Board provides the Supervisory Board with regular, timely, and comprehensive reports on all questions that are of relevance for the company, particularly also regarding sustainability, and explains discrepancies between the actual course of business and the planning and targets. Certain Executive Board measures and transactions that are of particular significance for the company require the approval of the Supervisory Board or its committees.

The Executive Board passes resolutions in regular meetings that are chaired by the Chairman of the Executive Board. The members of the Executive Board work together in a collegial manner and inform one another on an ongoing basis about important measures and events in their areas of responsibility.

Executive Board members disclose potential conflicts of interest to the Supervisory Board without delay and inform the other members of the Executive Board. Where involvement of the Supervisory Board is not already required by statutory law, material transactions between the Group and members of the Executive Board and their related parties require the approval of the Supervisory Board and must comply with the standards customary in the sector. Sideline activities also require the approval of the Supervisory Board.

The company has taken out a D&O insurance policy for the members of the Executive Board that provides for a deductible in the amount of 10% of any damage incurred, up to one-and-a-half times the fixed annual remuneration of the Executive Board member concerned.

Diversity policy and succession planning, targets for the proportion of women on the Executive Board and at senior management levels

The Supervisory Board has discussed the diversity of the Executive Board in detail in recent years, both in a general sense and in specific cases. With Astrid Hermann, Nicola D. Lafrentz, and Grita Loesback, the proportion of women on the Executive Board currently stands at 43%. The Board thus not only complies with § 76 (3a) AktG, which requires an Executive Board with more than three members to include at least one woman and one man, but also with the voluntary target for the proportion of women on the Executive Board, which the Supervisory Board increased to 30% effective July 1, 2022.

The Supervisory Board continues to seek appropriate representation of women on the Executive Board in the course of any membership changes. It is planned to support this aim using various measures, and especially through clearly communicating a commitment to promoting women in leadership positions, providing systematic personal development measures for women in management (e.g. training courses, coaching, mentoring), changing recruitment and appointment processes, and establishing and promoting networking opportunities for women. Additionally, two Supervisory Board members have been appointed as diversity officers in order to advance and promote diversity on the Executive Board (currently Frédéric Pflanz and Prof. Manuela Rousseau). Before the appointment of an Executive Board member, the diversity officers give their view together with the Chairman of the Supervisory Board after consulting the remaining Supervisory Board members. Among other things, the Personnel Committee works on the diversity policy for the Executive Board, including the manner of its implementation.

Another aspect of the diversity policy is that the Executive Board members should collectively have extensive relevant international experience from their years of working abroad or their special expertise in Beiersdorf's key international markets. The bylaws for the Executive Board stipulate that the members of the Executive Board should not normally be aged more than 63 years. All incumbent members of the Executive Board met these criteria in the reporting year. The full Supervisory Board and/or the Personnel Committee will consider further diversity-related criteria for the composition of the Executive Board if it regards them as appropriate and expedient.

The Supervisory and Executive Boards together ensure long-term succession planning. The Personnel Committee in particular discusses succession planning (including the remuneration structure) on a regular basis, taking into account the company's management planning. In 2023, the Personnel Committee worked with the Executive Board particularly on the topics of talent management, succession planning (including recruitment and development), the diversity strategy (including KPIs), HR planning, and the organization of the HR department. In practice, succession planning works on the basis of a group of potential successors chosen from the two most senior management levels below the Executive Board by the Executive Board member for Human Resources in consultation with global management teams. In addition, the Diversity & Inclusion Committee, which is made up of the diversity officers from the Supervisory Board, the Chief Human Resources Officer, and other managers from the company, works on the goal of promoting and strengthening a diverse corporate culture, beyond gender diversity and international diversity, using various initiatives and key activities. Succession planning is also incorporated into target-setting for the Executive Board's variable remuneration.

The Executive Board also takes diversity aspects into consideration when appointing senior executives in the company, particularly with regard to ensuring an appropriate degree of female representation. With the Beiersdorf Gender Parity Ambition announced back in March 2021, Beiersdorf is committed to achieving gender parity across all management levels below the Executive Board (management levels 1-4) in the Consumer Business Segment by 2025 at the latest. This gender parity was achieved earlier than planned: As of September 2023, 50.3% of management positions worldwide were held by women. With the global goal of a gender balance at management level, the Executive Board's strategy for promoting women at Beiersdorf aims to have a growing number of female candidates for senior management positions and the Executive Board. Beiersdorf continues to offer special programs for female talents to bring more women into leadership positions. These programs focus on a combination of personal and organizational modules. Beiersdorf works with external partners to integrate relevant expertise and to help create the right climate for sustainable change on this issue. To ensure equal opportunities, Beiersdorf also focuses on removing obstacles that could prevent equal career advancement.

In accordance with § 76 (4) AktG, the Executive Board has set a target of at least 35% for the share of women at Beiersdorf AG's first management level below the Executive Board, and a target of at least 50% for the second management level, both to be achieved by/maintained until December 31, 2026. At year-end 2023, the proportion of women was 39.3% at the first management level and 41.9% at the second management level.

3. Annual General Meeting

In accordance with the Articles of Association, shareholders exercise their rights both at the Annual General Meeting and outside it. Each share entitles the holder to one vote.

Among other things, the Annual General Meeting passes resolutions on the appropriation of net retained profits, on the formal approval of Executive Board and Supervisory Board members' actions, on the election of the auditors, and on the company's legal basis, especially amendments to the Articles of Association. The Annual General Meeting passes advisory resolutions on the approval of the remuneration system presented by the Supervisory Board for Executive Board members and on the actual remuneration of the Supervisory Board. It also passes recommendatory resolutions on the approval of the Remuneration Report for the previous fiscal year. In addition, the Executive Board will convene an extraordinary General Meeting where it considers this appropriate in individual cases, in the event of significant structural changes, or in case of a takeover offer. At this meeting, shareholders can discuss the issue at hand and resolve on measures under company law if appropriate.

The Ordinary Annual General Meeting takes place each year, generally during the first five months of the fiscal year. The notice convening the Annual General Meeting and its agenda are also published on the company's website, together with the reports and documentation required for the Annual General Meeting, including the annual report, and forms for postal voting. It can also be dispatched electronically together with the associated documents. To assist shareholders in personally exercising their rights, the company offers them the services of a voting representative who votes in accordance with their instructions. The invitation explains how shareholders can issue instructions for exercising their voting rights. In addition, shareholders are free to appoint a proxy holder of their choice as their representative at the Annual General Meeting. It is also possible to submit postal votes, and to issue, change, and revoke proxy instructions to the voting representative appointed by the company, via the internet before and during the Annual General Meeting. The full Annual General Meeting can be followed online, including by non-shareholders.

Based on the authorization issued by the Annual General Meeting, the Executive Board decided in accordance with § 17 (3) sentence 1 of the Articles of Association to hold the 2024 Annual General Meeting as a virtual Annual General Meeting in line with § 118a AktG.

Directors' Dealings

In accordance with Article 19 (1) of the Market Abuse Regulation, the members of the Executive Board and the Supervisory Board are required to notify transactions involving shares in Beiersdorf AG or financial instruments linked thereto (directors' dealings) to the company and the *Bundesanstalt für Finanzdienstleistungsaufsicht* (Federal Financial Supervisory Authority, *BaFin*) promptly and no later than three business days after the date of transaction. This also applies to related parties of such persons.

The notifications received by Beiersdorf AG are published and are available on the company's website at www.beiersdorf.com/directors_dealings.

Further information on corporate governance

Detailed information on the work of the Supervisory Board and its committees, as well as on the cooperation between the Supervisory Board and the Executive Board, can be found in the "Report by the Supervisory Board" section of this report. Further information on Executive Board and Supervisory Board remuneration can be found in the "Remuneration Report" section. The remuneration report for the last financial year, including the auditors' report pursuant to § 162 AktG, and the applicable remuneration system pursuant to § 87a (1) and (2) sentence 1 AktG are published on the website at www.beiersdorf.com/investor-relations/corporate-governance/remuneration-of-executive-board-and-supervisory-board; the latest remuneration resolution of the annual general meeting pursuant to § 113 (3) AktG is available at www.beiersdorf.com/investor-relations/annual-general-meeting/archive.

The consolidated financial statements and half-year reports are prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU. The annual financial statements of Beiersdorf AG are prepared in accordance with the *Handelsgesetzbuch* (German Commercial Code, *HGB*). The Annual General Meeting on April 13, 2023, elected EY GmbH & Co. KG Wirtschaftsprüfungsgesellschaft, Stuttgart, as the auditors for Beiersdorf AG and the Beiersdorf Group for fiscal year 2023 and as the auditors for the review of the half-year report 2023. EY GmbH & Co. KG Wirtschaftsprüfungsgesellschaft has been auditing the annual and consolidated financial statements of Beiersdorf AG since the 2006 fiscal year. Britta Siemer has been the responsible auditor since fiscal year 2022. There will be a change of auditors starting in fiscal year 2024. After a public invitation to tender was issued in October 2022, PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Frankfurt am Main will be proposed to the 2024 Annual General Meeting for election as the new auditors.

Current developments and key company information are published on our website, www.beiersdorf.com, as soon as possible. As well as detailed disclosures on corporate governance at Beiersdorf, the website features additional information on the Executive Board, the Supervisory Board, and the Annual General Meeting, the company's reports (annual reports, including combined management reports and Non-financial Statements, annual financial statements, half-year reports, and quarterly statements), a financial calendar with all key events and publications, ad-hoc disclosures, directors' dealings, and publication of voting right notifications.

This Corporate Governance Statement is a non-audited component of the Combined Management Report. It is also published at www.beiersdorf.com/corporate_governance_statement, where it will be accessible for at least five years.

Hamburg, February 2024

Beiersdorf Aktiengesellschaft

The Supervisory Board

The Executive Board

Report by the Executive Board on Dealings among Group Companies

In accordance with § 312 AktG, the Executive Board has issued a Report on Dealings among Group Companies that contains the following concluding declaration:

"According to the circumstances known to us at the time transactions were executed or measures were taken or not taken, Beiersdorf Aktiengesellschaft received appropriate consideration for every transaction and has not been disadvantaged by the fact that measures were taken or not taken."

Disclosures relating to Takeover Law

The disclosures required under § 315a (1) *Handelsgesetzbuch* (German Commercial Code, *HGB*) and § 289a (1) *HGB* are presented below.

Please refer to the notes for the disclosures on the composition of the subscribed capital and the disclosures on direct or indirect interests in the share capital exceeding 10% of the voting rights.

The appointment and removal from office of members of the Executive Board are governed by §§ 84 and 85 AktG, § 31 *Mitbestimmungsgesetz* (German Co-determination Act, *MitbestG*), and § 7 of the Articles of Association. In accordance with § 7 (1) of the Articles of Association, the Executive Board consists of at least three members; apart from this provision, the Supervisory Board determines the number of members of the Executive Board. The Articles of Association may be amended in accordance with §§ 179 and 133 AktG and with § 16 of the Articles of Association. Under § 16 (1) of the Articles of Association, the Supervisory Board is authorized to resolve amendments and additions to the Articles of Association that concern the latter's wording only. Under § 5 (6) of the Articles of Association, the Supervisory Board is authorized in particular to amend and reformulate § 5 of the Articles of Association (Share Capital) following each utilization of authorized or contingent capital.

The Annual General Meeting on April 29, 2020, authorized the Executive Board to increase the share capital with the approval of the Supervisory Board in the period until April 28, 2025, by up to a total of €92 million (Authorized Capital I: €42 million; Authorized Capital II: €25 million; Authorized Capital III: €25 million) by issuing new no-par-value bearer shares on one or several occasions. In this context, the dividend rights for new shares may be determined in deviation from § 60 (2) AktG.

Shareholders must be granted pre-emptive rights. However, the Executive Board is authorized, with the approval of the Supervisory Board, to disapply shareholders' pre-emptive rights in the following cases:

1. to eliminate fractions created as a result of capital increases against cash contributions (Authorized Capital I, II, III);
2. to the extent necessary to grant the holders or creditors of convertible bonds or bonds with warrants issued by Beiersdorf Aktiengesellschaft, or companies in which it holds a direct or indirect majority interest, rights to subscribe for new shares in the amount to which they would be entitled after exercising their conversion or option rights, or after fulfilling their conversion obligation (Authorized Capital I, II, III);
3. if the total amount of share capital attributable to the new shares for which pre-emptive rights are to be disapplied does not exceed 10% of the share capital existing at the time this authorization comes

into effect or – in the event that this amount is lower – at the time the new shares are issued and the issue price of the new shares is not materially lower than the quoted market price of the existing listed shares at the time when the issue price is finalized, which should be as near as possible to the time the shares are placed. If, during the term of the authorized capital, other authorizations to issue or sell shares in the company or to issue rights that enable or oblige the holder to subscribe for shares in the company are exercised while disapplying pre-emptive rights pursuant to or in accordance with § 186 (3) sentence 4 AktG, this must be counted toward the above-mentioned 10% limit (Authorized Capital II);

- 4.** in the case of capital increases against non-cash contributions for the purpose of acquiring companies, business units of companies, or equity interests in companies (Authorized Capital III).

The Executive Board may only exercise the above authorizations to disapply pre-emptive rights to the extent that the total proportionate interest in the share capital attributable to the shares issued while disapplying pre-emptive rights does not exceed 10% of the share capital at the time these authorizations become effective or at the time these authorizations are exercised. If other authorizations to issue or sell shares in the company or to issue rights that enable or oblige the holder to subscribe for shares in the company are exercised while disapplying pre-emptive rights during the term of an authorized capital until such time as it is utilized, this must be counted toward the above-mentioned limit.

The Executive Board was also authorized to determine the further details of the capital increase and its implementation with the approval of the Supervisory Board.

In addition, the Annual General Meeting on April 29, 2020, resolved to contingently increase the share capital by up to a total of €42 million, composed of up to 42 million no-par-value bearer shares. The contingent capital increase will be implemented only to the extent that:

- 1.** the holders or creditors of conversion and/or option rights attached to convertible bonds and/or bonds with warrants issued in the period until April 28, 2025, by Beiersdorf Aktiengesellschaft, or companies in which it holds a direct or indirect majority interest, choose to exercise their conversion or option rights, or
- 2.** the holders or creditors of convertible bonds giving rise to a conversion obligation issued in the period until April 28, 2025, by Beiersdorf Aktiengesellschaft, or companies in which it holds a direct or indirect majority interest, comply with such obligation,

and the contingent capital is required for this in accordance with the terms and conditions of the bonds.

The new shares bear dividend rights from the beginning of the fiscal year in which they are created as a result of the exercise of conversion or option rights, or as a result of compliance with a conversion obligation.

The Executive Board was authorized to determine the further details of the implementation of a contingent capital increase.

The Annual General Meeting on April 29, 2020, also authorized the company in accordance with § 71 (1) no. 8 AktG to purchase own shares in the total amount of up to 10% of the existing share capital in the period up to April 28, 2025. The shares shall be purchased via the stock exchange, or via a public purchase offer addressed to all shareholders, or a public invitation to tender shares. The Annual General Meeting authorized the Executive Board to sell in whole or in part the own shares purchased on the basis of the above mentioned or a prior authorization with the approval of the Supervisory Board

while disapplying the shareholders' pre-emptive rights, including in a way other than via the stock exchange or via a purchase offer to all shareholders, to the extent that these shares are sold for cash at a price that does not fall materially below the market price of the same class of shares of the company at the time of the sale. The Executive Board was also authorized to sell in whole or in part the own shares acquired in accordance with the above mentioned or a previous authorization with the approval of the Supervisory Board against non-cash consideration while disapplying the pre-emptive rights of shareholders, particularly to utilize them as consideration or partial consideration in the context of a merger or the acquisition of companies, equity interests in companies (including increases in equity interests), or business units of companies. Moreover, the Executive Board is authorized, with the approval of the Supervisory Board, to utilize these own shares in whole or in part, while disapplying the pre-emptive rights of shareholders, in order to satisfy the subscription and/or conversion rights from convertible bonds and/or bonds with warrants issued by the company or companies in which it holds a direct or indirect majority interest or other claims to the transfer of shares. The Executive Board is further authorized, in the event that own shares are sold to all shareholders, to disapply the pre-emptive rights of shareholders where this is necessary to eliminate any fractions that may arise. The Executive Board may only make use of the above authorizations to disapply pre-emptive rights when utilizing own shares to the extent that the total proportion of shares utilized without pre-emptive rights does not exceed 10% of the share capital either at the time of the resolution by the Annual General Meeting or at the time these authorizations are exercised. If, during the term of this authorization to utilize own shares, other authorizations to issue or sell shares in the company or to issue rights that enable or oblige the holder to acquire shares in the company are exercised while disapplying pre-emptive rights, this must be counted toward the above-mentioned limit.

Finally, the Executive Board was authorized to retire the own shares acquired in accordance with the above-mentioned or a prior authorization with the approval of the Supervisory Board without requiring an additional resolution by the Annual General Meeting.

The creation of the authorized and contingent capital is intended to put the company in the position of being able to react to growth opportunities and capital market opportunities quickly and flexibly. The authorization to purchase and utilize own shares enables the company in particular to also offer shares in the company to institutional or other investors and/or to expand the shareholder base of the company, as well as to utilize the purchased own shares as consideration or partial consideration for the acquisition of companies, equity interests in companies (including increases of equity interests), or business units, or as part of mergers, i.e. in return for considerations in kind.

p. 190 Consolidated Financial Statements

- p. 190 Income Statement
- p. 191 Statement of Comprehensive Income
- p. 192 Balance Sheet
- p. 193 Cash Flow Statement
- p. 194 Statement of Changes in Equity

p. 195 Notes to the Consolidated Financial Statements

- p. 195 Segment Reporting
- p. 196 Regional Reporting
- p. 197 Material Accounting Policies
- p. 208 Consolidated Group, Acquisitions, and Divestments
- p. 209 Notes to the Income Statement
- p. 214 Notes to the Balance Sheet
- p. 238 Other Disclosures
- p. 242 Report on Post-balance Sheet Date Events
- p. 243 Beiersdorf AG Boards

p. 246 Attestations

- p. 246 Independent Auditor's Report
- p. 257 Independent Auditor's Limited Assurance Report
- p. 260 Responsibility Statement by the Executive Board

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Financial Statements

Income Statement

(in € million)

	Note	2022	2023
Sales	01	8,799	9,447
Cost of goods sold	02	-3,842	-4,031
Gross profit		4,957	5,416
Marketing and selling expenses	03	-2,998	-3,250
Research and development expenses	04	-291	-320
General and administrative expenses	05	-524	-570
Other operating income	06	266	263
Other operating expenses	07	-318	-434
Operating result (EBIT)		1,092	1,105
Interest income	08	36	43
Interest expense	08	-16	-26
Net pension result	08	-10	-12
Other financial result	08	-6	-5
Financial result	08	4	-
Profit before tax		1,096	1,105
Income taxes	09	-325	-356
Profit after tax		771	749
Of which attributable to			
- Equity holders of Beiersdorf AG		755	736
- Non-controlling interests		16	13
Basic/diluted earnings per share (in €)	10	3.33	3.24

Statement of Comprehensive Income

(in € million)

	2022	2023
Profit after tax	771	749
Other comprehensive income that will be reclassified subsequently to profit or loss	70	-55
Remeasurement of cash flow hedges ¹	28	-13
Remeasurement of securities ¹	-12	5
Exchange differences	54	-47
Other comprehensive income that will not be reclassified subsequently to profit or loss	317	13
Remeasurement of defined benefit pension plans ¹	314	13
Change in fair value of equity instruments measured through other comprehensive income ¹	3	-
Other comprehensive income	387	-42
Total comprehensive income	1,158	707
Of which attributable to		
- Equity holders of Beiersdorf AG	1,143	696
- Non-controlling interests	15	11

¹ Net of tax.

Balance Sheet

(in € million)

Assets	Note	Dec. 31, 2022	Dec. 31, 2023
Intangible assets	11	1,111	938
Property, plant, and equipment	12	2,201	2,541
Non-current securities	16	3,184	2,675
Other non-current assets	15	52	59
Deferred tax assets	09	258	304
Non-current assets		6,806	6,517
Inventories	13	1,557	1,514
Trade receivables	14	1,508	1,598
Other current financial assets	15	147	159
Income tax receivables	09	205	227
Other current assets	15	239	253
Current securities	16	771	1,227
Cash and cash equivalents	17	1,080	1,133
Non-current assets and disposal groups held for sale	15	35	1
Current assets		5,542	6,112
		12,348	12,629
<hr/>			
Equity and liabilities		Dec. 31, 2022	Dec. 31, 2023
Share capital	19	252	252
Additional paid-in capital	22	47	47
Retained earnings	23	7,725	8,315
Accumulated other comprehensive income	24	-239	-292
Equity attributable to equity holders of Beiersdorf AG		7,785	8,322
Non-controlling interests		20	17
Equity		7,805	8,339
Provisions for pensions and other post-employment benefits	26	382	350
Other non-current provisions	27	146	150
Non-current financial liabilities	28	117	153
Deferred tax liabilities	09	137	133
Non-current liabilities		782	786
Other current provisions	27	614	629
Income tax liabilities	09	183	152
Trade payables	28	2,328	2,234
Other current financial liabilities	28	525	333
Other current liabilities	28	111	156
Current liabilities		3,761	3,504
		12,348	12,629

Cash Flow Statement

(in € million)

	2022	2023
Profit after tax	771	749
Reconciliation of profit after tax to net cash flow from operating activities		
Income taxes	325	356
Financial result	-4	-
Income taxes paid	-312	-464
Depreciation and amortization	287	449
Change in non-current provisions (excluding interest components and changes recognized in OCI)	22	-27
Gain/loss on disposal of property, plant, and equipment, and intangible assets	-5	-6
Gross cash flow	1,084	1,057
Change in inventories	-395	43
Change in receivables and other assets	-288	-108
Change in liabilities and current provisions	396	-51
Net cash flow from operating activities	797	941
Investments in property, plant, and equipment, and intangible assets	-548	-517
Payments for acquisitions (net of cash acquired)	-545	-
Payments for investments in associated companies and other investments	-7	-5
Payments to acquire securities	-97	-509
Proceeds from the sale of property, plant, and equipment, and intangible assets	29	16
Proceeds from the sale of subsidiaries (net of cash disposed) and non-current assets held for sale	10	23
Proceeds from the sale/final maturity of securities	680	576
Interest received	42	51
Proceeds from dividends and other financing activities	34	24
Net cash flow from investing activities	-402	-341
Free cash flow	395	600
Proceeds from loans	451	16
Loan repayments	-447	-200
Repayments of lease liabilities	-68	-68
Interest paid	-15	-19
Other financing expenses paid	-19	-48
Cash dividends paid (Beiersdorf AG)	-159	-159
Cash dividends paid (non-controlling interests)	-16	-14
Payments to acquire shares from non-controlling interests without a change in control	-72	-
Net cash flow from financing activities	-345	-492
Effect of exchange rate fluctuations and other changes on cash held	-6	-55
Net change in cash and cash equivalents	44	53
Cash and cash equivalents as of Jan. 1	1,036	1,080
Cash and cash equivalents as of Dec. 31	1,080	1,133

Statement of Changes in Equity

(in € million)

	Accumulated other comprehensive income									Total
	Share capital	Additional paid-in capital	Retained earnings ¹	Currency translation adjustment	Hedging instruments from cash flow hedges	Debt instruments	Equity instruments	Total attributable to equity holders	Non-controlling interests	
Jan. 1, 2022	252	47	6,879	-300	-10	2	1	6,871	23	6,894
Total comprehensive income for the period	—	—	1,069	55	28	-12	3	1,143	15	1,158
Reclassifications	—	—	4	—	—	—	-4	—	—	—
Dividend of Beiersdorf AG for previous year	—	—	-159	—	—	—	—	-159	—	-159
Change in non-controlling interests	—	—	—	—	—	—	—	—	-16	-16
Change in non-controlling interests without a change in control	—	—	-68	-2	—	—	—	-70	-2	-72
Dec. 31, 2022/Jan. 1, 2023	252	47	7,725	-247	18	-10	—	7,785	20	7,805
Total comprehensive income for the period	—	—	749	-45	-13	5	—	696	11	707
Reclassifications	—	—	—	—	—	—	—	—	—	—
Dividend of Beiersdorf AG for previous year	—	—	-159	—	—	—	—	-159	—	-159
Change in non-controlling interests	—	—	—	—	—	—	—	—	-14	-14
Dec. 31, 2023	252	47	8,315	-292	5	-5	—	8,322	17	8,339

¹ The cost of treasury shares amounting to €955 million has been deducted from retained earnings.

Notes to the Consolidated Financial Statements

Segment Reporting

(in € million)

	Consumer	tesa		Group		
	2022	2023	2022	2023	2022	2023
Net sales	7,131	7,780	1,668	1,667	8,799	9,447
Change (nominal)	(in %)	16.3	9.1	11.3	0.0	15.4
Change (organic)	(in %)	10.5	12.5	8.8	3.2	10.2
Share of Group sales	(in %)	81.0	82.4	19.0	17.6	100.0
EBITDA	1,038	1,203	341	351	1,379	1,554
Operating result (EBIT)	828	834	264	271	1,092	1,105
as % of sales		11.6	10.7	15.8	16.3	12.4
Operating result (EBIT, excluding special factors)¹	880	1,002	278	266	1,158	1,268
as % of sales		12.3	12.9	16.7	16.0	13.2
Gross operating capital¹	5,385	5,668	1,250	1,195	6,635	6,863
Operating liabilities¹	2,893	2,804	298	302	3,191	3,106
EBIT return on net operating capital ¹	(in %)	33.2	29.1	27.6	30.4	31.7
Gross cash flow	817	807	267	250	1,084	1,057
Capital expenditure²	1,054	418	83	99	1,137	517
Depreciation and amortization	210	369	77	80	287	449
Research and development expenses	216	241	75	79	291	320
Employees	(as of Dec. 31)	16,419	16,769	4,982	5,189	21,401
						21,958

¹ See the disclosures contained in the section entitled "Notes to the Segment Reporting."² Figures comprise investments in intangible assets and property, plant, and equipment including acquisitions.

Regional Reporting

(in Mio. €)

	Europe		America		Africa/Asia/ Australia		Group	
	2022	2023	2022	2023	2022	2023	2022	2023
Net sales	3,900	4,161	2,126	2,484	2,773	2,802	8,799	9,447
Change (nominal)	(in %)	6.1	6.7	39.2	16.8	14.4	1.0	15.4
Change (organic)	(in %)	5.5	8.0	21.8	16.8	9.9	10.1	10.2
Share of Group sales	(in %)	44.3	44.0	24.2	26.3	31.5	29.7	100.0
EBITDA	738	834	170	174	471	546	1,379	1,554
Operating result (EBIT)	583	654	108	5	401	446	1,092	1,105
as % of sales		15.0	15.7	5.1	0.2	14.5	15.9	12.4
Operating result (EBIT, excluding special factors)¹	618	678	140	123	400	467	1,158	1,268
as % of sales		15.9	16.3	6.6	5.0	14.5	16.7	13.2
Capital expenditure²	444	337	521	107	172	73	1,137	517
Depreciation and amortization	155	180	62	169	70	100	287	449
Employees	(as of Dec. 31)	12,094	12,216	3,771	3,987	5,536	5,755	21,401
								21,958

¹ See the disclosures contained in the section entitled "Notes to the Segment Reporting."² Figures comprise investments in intangible assets and property, plant, and equipment including acquisitions.

Material Accounting Policies

Information on the company and on the group

The registered office of Beiersdorf AG is located at Beiersdorfstrasse 1-9 in Hamburg (Germany), and the company is registered with the commercial register of the Hamburg Local Court under the number HRB 1787. Beiersdorf AG is included in the consolidated financial statements of maxingvest GmbH & Co KGaA, the (ultimate) parent company of the Group.

The activities of Beiersdorf AG and its affiliates ("Beiersdorf Group") consist primarily of the manufacture and distribution of branded consumer goods in the area of skin and body care, and of the manufacture and distribution of technical adhesive tapes.

The consolidated financial statements of Beiersdorf AG for the fiscal year from January 1 to December 31, 2023, were prepared by the Executive Board on February 7, 2024, and subsequently submitted to the Supervisory Board for examination and approval.

General principles

The consolidated financial statements of Beiersdorf AG have been prepared in accordance with the International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB), including the IFRS Interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) and the supplementary provisions of German commercial law required to be applied under § 315e (1) *Handelsgesetzbuch* (German Commercial Code, *HGB*). All IFRSs and IFRICs endorsed by the European Commission and required to be applied as of December 31, 2023, were applied.

The consolidated financial statements were prepared using the historical cost convention. Exceptions to this rule relate to financial instruments assigned to the categories "at fair value through other comprehensive income" (FVOCI) and "at fair value through profit or loss" (FVPL), and derivative financial instruments, which are all measured at fair value.

The consolidated income statement was prepared using the cost of sales method.

Estimates and assumptions

Preparation of the consolidated financial statements requires management to make estimates and assumptions to a limited extent that affect the amount and presentation of recognized assets and liabilities, income and expenses, and contingent liabilities. Such estimates and assumptions reflect all currently available information. Significant estimates and assumptions were made in particular in relation to the following accounting policies: impairment testing of goodwill and indefinite-lived intangible assets (Note 11 "Intangible Assets"), impairments of financial assets (Note 29 "Additional Disclosures on Financial Instruments, Financial Risk Management, and Derivative Financial Instruments"), the actuarial assumptions for the defined benefit expense as well as for the present value of pension commitments (Note 26 "Provisions for Pensions and Other Post-employment Benefits"), the determination of the amount of eligible deferred tax assets (Note 09 "Income Taxes"), and the recognition of other provisions (Note 27 "Other Provisions"). Given the uncertainty that exists when recognizing the legal risks arising from claims for damages in particular as well as tax and custom risks (Note 30 "Contingent Liabilities, Other Financial Obligations, and Legal Risks"), significant discretion must be exercised in evaluating whether and to what extent potential damages have arisen and how large the claim could be. In determining the amount of possible damages, there is particular discretion in relation to determining the nature of the factors "overcharge" and "pass-on rate" on which the

calculation is based. Furthermore, estimates and assumptions are made in particular when determining the useful lives of intangible assets and property, plant, and equipment, and when measuring inventories.

Other non-financial aspects, such as climate risks, do not currently have a significant impact on the planned cash flows used in the impairment tests.

Actual amounts may differ from these estimates. Changes to estimates are recognized in profit or loss when more recent knowledge becomes available.

Consolidation principles

Acquisition accounting uses the purchase method, under which the cost of the business combination is allocated to the identifiable assets acquired and identifiable liabilities and contingent liabilities assumed, measured at their fair values at the acquisition date. The cost of an acquisition is the sum of the consideration transferred, measured at fair value at the acquisition date, and the non-controlling interests in the acquiree. For each business combination, the non-controlling interests in the acquiree are measured either at fair value or at the proportionate share of the acquiree's identifiable net assets. Any excess of the cost of the business combination over the acquirer's interest in the net fair values of identifiable assets, liabilities, and contingent liabilities is recognized as goodwill. Costs incurred in the course of the business combination are recognized as an expense.

Profit and equity of subsidiaries attributable to non-controlling interests are presented separately in the consolidated income statement and as a component of equity in the consolidated balance sheet. Losses at a subsidiary are attributed to the non-controlling interests even if this results in a negative balance. In the case of successive purchases of the shares of subsidiaries, the difference between the cost of the new shares and the non-controlling interests previously recognized in the Group for these shares is recognized in other comprehensive income. In a business combination achieved in stages, the effects from acquisition-date fair value remeasurement of previously held equity interests in the acquiree are recognized either directly in equity (FVOCI) or in the income statement (FVPL), depending on their classification. Subsequent adjustments of contingent consideration are recognized in the income statement.

All intercompany balances, transactions, income, and expenses, and gains and losses on intragroup transactions that are contained in the carrying amounts of assets are eliminated in full.

The consolidated financial statements include Beiersdorf AG and the subsidiaries over which it has control within the meaning of IFRS 10. Control over an investee exists if Beiersdorf AG has direct or indirect power over the investee, is exposed to variable returns from its involvement with the investee, and has the ability to affect those returns through its power over the investee.

Currency translation

The consolidated financial statements have been prepared in euros. The euro is Beiersdorf AG's functional and presentation currency. Unless otherwise stated, all amounts are rounded to millions of euros (€ million). Each company in the Group defines its own functional currency. As the foreign subsidiaries operate as financially, economically, and organizationally independent entities, their functional currency is always the local currency. The items contained in the financial statements of the company concerned are measured using this functional currency. Foreign currency transactions are initially translated at the spot rate at the transaction date. Non-monetary items that are measured at cost in a foreign currency are translated at the exchange rate at the transaction date. Exchange differences arising from the translation of monetary items are recognized in profit or loss. Monetary assets and liabilities in foreign currency are translated into the functional currency at the closing rate.

At the balance sheet date, the assets and liabilities of foreign subsidiaries whose functional currency is not the euro are translated into euros at the closing rate. Income and expenses are generally translated at average exchange rates for the fiscal year. Exchange differences arising from this are recognized as a separate component of equity.

The following table shows the changes in the exchange rates for the currencies material to the consolidated financial statements:

Exchange Rate Changes

(€1 =)

	Average rates		Closing rates	
	2022	2023	2022	2023
Brazilian real (BRL)	5.4076	5.3867	5.6423	5.3626
Swiss franc (CHF)	1.0017	0.9711	0.9848	0.9257
Chinese yuan (CNY)	7.0736	7.6813	7.3631	7.8520
Pound sterling (GBP)	0.8548	0.8686	0.8869	0.8689
Japanese yen (JPY)	138.0567	153.0488	140.7200	156.3500
Mexican Peso (MXN)	21.0639	19.0661	20.8793	18.7374
Thai baht (THB)	36.8021	37.6977	36.8486	37.9564
US dollar (USD)	1.0505	1.0824	1.0673	1.1052

The accounting requirements of IAS 29 Financial Reporting in Hyperinflationary Economies were not applied due to immaterial effect on the Group's net assets, financial position and results of operations.

Changes in accounting policies

There were no material effects from the first-time application of new standards or interpretations in fiscal year 2023.

OECD Pillar Two model regulations

The Group falls within the scope of the OECD Pillar Two model regulations. The Ultimate Parent Entity (UPE) is maxingvest GmbH & Co. KGaA, based in Germany. The Pillar Two legislation was adopted in Germany and will enter into force on January 1, 2024. As the Pillar Two legislation was not yet in force at the reporting date, the Group is currently not subject to any tax burden in this respect. The Group makes use of the exemption from the recognition of deferred taxes in connection with Pillar Two income taxes, which was the subject of the amendment to IAS 12 published in May 2023.

According to the Pillar Two legislation, the Group must pay an additional tax per country in the amount of the difference between the GloBE effective tax rate and the minimum tax rate of 15%. Based on an average effective tax rate calculated in accordance with IAS 12.86 for all constituent entities of the maxingvest Group, the effective tax rates for the following countries are below 15%: Costa Rica, Croatia, Philippines, Switzerland and Taiwan.

Considering the allocation of a possible supplementary tax, the Beiersdorf Group has a notional burden in a range between €1 million and €2 million.

Due to the complexity regarding the application of the legislation and the calculation of GloBE income, the quantitative effects cannot yet be reliably estimated. Although the average effective tax rate in 2023 in the above-mentioned jurisdictions is below 15%, the Group may not have to pay Pillar Two income taxes. On the one hand, this may be due to safe harbor regulations. On the other hand, Pillar Two

legislation provides for specific adjustments that result in deviations from the effective tax rates calculated in accordance with IAS 12.86. Even for companies with an effective tax rate of over 15%, Pillar Two could therefore trigger tax implications.

The IASB has also revised or issued further accounting standards and interpretations that must be applied in future. However, these will have no material effects on the consolidated financial statements.

Material accounting policies

Sales are recognized when goods and products are delivered, and control has transferred to the customer. Discounts, customer bonuses, and rebates are deducted from sales, as is consideration payable to trading partners in those cases in which the consideration is not matched by a distinct product or service supplied whose fair value can be estimated reliably. The probability of returns is reflected in the recognition and measurement of sales.

Cost of goods sold comprises the cost of internally produced goods sold and the purchase price of merchandise sold. The cost of internally produced goods includes directly attributable costs such as the cost of direct materials, direct labor, and energy, as well as production overheads, including depreciation of production facilities. The cost of goods sold also includes write-downs of inventories and operating expenses for distribution centers and freight shipments to customers.

Marketing and selling expenses comprise the costs of sales and marketing departments, expenditure on advertising, retail (point of sale) marketing, and similar items. This item also includes write-downs of trade receivables.

Research costs are recognized in profit or loss for the period. Development costs for new products are capitalized if the recognition criteria laid down in IAS 38 are met. This is normally not the case, as the expected future economic benefits cannot be measured reliably as long as the products are not market ready. **Other development costs** (e.g., for information systems) are capitalized as intangible assets if the recognition criteria laid down in IAS 38 are met. Once capitalized, they are amortized using the straight-line method over their expected useful lives.

Purchased **intangible assets** such as patents, trademarks, and software are measured at cost. The carrying amounts of finite-lived intangible assets are reduced by straight-line amortization over their expected useful lives. The useful lives, residual values, and amortization methods are reviewed regularly. Goodwill and indefinite-lived intangible assets are not amortized.

Goodwill and indefinite-lived intangible assets are **tested for impairment** at least once a year; such impairment tests are only conducted for finite-lived intangible assets and property, plant, and equipment if there are indications of impairment. An impairment loss is recognized in profit or loss if the recoverable amount of the asset is lower than its carrying amount. Recoverable amount is identified separately for each asset. If an asset does not generate cash inflows that are largely independent from other assets, recoverable amount is identified on the basis of a group of assets designated as the cash-generating unit. Recoverable amount is the higher of net realizable value and value in use. Net realizable value is the amount obtainable from the sale of an asset in an arm's length transaction, less the costs of disposal. Value in use is calculated on the basis of estimated future cash flows expected to arise from the continuing use of an asset and its disposal at the end of its useful life, using the discounted cash flow method. Cash flows are derived from the business plans and reflect current developments. They are discounted to the date of the impairment test using capitalization rates for equivalent risks.

If the reasons for an impairment loss recognized in previous years no longer apply, the impairment loss (except for goodwill) is reversed up to a maximum of amortized cost.

With the exception of lease right-of-use assets, **property, plant, and equipment** is carried at cost and reduced by straight-line depreciation over the assets' expected useful lives. The useful lives, residual values, and depreciation methods are reviewed annually. The following useful lives are generally applied to the depreciation of items of property, plant, and equipment:

[Useful Lives of Property, Plant, and Equipment](#)

Buildings	10 to 33 years
Technical equipment and machinery	5 to 15 years
Office and other equipment	3 to 15 years

Production costs of internally manufactured items of property, plant, and equipment are calculated on the basis of attributable direct costs plus an appropriate share of production-related overheads. Interest on borrowings is recognized as a current expense unless it relates to the production of qualifying assets. Repair and maintenance costs for property, plant, and equipment are also expensed as incurred. Substantial renewals or enhancements that materially increase production capacity or significantly extend the useful life of an asset are capitalized. Components that were previously capitalized in this way and replaced by new measures to be capitalized are recognized accordingly as disposals. Government grants reduce the cost of acquisition or production.

Right-of-use assets from leases are reported within property, plant, and equipment. A lease exists if a contract entitles the Group to use an identifiable asset for an agreed period of time in return for payment. At Beiersdorf, leases relate primarily to office space and vehicles.

Lease liabilities are reported within financial liabilities. They are recognized at the inception of the lease at the present value of the lease payments not yet made. Discounting is generally determined using term- and currency-specific incremental borrowing rates.

Lease right-of-use assets are recognized at cost at the commencement of the lease term. The cost of the right-of-use asset comprises the present value of the total expected lease payments less lease incentives received, initial direct costs, and restoration obligations. Subsequent measurement is at amortized cost. Depreciation is on a straight-line basis over the term of the lease.

The term of the lease commences on the date that the asset is made available for use and includes any rent-free periods. In the case of leases that contain both a basic non-cancelable period and extension and termination options, determination of lease terms takes into account all the facts and circumstances that provide an economic incentive for the exercise of extension options or non-exercise of termination options. The exercise or non-exercise of these options is only factored into the lease term if it is reasonably certain to occur.

The leasing standard is not applied to rights held by a lessee under license agreements within the scope of IAS 38. In addition, Beiersdorf has exercised the option not to recognize low-value and short-term leases on the balance sheet and is instead continuing to treat these as operating expenses over the term of the lease.

Inventories are carried at the lower of cost or net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. The cost of inventories is measured using the average cost method. In addition to direct costs, production costs include a proportionate share of material and

production overheads as well as production-related depreciation. It also includes the proportionate costs of company pension arrangements and voluntary social benefits, as well as production-related administrative expenses.

Cash comprises bank balances, cash-on-hand, and checks. **Cash equivalents** are short-term liquid investments that can be converted into a specified amount of cash at any time and are exposed to no more than insignificant fluctuations in value. In accordance with IFRS 9, cash and cash equivalents are designated as AC.

Non-current assets and disposal groups are classified as held for sale if their carrying amount is to be recovered principally through a sale transaction rather than through continuing use. Non-current assets and disposal groups held for sale are measured at fair value less costs to sell (level 3) if the value is lower than the carrying amount. The fair value less cost to sell is generally determined on the basis of (ongoing) purchase price negotiations with potential buyers.

The prerequisite for the classification as held for sale is that the assets and disposal groups can be sold in their current condition and that their sale is highly probable. The sale must be considered within one year from the date of classification. Before any assets are reclassified to assets and disposal groups held for sale, the relevant measurement rules for the balance sheet item are applied for the last time. After classification, depreciation is no longer recognized for the assets. Any expense resulting from the application of the above valuation principles in connection with the write-down to fair value less costs to sell is recognized under other operating expenses.

Financial instruments are contracts that give rise to a financial asset of one entity and a financial liability of another entity. Financial assets and financial liabilities are measured at fair value on initial recognition after deduction of transaction costs if not assigned to the FVPL category. Trade receivables are stated at the transaction price in accordance with IFRS 15.

Categories of financial assets under IFRS 9

The "**at amortized cost**" (**AC**) category comprises financial assets whose cash flows consist of interest and principal payments and that are held as part of a business model that aims to collect contractual cash flows. Following initial recognition, they are valued at amortized cost less any impairment losses using the effective interest method.

The "**at fair value through other comprehensive income**" (**FVOCI**) category comprises financial assets whose cash flows consist of interest and principal payments and that are held as part of a business model that generally aims to hold the assets but also allows them to be sold if required. These assets are measured at fair value. The resulting changes in value are recognized in a separate reserve in other comprehensive income. Upon disposal or impairment of these financial assets, the cumulative gains and losses recognized in equity are recognized in profit or loss. This category also includes equity instruments for which the one-time option to recognize changes in fair value directly in equity has been irrevocably exercised. Subsequent changes in value remain in equity upon disposal or impairment and are not reclassified to the income statement.

The "**at fair value through profit or loss**" (**FVPL**) category comprises financial assets that do not fall under the other categories. These assets are measured at fair value. The resulting changes in value are recognized in the income statement.

Financial assets are **tested for impairment** as of each reporting date. Under IFRS 9, a risk provision is recognized based on the expected credit losses over the next 12 months (expected loss model). The estimate is based on ratings and continuously updated risk indicators. Current CDS spreads and the issuers' bond spreads are also used in the calculation. Impairment of financial assets is immediately recognized in profit or loss. For financial assets in the AC category, the impairment reduces the asset's

value on the balance sheet; for financial assets in the FVOCI category, the impairment is recognized in a special reserve in other comprehensive income. A simplified process for determining impairment is used for assets that do not contain a significant financing component (e.g., trade receivables). In this approach, expected credit losses over the entire lifetime of the financial instruments are determined. The estimated impairment on receivables is based primarily on the results of previous payment behavior and reflects the age structure, any substantial deterioration in creditworthiness, or a high probability of debtor insolvency, as well as changes in the political and macroeconomic environment. Given the very short terms (e.g., due on demand) and the creditworthiness of our contractual partners, no impairment is identified based on expected credit losses for financial assets such as cash and cash equivalents.

Financial liabilities are carried at amortized cost (AC) using the effective interest method after their initial recognition. Gains and losses resulting from amortization using the effective interest method and from derecognition of liabilities are recognized in profit or loss. Liabilities with remaining contractual maturities of more than one year are classified as non-current.

In accordance with IFRS 9, derivative financial instruments used for hedges are not assigned to a separate category; within the Beiersdorf Group, they are subsumed under "derivative financial instruments" (DFI).

Financial assets and financial liabilities are derecognized when control of the contractual rights is lost, when the obligation specified in the contract is discharged or cancelled, or when it has expired. Liabilities in connection with reverse factoring agreements are not subject to any substantial modification of the contractual terms and therefore continue to be accounted for as trade accounts payable. The payments made are subsequently shown in the statement of cash flows as cash flows from operating activities.

The Beiersdorf Group uses **derivative financial instruments** to manage current and future currency risks. The instruments concerned are mainly currency forwards. Derivative financial instruments are recognized at fair value. They are reported in the balance sheet in other financial assets or other financial liabilities.

The recognition of changes in the fair values of derivative financial instruments depends on whether these instruments are used as hedging instruments and meet the criteria for hedge accounting under IFRS 9. If the criteria are not met despite the existence of an economic hedge, changes in the fair values of derivative financial instruments are recognized immediately in profit or loss. The effectiveness of the hedge relationship is assessed using the critical terms method.

Derivatives classified as fair value hedges are measured at their fair value. Any resulting changes in fair value are recognized in profit or loss. The carrying amount of the hedged asset or liability is adjusted for the changes in fair value attributable to the hedged risk. Gains or losses resulting from changes in fair value are recognized in profit or loss for the period.

For derivative financial instruments designated as hedging instruments that qualify for hedging accounting as a cash flow hedge, the effective portion of the change in the fair value is recognized in other comprehensive income, net of the related tax effect. The ineffective portion is recognized in profit or loss. When the hedged item (underlying) is settled, the effective portion is also recognized in profit or loss.

The **fair value of financial instruments** is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When measuring fair value, it is assumed that the underlying transaction on which the price is based takes

place in either the principal market or the most advantageous market that the Beiersdorf Group has access to. The price is measured using the assumptions that market participants would base pricing on. All financial instruments recognized at fair value in the financial statements are categorized into the following hierarchy levels in accordance with IFRS 13:

- Level 1: Fair values that are measured using quoted prices in active markets
- Level 2: Fair values that are measured using valuation techniques whose significant inputs are based on directly or indirectly observable market data
- Level 3: Fair values that are measured using valuation techniques whose significant inputs are not based on observable market data

Financial instruments regularly measured at fair value are reassessed at the end of the fiscal year to determine whether reclassifications have to be made between the levels of the hierarchy.

Provisions for pensions and other post-employment benefits comprise the provisions for defined benefit plans within the Group. Obligations are measured using the projected unit credit method. The expected benefits are spread over the entire length of service of the employees. The actuarial computation of the pension provisions is based on market rates of interest as well as projected wage/salary and pension increases, and staff turnover trends. Measurement is performed using the relevant local inputs. In Germany, the mortality rate was based on Heubeck's 2018 G mortality tables, while international rates were based on locally recognized mortality tables. The various discount rates used are based on the yields of high-quality corporate bonds with appropriate maturities and currencies and a minimum of an AA rating. Actuarial reports are prepared annually. All assumptions are reviewed for appropriateness at each reporting date.

The amount recognized as a provision comprises the total present value of the defined benefit obligation less the fair value of plan assets available for immediate settlement of obligations. If the fair value of plan assets exceeds the present value of the defined benefit obligation, net assets are only recognized up to the amount of the asset ceiling.

Past service cost is recognized as a component of EBIT in line with the principle of functional allocation, while net interest income is recognized in the financial result. Actuarial gains and losses resulting from changes in actuarial assumptions and deviations between earlier actuarial assumptions and actual developments, as well as from changes in the return on plan assets, are recognized immediately and in full under retained earnings in consolidated equity. They are not recognized in profit or loss later on, but rather remain in consolidated equity.

In the case of defined contribution plans, contributions are made on a statutory, contractual, or voluntary basis to public or private pension insurance plans. The Group does not have any other payment obligations above and beyond the contributions. The contributions are recognized in profit or loss as a component of EBIT.

Other provisions take account of all identifiable future payment obligations, risks, and uncertain obligations of the Group resulting from current legal or constructive obligations arising from past events where the amount of the obligation can be measured reliably. Such other provisions are mainly due within one year. Non-current provisions expected to be settled after more than one year are discounted insofar as the interest effect is material.

Current **income tax** assets and liabilities for current and prior periods are recognized at the expected amount. The tax rates and tax legislation enacted at the reporting date are used to calculate the amount.

Deferred taxes result from temporary differences between the tax base of assets and liabilities and their carrying amounts in the IFRS balance sheet, and from tax loss carryforwards. Deferred taxes are measured using the balance sheet liability method on the basis of the tax rates expected to be enacted in the individual countries when the temporary differences reverse. These rates are based on the legislation in force at the balance sheet date. No deferred taxes are recognized for differences arising on the initial recognition of assets and liabilities that are not the result of business combinations, affect neither accounting or taxable profit and do not give rise to equal taxable and deductible temporary differences.

Deferred tax assets in respect of temporary differences, tax loss carryforwards, and tax credits are recognized where it is probable that sufficient taxable profit will be available in future periods against which they can be utilized. Recognized deferred taxes are tested for recoverability every year. Income taxes relating to items recognized in other comprehensive income are not recognized in the income statement but in other comprehensive income.

Current tax assets and liabilities, and deferred tax assets and liabilities, are offset against each other if the Group has a legally enforceable right to offset the actual tax assets against actual tax liabilities and these relate to income taxes levied on the same taxable entity by the same taxation authority.

Summary of Selected Measurement Policies

Balance sheet item	Measurement policy
Assets	
Goodwill	Lower of cost or recoverable amount
Other intangible assets	
indefinite-lived	Lower of cost or recoverable amount
finite-lived	(Amortized) cost
Property, plant, and equipment	(Amortized) cost
Financial assets	
"Amortized cost" (AC)	(Amortized) cost
"At fair value through other comprehensive income" (FVOCI)	At fair value through other comprehensive income
"At fair value through profit or loss" (FVPL)	At fair value through profit or loss
Inventories	Lower of cost or net realizable value
Trade receivables	(Amortized) cost
Cash and cash equivalents	(Amortized) cost
Non-current assets and disposal groups held for sale	Lower of (amortized) cost or net realizable value
Equity and liabilities	
Provisions	
Provisions for pensions and other post-employment benefits	Projected unit credit method
Other provisions	Settlement amount (best estimate)
Financial liabilities	(Amortized) cost
Trade payables	(Amortized) cost
Other liabilities	Settlement amount

Notes to the Cash Flow Statement

The cash flow statement has been prepared in accordance with IAS 7 and is classified into net cash flows from operating, investing, and financing activities.

Net cash flow from operating activities is determined using the indirect method, while net cash flows from investing and financing activities are determined using the direct method.

Cash funds are composed of cash and cash equivalents that can be converted into cash at any time and that are exposed to no more than insignificant fluctuations in value.

Notes to the Segment Reporting

Segment reporting in the Beiersdorf Group is based on the management of business operations. The breakdown of the Group into the Consumer and tesa Business Segments reflects the internal organizational structure and the reporting to the Executive Board and the Supervisory Board.

The Beiersdorf Group measures the success of its segments on the basis of organic sales growth and operating result (EBIT), adjusted for non-recurring, non-operating transactions (EBIT, excluding special factors) in conjunction with the corresponding EBIT margin.

In order to show the global breakdown of business activities in the Beiersdorf Group, information on the geographic regions is presented in addition to the operating segments. The external sales shown for the regions are based on the domiciles of the respective companies.

Group companies domiciled in Germany generated sales of €1,450 million in 2023 (previous year: €1,419 million) and reported non-current assets (not including financial instruments, deferred taxes, and plan assets) of €1,577 million (previous year: €1,492 million).

Organic sales growth is the nominal sales growth adjusted for exchange rate effects and structural effects from acquisitions and divestments.

EBIT excluding special factors represents the operating result (EBIT), adjusted for non-operating one-off business transactions.

EBITDA represents the operating result (EBIT) before depreciation, amortization, and impairment losses.

The **EBIT margin on net operating capital** is the ratio of the operating result (EBIT) to net operating capital.

Gross cash flow is the excess of operating income over operating expenses before any further appropriation of funds.

Net operating capital of €3,757 million (previous year: €3,444 million) consists of gross operating capital less operating liabilities. The following table shows the reconciliation of net operating capital to the balance sheet items:

Reconciliation of Net Operating Capital to Balance Sheet Items

(in € million)

Assets	Dec. 31, 2022	Dec. 31, 2023
Intangible assets	1,111	938
Property, plant, and equipment	2,201	2,541
Inventories	1,557	1,514
Trade receivables	1,508	1,598
Other receivables and other assets (not including tax receivables)	258	272
Gross operating capital	6,635	6,863
Gross non-operating assets	5,713	5,766
Total balance sheet assets	12,348	12,629
Equity and liabilities	Dec. 31, 2022	Dec. 31, 2023
Other provisions	760	779
Trade payables	2,328	2,234
Other liabilities (not including income tax liabilities)	103	93
Operating liabilities	3,191	3,106
Equity	7,805	8,339
Non-operating liabilities	1,352	1,184
Total balance sheet equity and liabilities	12,348	12,629

Consolidated Group, Acquisitions, and Divestments

Consolidated Group

In addition to Beiersdorf AG, the consolidated financial statements include 15 (previous year: 14) German and 169 (previous year: 171) international companies whose financial and business policies Beiersdorf AG is able to control either directly or indirectly.

In the year under review, three new companies were included in the consolidated financial statements. In addition, three companies were wound up and one company was sold.

Beiersdorf AG's shareholdings

Disclosures of Beiersdorf AG's shareholdings are made in the section entitled "Additional Information." The list shows those companies/equity interests in which Beiersdorf AG holds 5% or more of the shares and/or voting rights.

Significant acquisitions

The purchase price allocation of S-Biomedic was finalized in fiscal year 2023. This did not result in any significant changes. The cash-generating unit for S-Biomedic was defined as a group of companies through which marketing takes place in the individual markets and thus the cash flows are generated.

No acquisitions were made in the course of the fiscal year 2023.

Significant divestments

With effect from June 30, 2023, Beiersdorf CEE Holding GmbH sold its shares in the subsidiary Beiersdorf Daily Chemical (Wuhan) Co., Ltd. for a consideration of €27 million. The subsidiary most recently held leasehold land (including buildings), the sale of which was the reason for the sale of the shares. The assets sold as part of the sale of the shares were most recently classified as non-current assets held for sale and recognized accordingly. The result from the sale of the company totalling €11 million is fully allocated to special factors.

There were no other significant divestments in the Group in the reporting year.

Exercise of exemption options

The following German affiliates included in the consolidated financial statements of Beiersdorf AG exercised the exemption option under § 264 (3) HGB in fiscal year 2023:

- Beiersdorf Manufacturing Hamburg GmbH, Hamburg
- Beiersdorf Manufacturing Berlin GmbH, Berlin
- Beiersdorf Manufacturing Waldheim GmbH, Waldheim
- La Prairie Group Deutschland GmbH, Baden-Baden
- Beiersdorf Shared Services GmbH, Hamburg

Notes to the Income Statement

01 Sales

Sales amounted to €9,447 million in fiscal year 2023 (previous year: €8,799 million). A breakdown of sales and their development can be found in the management report, the segment reporting, and regional reporting.

02 Cost of Goods Sold

The cost of goods sold amounted to €4,031 million (previous year: €3,842 million). This item includes disposed inventories expensed in the reporting period as well as direct expenses for distribution logistics.

03 Marketing and Selling Expenses

Marketing and selling expenses were €3,250 million (previous year: €2,998 million). The item includes expenditure on advertising, retail (point of sale) marketing, and similar items amounting to €2,076 million (previous year: €1,883 million).

04 Research and Development Expenses

Research and development expenses totaled €320 million (previous year: €291 million). Research and development expenses in the Consumer business were €241 million (previous year: €216 million). Research and development expenses in the tesa business area amounted to €79 million (previous year: €75 million).

05 General and Administrative Expenses

General and administrative expenses amounted to €570 million in the past fiscal year (previous year: €524 million). This item comprises personnel expenses and other administration costs, as well as the cost of external services that are not allocated internally to other functions.

06 Other Operating Income

(in € million)

	2022	2023
Gains on disposals of property, plant, and equipment, and other assets	17	13
Income from the reversal of provisions	82	73
Miscellaneous other income	167	177
266	263	

Gains on disposals of property, plant, and equipment, and other assets mainly resulted from the sale of the subsidiary Beiersdorf Daily Chemical (Wuhan) Co., Ltd. in the amount of €11 million. Income from the reversal of provisions resulted, among other things, from provisions for personnel, litigation risk and other provisions that were not required. These mainly include €15 million for the reversal of provisions for performance-related purchase price components in connection with the acquisition of Chantecaille in fiscal year 2022. The reversal of the performance-related purchase price component due to the reassessment of the contractually defined valuation parameters and the impairment of goodwill (see Note 11) was driven by both the delayed entry into the Chinese market and the general market development in China and South Korea, as well as the unfavorable development of the cost of capital

with regard to the impairment. Other income includes income from the reversal of deferred liabilities that are not required as well as valuation allowances on receivables and other non-periodic income. Furthermore they include income of €24 million from insurance benefits relating to the technical incident on January 24, 2023 at the tesa plant Concagno. This is offset by other operating expenses in the amount of €10 million (see Note 07)

07 Other Operating Expenses

(in € million)

	2022	2023
Restructuring expenses	61	31
Exchange result on operating activities	69	47
Losses on disposal of non-current assets	5	6
Amortization and impairment of intangible assets from acquisitions	18	179
Miscellaneous other expenses	165	171
	318	434

Restructuring expenses relate in particular to measures in the supply chain organization and other ongoing reorganizations of the consumer business. The amortization and impairment of intangible assets from acquisitions show amortization of the goodwill of the cash-generating unit Chantecaille in the amount of €160 million and an impairment of €5 million (previous year: €8 million) on the remaining intangible assets allocated to the cash-generating unit tesa Twinlock B.V. from the purchase price allocation; the associated goodwill was already fully amortized in fiscal year 2022. There was also an amortization of goodwill in the amount of €4 million for the tesa unit nie wieder bohren GmbH.

In addition, expenses of €10 million are included as a result of a technical incident on January 24, 2023 at the tesa plant Concagno. This is offset by other operating income totaling €24 million (see Note 06).

Miscellaneous other expenses included expenditure of €8 million (previous year: €5 million) in connection with the "Care Beyond Skin" donation program and expenditure of €7 million (previous year: €6 million) relating to the integration of the newly acquired Chantecaille business. The prior year includes miscellaneous other expenses from the sale of tesa Labtec GmbH of €6 million. Other expenses also include additions to provisions for legal and other risks and other operating expenses.

08 Financial Result

(in € million)

	2022	2023
Interest income	36	43
Interest expense	-16	-26
Net pension result	-10	-12
Other financial result	-6	-5
	4	-

Interest income primarily resulted from "cash and cash equivalents", "current securities", and "non-current securities". It includes interest income from financial investments recognized at amortized cost of €15 million (previous year: €15 million). The interest income from financial investments recognized at fair value through other comprehensive income amounted to €2 million (previous year: €2 million). In addition, interest income also includes income relating to tax reassessments. Interest expense includes,

among other things, interest expenditure relating to tax reassessments as well as interest expenditure from lease liabilities in the amount of €6 million (previous year: €1 million). The pension result includes expenses from the compounding of the net pension obligation entered into in previous years. The other financial result includes positive effects from financial assets and from the change in the fair value of current securities categorized as "at fair value through profit or loss" (FVPL). This is offset by negative effects from financial transactions, exchange rate developments and impairment losses on operating investments.

09 Income Taxes

Income tax expense including deferred taxes can be broken down as follows:

(in € million)

	2022	2023
Current income taxes		
Germany	65	109
International	272	307
	337	416
Deferred taxes	-12	-60
	325	356

Reconciliation to effective income tax expense

Given an effective tax rate of 32.2% (previous year: 29.6%), the effective income tax expense is €106 million (previous year: €59 million) higher than the expected income tax expense. The expected tax rate is calculated as the weighted average of the tax rates of the individual Group companies and amounts to 22.6% (previous year: 24.3%).

The following table shows the reconciliation of expected to effective income tax expense:

Effective Income Tax Expense

(in € million)

	2022	2023
Expected income tax expense given a tax rate of 22.6% (previous year: 24.3%)	266	250
Prior-year taxes	-4	12
Decrease in tax expense due to changes in tax-free income	-19	-24
Increase in tax expense due to non-tax-deductible impairment of goodwill	2	9
Increase in tax expense due to other non-deductible expenses	55	65
Decrease in tax expense due to the utilization/recognition of previously unrecognized tax loss carryforwards	-5	-17
Increase in tax expense due to non-recognition of tax loss carryforwards	11	19
Other tax effects	19	42
Effective income tax expense	325	356

The decrease in the expected income tax expense and the simultaneous increase in withholding taxes under other tax effects are both related to the introduction of our new business model.

No deferred tax assets have been recognized for tax loss carryforwards and unused tax credits of €271 million (previous year: €272 million), whose expiration dates are given below.

Expiration Dates of Tax Loss Carryforwards and Unused Tax Credits

(in € million)

	Dec. 31, 2022	Dec. 31, 2023
Expiration date within		
1 year	1	–
2 years	4	9
3 years	6	12
more than 3 years	54	90
Unlimited carryforward period ¹	207	160
	272	271

¹ Prior year figures adjusted to reflect current assessment.

Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits. Given the positive assessments of future business development, it is assumed there is a reasonable probability that future taxable income will be sufficient to allow utilization of the deferred tax assets.

Deferred taxes relate to the following balance sheet items and matters:

Allocation of Deferred Taxes

(in € million)

	Deferred tax assets		Deferred tax liabilities	
	Dec. 31, 2022	Dec. 31, 2023	Dec. 31, 2022	Dec. 31, 2023
Non-current assets	19	37	104	112
Inventories	44	42	–	–
Receivables and other current assets	17	31	25	52
Provisions for pensions and other post-employment benefits	40	39	54	67
Other provisions	66	75	36	26
Liabilities	145	198	3	9
Retained earnings	–	–	24	29
Loss carryforwards	36	44	–	–
	367	466	246	295
Offset deferred taxes	-109	-162	-109	-162
Deferred taxes recognized in the balance sheet	258	304	137	133

Total net deferred tax assets amounted to €171 million for the year under review (previous year: €121 million). Of the year-on-year increase of €50 million (previous year: decrease of €133 million), €4 million was recognized directly in other comprehensive income, decreasing equity (previous year: decrease in equity of €148 million). Income of €60 million (previous year: €12 million) was recognized in profit or loss. Currency effects decreased this item by €6 million (previous year: €3 million).

Deferred taxes are not recognized for retained earnings at foreign affiliates, as these profits are intended to be reinvested indefinitely in those operations from today's perspective. Where distributions are planned, their tax consequences are deferred. The liability is calculated based on the withholding tax rates applicable in each case, taking into account the German tax rate applicable to distributed corporate dividends, where appropriate. Deferred tax liabilities of €29 million (previous year: €24 million) were recognized for this in the reporting period.

Income tax receivables at the balance sheet date are the result of refund claims and receivables recorded in connection with uncertain tax positions in accordance with IFRIC 23.

10 Basic/Diluted Earnings per Share

Earnings per share for 2023 amounted to €3.24 (previous year: €3.33). The basis for calculation is profit after tax excluding profit attributable to non-controlling interests. Beiersdorf AG holds 25,181,016 treasury shares (unchanged). These were deducted from the total of 252,000,000 shares when calculating earnings per share, which resulted in earnings being calculated on the unchanged basis of 226,818,984 shares. As there are no outstanding financial instruments that can be exchanged for shares, there is no difference between diluted and basic earnings per share.

Notes to the Balance Sheet

11 Intangible Assets

Cost

(in € million)

	Finite-lived intangible assets	Indefinite-lived intangible assets	Goodwill	Total
Jan. 1, 2022	487	243	271	1,001
Currency translation adjustment	5	–	31	36
Acquisitions	75	–	499	574
Divestments	-28	–	-1	-29
Additions	5	–	–	5
Disposals	-16	–	–	-16
Transfers	2	–	–	2
Dec. 31, 2022/Jan. 1, 2023	530	243	800	1,573
Currency translation adjustment	-3	–	-19	-22
Acquisitions	–	–	–	–
Divestments	–	–	–	–
Additions	41	–	–	41
Disposals	-7	–	-6	-13
Transfers	9	–	-3	6
Dec. 31, 2023	570	243	772	1,585

Amortization/Impairment Losses

(in € million)

	Finite-lived intangible assets	Indefinite-lived intangible assets	Goodwill	Total
Jan. 1, 2022	386	50	27	463
Currency translation adjustment	1	–	–	1
Acquisitions	–	–	–	–
Divestments	-27	–	-1	-28
Additions	33	–	8	41
Disposals	-15	–	–	-15
Transfers	–	–	–	–
Dec. 31, 2022/Jan. 1, 2023	378	50	34	462
Currency translation adjustment	-1	–	-1	-2
Acquisitions	–	–	–	–
Divestments	–	–	–	–
Additions	37	–	161	198
Disposals	-5	–	-6	-11
Transfers	–	–	–	–
Dec. 31, 2023	409	50	188	647

Carrying Amounts

(in € million)

	Finite-lived intangible assets	Indefinite-lived intangible assets	Goodwill	Total
Dec. 31, 2022	152	193	766	1,111
Dec. 31, 2023	160	193	585	938

Goodwill and intangible assets

The carrying amounts of goodwill decreased by €181 million compared with the previous year to €585 million (previous year: €766 million).

The year-on-year change is mainly attributable to impairment losses recognized at the Chantecaille cash-generating unit. Goodwill after impairment amounted to €300 million (previous year: €473 million) for the Chantecaille cash-generating unit. The change in goodwill of Chantecaille compared to the previous year is due to the impairment of €157 million and currency effects. Goodwill in the Consumer Business Segment also includes goodwill of €162 million (previous year: €168 million) in the North America cash-generating unit and goodwill of €63 million (previous year: €59 million) attributable to Beiersdorf AG (Switzerland). The change versus the previous year was attributable to currency effects.

Indefinite-lived intangible assets mainly include acquired trademarks from the acquisition of the Coppertone business amounting to €188 million (previous year: €188 million). The trademarks of €188 million (previous year: €188 million) are established in their markets and will continue to be advertised in the future. They therefore represent indefinite-lived intangible assets.

Trademarks and customer relationships identified as part of the acquisition of Chantecaille were classified in their entirety as finite-lived intangible assets and will be amortized over their useful lives. As of the reporting date, the carrying amount was €59 million (previous year: €70 million).

Impairment tests were performed as of December 31, 2023, on the goodwill as well as indefinite-lived intangible assets recognized for all relevant cash-generating units. The indefinite-lived intangible assets relate to the Maestro trademark in China. Forecast cash flows were used to calculate value in use in order to determine the recoverable amount.

The main estimates on which the impairment tests were based included market shares and rates of sales growth, price trends for commodities, gross profit margins, and corresponding discount rates. The detailed planning anticipates moderate sales growth and a typical EBIT margin for the Group. Based on the sales achieved in 2023, the detailed planning for the Chantecaille cash-generating unit predicts significant above-average sales growth, particularly due to the launch of new products and further market penetration, as well as an increasing rise in the EBIT margin due to efficiency improvements and the discontinuation of negative one-off effects in 2023. Estimated future cash flows were based on financial planning with a five-year horizon. Cash flows beyond the planning period were extrapolated using an individual growth rate taking into account external macroeconomic and business-specific factors. Beyond the planning horizon, this growth rate (terminal growth rate) was assumed to be 1.0% (previous year: 1.0%) for North America and Switzerland and 2.5% (previous year: 2.5%) for Chantecaille. This is due to growth in the selective cosmetics market. The weighted pre-tax discount rate used to discount the estimated cash flows was 7.8% for North America (previous year: 6.9%), 5.1% for Switzerland (previous year: 5.0%), and 9.2% for Chantecaille (previous year: 8.3%).

In fiscal year 2023, an impairment loss on goodwill of €157 million (€160 million including currency translation effects) arising from the Chantecaille cash-generating unit was recognized; this amount is attributable to the Consumer Business Segment. The carrying amount of the Chantecaille cash-

generating unit amounted to €608 million at that time. The need to recognize an impairment loss arises primarily from the unfavorable trend in the capital charge and a change in assumptions in the financial planning of the Chantecaille cash-generating unit. The change in assumptions in the financial planning of the Chantecaille cash-generating unit is derived from the overall market trend in China and the performance of the travel retail business in South Korea, as well as the delayed entry into the Chinese market. The impairment losses were recognized in other operating expenses. Brand rights and customer relationships were subject to regular amortization of €8 million (previous year: €8 million).

In the nie wieder bohren GmbH cash-generating unit, the declining, but still positive, market trend and the resulting subdued cash flow expectations meant that the impairment test gave rise to an impairment loss of €4 million on goodwill. The impairment loss arising from the impairment test was recognized in other operating expenses and is attributable to the tesa Business Segment.

Due to the persistently increased competitive pressure as well as rising procurement prices and the associated poorer expected cash flows in the tesa Twinlock B.V. cash-generating unit, the impairment test showed an impairment of goodwill amounting to €5 million on the assets remaining after the cash price allocation and allocated to the cash-generating unit; the associated goodwill had been written down in full in fiscal year 2022. The impairment loss required to be recognized was allocated to the assets on the basis of their relative fair values. The impairment is attributable to the tesa Business Unit and recognized under other operating expenses.

The impairment tests for the other cash-generating units did not reveal any need for impairment of goodwill or trademarks in the reporting year.

The 2023 fiscal year was affected by high inflation, especially in the first half of the year, and this eroded the purchasing power of private households and caused the central banks to raise key interest rates sharply. A slight recovery was, however, noticeable in the course of the year. The supply-side bottlenecks increasingly lost significance, but persistently high energy prices, as well as the conflicts in Ukraine and the Middle East had an adverse effect on the global economy. With regard to the global economy, we are affected in particular by the subdued economic performance in China, which had an unfavorable impact, especially on the travel retail business. For fiscal year 2024, we are still anticipating a decline in the global economy, with a slow recovery toward the middle of the year, which will have a positive influence on interest rates and therefore also on consumer spending. The effects described above and the associated uncertainties were examined for the impairment tests as part of a sensitivity analysis. For the impairment tests, sensitivity analysis was used to examine the effect of the above developments. If we increased the weighted cost of capital by 1% in isolation, the impairment loss required to be recognized on the Chantecaille cash-generating unit would rise by €62 million. If only the long-term growth rate was reduced by 1%, the impairment loss required to be recognized would be €49 million higher. If only the 1% reduction in the long-term EBIT return was considered, the impairment loss required to be recognized would increase by €15 million. A 1% decline in the medium-term growth rate would lead to a €16 million increase in the impairment loss required to be recognized. For all other cash-generating units, the Group assumes that the recoverable amount will exceed the carrying amount of the goodwill, even in the event of reasonably possible changes in the key assumptions used in impairment testing.

12 Property, Plant, and Equipment

Property, plant, and equipment - owned

Cost

(in € million)

	Land, land rights, and buildings	Technical equipment and machinery	Office and other equipment	Advance payments and assets under construction	Total
Jan. 1, 2022	992	1,245	767	527	3,531
Currency translation adjustment	12	7	4	5	28
Acquisitions	8	3	5	–	16
Divestments	-5	-15	-5	-1	-26
Additions	12	39	50	441	542
Disposals	-41	-48	-52	-6	-147
Transfers	11	38	31	-164	-84
Dec. 31, 2022/Jan. 1, 2023	989	1,269	800	802	3,860
Currency translation adjustment	2	-2	-6	21	15
Acquisitions	–	–	–	–	–
Divestments	–	–	–	–	–
Additions	48	32	65	331	476
Disposals	-6	-74	-45	-6	-131
Transfers	320	131	61	-518	-6
Dec. 31, 2023	1,353	1,356	875	630	4,214

Depreciation/Impairment Loss

(in € million)

	Land, land rights, and buildings	Technical equipment and machinery	Office and other equipment	Advance payments and assets under construction	Total
Jan. 1, 2022	442	839	590	-1	1,870
Currency translation adjustment	3	4	2	–	9
Acquisitions	1	–	3	–	4
Divestments	-2	-12	-4	-1	-19
Additions	35	70	72	–	177
Disposals	-34	-46	-50	–	-130
Transfers	-41	-16	-7	–	-64
Dec. 31, 2022/Jan. 1, 2023	404	839	606	-2	1,847
Currency translation adjustment	–	-1	-3	–	-4
Acquisitions	–	–	–	–	–
Divestments	–	–	–	–	–
Additions	34	80	67	–	181
Disposals	-5	-72	-44	–	-121
Transfers	–	–	–	–	–
Dec. 31, 2023	433	846	626	-2	1,903

Carrying Amounts

(in € million)

	Land, land rights, and buildings	Technical equipment and machinery	Office and other equipment	Advance payments and assets under construction	Total
Dec. 31, 2022	585	430	194	804	2,013
Dec. 31, 2023	921	510	248	632	2,311

The carrying amounts of property, plant, and equipment amounted to €2,311 million (previous year: €2,013 million). Investments in property, plant, and equipment totaled €476 million (previous year: €542 million). They primarily related to the plants of the two business segments, Consumer and tesa. The largest investment projects included the new construction of the plant locations in Germany (Leipzig), Poland and Mexico (€149 million). The construction of the new Group headquarters resulted in additions of €29 million.

Right-of-use assets - leased**Cost**

(in € million)

	Land, land rights, and buildings	Technical equipment and machinery	Office and other equipment	Advance payments and assets under construction	Total
Jan. 1, 2022	288	5	45	-	338
Currency translation adjustment	3	-	1	-	4
Acquisitions	3	-	-	-	3
Additions	57	1	12	-	70
Disposals	-20	-1	-15	-	-36
Transfers	-	-	-	-	-
Dec. 31, 2022/Jan. 1, 2023	331	5	43	-	379
Currency translation adjustment	-9	-	-	-	-9
Acquisitions	-	-	-	-	-
Additions	97	-	19	-	116
Disposals	-28	-	-14	-	-42
Transfers	-	-	-	-	-
Dec. 31, 2023	391	5	48	-	444

Depreciation/ Impairment Loss

(in € million)

	Land, land rights, and buildings	Technical equipment and machinery	Office and other equipment	Advance payments and assets under construction	Total
Jan. 1, 2022	126	2	26	—	154
Currency translation adjustment	1	—	—	—	1
Acquisitions	—	—	—	—	—
Additions	55	1	13	—	69
Disposals	-18	—	-15	—	-33
Transfers	—	—	—	—	—
Dec. 31, 2022/Jan. 1, 2023	164	3	24	—	191
Currency translation adjustment	-5	—	—	—	-5
Acquisitions	—	—	—	—	—
Additions	56	1	13	—	70
Disposals	-28	—	-14	—	-42
Transfers	—	—	—	—	—
Dec. 31, 2023	187	4	23	—	214

Carrying Amounts

(in € million)

	Land, land rights, and buildings	Technical equipment and machinery	Office and other equipment	Advance payments and assets under construction	Total
Dec. 31, 2022	167	2	19	—	188
Dec. 31, 2023	203	2	25	—	230

Carrying Amounts Property, Plant, and Equipment total

(in € million)

	Land, land rights, and buildings	Technical equipment and machinery	Office and other equipment	Advance payments and assets under construction	Total
Dec. 31, 2022	752	432	213	804	2,201
Property, plant, and equipment - owned	585	430	194	804	2,013
Right of use assets - leased	167	2	19	—	188
Dec. 31, 2023	1,124	512	273	632	2,541
Property, plant, and equipment - owned	921	510	248	632	2,311
Right of use assets - leased	203	2	25	—	230

The Beiersdorf Group leases real estate, mainly in the form of office space, retail stores, and warehouses. The terms of the lease agreements are diverse and individually negotiated. Lease agreements are generally concluded for a period of three to ten years and may contain extension or termination options. The "Office and other equipment" category mainly comprises leased vehicles.

Further information regarding the right-of-use assets, lease liabilities, and lease expenses can be found in the section "Material Accounting Policies" as well as in Notes 08 and 30.

13 Inventories

(in € million)

	Dec. 31, 2022	Dec. 31, 2023
Raw materials, consumables, and supplies	366	363
Work in progress	78	77
Finished goods and merchandise	1,109	1,069
Advance payments	4	5
	1,557	1,514

Inventories decreased by €43 million compared with the previous year to €1,514 million, €217 million of which (previous year: €218 million) was carried at net realizable value. Write-downs of inventories amounted to €139 million as of the reporting date (previous year: €105 million).

14 Trade Receivables

(in € million)

Carrying amount	Dec. 31, 2022	Dec. 31, 2023
Of which past due:		
1 to 30 days	115	116
31 to 60 days	18	6
more than 60 days	74	59

Under IFRS 9, trade receivables belong to the "at amortized cost" measurement category. They are measured at cost less impairment.

The following changes in valuation allowances on receivables were recorded:

Valuation Allowances

(in € million)

	2022	2023
Jan. 1	50	54
Currency translation adjustment	1	-2
Additions	10	22
Utilized	-1	-
Reversals	-6	-6
Dec. 31	54	68

Further information on calculation is contained in Note 29 "Additional Disclosures on Financial Instruments, Financial Risk Management, and Derivative Financial Instruments."

15 Other Assets and Non-current Assets and Disposal Groups Held for Sale

Other non-current assets comprise investments in associated companies, investments in non-consolidated affiliates, other investments and other assets. Other current financial assets include other receivables, derivative financial instruments and financial receivables. Other current assets mainly comprise other tax receivables and prepaid expenses.

Non-current assets and disposal groups held for sale amount to €1 million as of December 31, 2023 (previous year: €35 million).

These include assets of €1 million from the subsidiary Beiersdorf Manufacturing Waldheim GmbH. These are to be sold in the course of fiscal year 2024.

The measurement of assets and disposal groups held for sale to at fair value less costs to sell below the carrying amount resulted in an expense of €1 million in 2023. The resulting valuation effect is fully attributable to restructuring expenses in connection with supply chain organization measures (Note 07).

The past fiscal year included primarily the sale of a production site (disposal group of €26 million consisting of fixed assets and raw materials and supplies) in North America and the planned sale of leasehold land (including buildings) of €9 million in Asia for the Consumer Business Segment. The production site was sold on February 1, 2023, and the leasehold land was sold on June 30, 2023.

16 Securities

(in € million)

	Dec. 31, 2022	Dec. 31, 2023
Non-current securities	3,184	2,675
Amortized cost	3,184	2,675
Current securities	771	1,227
Amortized cost	533	755
Fair value through other comprehensive income	155	184
Fair value through profit or loss	83	288
	3,955	3,902

In total, the Beiersdorf Group holds €3,902 million (previous year: €3,955 million) in listed government and corporate bonds, commercial paper, near-money market retail funds, and equity funds. Securities with a carrying amount of €2,675 million (previous year: €3,184 million) are expected to be realized more than 12 months after the reporting date. During the year €777 million of securities were reclassified from Non-current to Current in line with their remaining maturities. Non-current securities have a term of up to six years.

Impairments on securities measured at amortized cost and at fair value through other comprehensive income are recognized based on expected credit losses over the next 12 months. At the end of the period, total impairment was €5 million (previous year: €7 million). Please refer to Note 29 "Additional Disclosures on Financial Instruments, Financial Risk Management, and Derivative Financial Instruments."

17 Cash and Cash Equivalents

(in € million)

	Dec. 31, 2022	Dec. 31, 2023
Cash	1,004	1,044
Cash equivalents	76	89
	1,080	1,133

Cash comprises bank balances, cash-on-hand, and checks. Cash equivalents are short-term liquid investments that can be converted into cash at any time and are exposed to no more than insignificant fluctuations in value. Given the very short terms (e.g., due on demand) and the creditworthiness of our contractual partners, no impairment was identified based on expected credit losses.

As of December 31, 2023 (as in the previous year), cash and cash equivalents did not include any significant amounts over which the Group has restricted access as a result of foreign exchange controls.

18 Capital Management Disclosures

The Beiersdorf Group aims to sustainably secure its capital base and generate an appropriate return on its invested capital. As of December 31, 2023, the equity ratio was 66% (previous year: 63%), while the EBIT return on net operating capital was 29.4% (previous year: 31.7%). The total dividends distributed in fiscal year 2023 amounted to €173 million (previous year: €175 million). In the case of the dividend of €159 million (previous year: €159 million) paid by Beiersdorf AG, this corresponds to a distribution of €0.70 per no-par-value share bearing dividend rights (previous year: €0.70).

19 Share Capital

The share capital of Beiersdorf Aktiengesellschaft amounts to €252 million (previous year: €252 million) and is composed of 252 million no-par-value bearer shares, each with an equal share in the company's share capital. Since the settlement of the share buyback program on February 3, 2004, and following implementation of the share split in 2006, Beiersdorf Aktiengesellschaft holds 25,181,016 no-par-value shares, corresponding to 9.99% of the company's share capital.

20 Authorized Capital

The Annual General Meeting on April 29, 2020, authorized the Executive Board to increase the share capital with the approval of the Supervisory Board in the period until April 28, 2025, by up to a total of €92 million (Authorized Capital I: €42 million; Authorized Capital II: €25 million; Authorized Capital III: €25 million) by issuing new no-par-value bearer shares on one or several occasions. In this context, the dividend rights for new shares may be determined by a different method than that set out in § 60 (2) AktG.

Shareholders shall be granted pre-emptive rights. However, the Executive Board is authorized, with the approval of the Supervisory Board, to disapply shareholders' pre-emptive rights in the following cases:

1. to eliminate fractions created as a result of capital increases against cash contributions (Authorized Capital I, II, III);
2. to the extent necessary to grant the holders or creditors of convertible bonds or bonds with warrants issued by Beiersdorf Aktiengesellschaft, or companies in which it holds a direct or indirect majority interest, rights to subscribe for new shares in the amount to which they would be entitled

after exercising their conversion or option rights, or after fulfilling their conversion obligation (Authorized Capital I, II, III);

3. if the total amount of share capital attributable to the new shares for which pre-emptive rights are to be disapplied does not exceed 10% of the share capital existing at the time this authorization comes into effect or, in the event that this amount is lower, at the time the new shares are issued and the issue price of the new shares is not materially lower than the quoted market price of the existing listed shares at the time when the issue price is finalized, which should be as near as possible to the time the shares are placed. If, during the term of the authorized capital, other authorizations to issue or sell shares in the company or to issue rights that enable or oblige the holder to subscribe for shares in the company are exercised while disapplying pre-emptive rights pursuant to or in accordance with § 186 (3) sentence 4 AktG, this must be counted toward the above mentioned 10% limit (Authorized Capital II);
4. in the case of capital increases against non-cash contributions for the purpose of acquiring companies, business units of companies, or equity interests in companies (Authorized Capital III).

The Executive Board may only exercise the above authorizations to disapply pre-emptive rights to the extent that the total proportionate interest in the share capital attributable to the shares issued while disapplying pre-emptive rights does not exceed 10% of the share capital at the time these authorizations become effective or at the time these authorizations are exercised. If other authorizations to issue or sell shares in the company or to issue rights that enable or oblige the holder to subscribe for shares in the company are exercised while disapplying pre-emptive rights during the term of the authorized capital until such time as it is utilized, this must be counted toward the above-mentioned limit.

The Executive Board was also authorized to determine the further details of the capital increase and its implementation with the approval of the Supervisory Board.

21 Contingent Capital

In addition, the Annual General Meeting on April 29, 2020, resolved to contingently increase the share capital by up to a total of €42 million, composed of up to 42 million no-par-value bearer shares. In accordance with the underlying resolution of the Annual General Meeting, the contingent capital increase will be implemented only if:

1. the holders or creditors of conversion and/or option rights attached to the convertible bonds and/or bonds with warrants issued in the period until April 28, 2025, by Beiersdorf Aktiengesellschaft or companies in which it holds a direct or indirect majority interest, choose to exercise their conversion or option rights, or
2. the holders or creditors of convertible bonds giving rise to a conversion obligation issued in the period until April 28, 2025, by Beiersdorf Aktiengesellschaft, or companies in which it holds a direct or indirect majority interest, comply with such obligation,

and the contingent capital is required for this in accordance with the terms and conditions of the bonds.

The new shares bear dividend rights from the beginning of the fiscal year in which they are created as a result of the exercise of conversion or option rights, or as a result of compliance with a conversion obligation.

The Executive Board was authorized to determine the further details of the implementation of a contingent capital increase.

22 Additional Paid-in Capital

Additional paid-in capital comprises the premium arising from the issue of shares by Beiersdorf AG.

23 Retained Earnings

Retained earnings comprise the net profit for the fiscal year and undistributed profits generated in prior periods by companies included in the consolidated financial statements. In addition, this item contains the actuarial gains and losses on remeasurements of defined benefit obligations in previous years. The retained earnings are reduced by the cost of the 25,181,016 treasury shares held by Beiersdorf AG amounting to €955 million.

24 Accumulated Other Comprehensive Income

Currency translation adjustment

The currency translation adjustment equity account serves to recognize differences resulting from the translation of the financial statements of affiliates that do not have the euro as their functional currency.

Hedging instruments from cash flow hedges

Changes in the fair value of financial instruments used to hedge future cash flows are reported under this item. As of the reporting date, market values amounting to €7 million (previous year: €26 million) after deduction of deferred taxes of €2 million (previous year: €8 million) were recognized in other comprehensive income.

Debt and equity instruments

This item includes fair value changes amounting to €-8 million (previous year: €-15 million) on securities in the "at fair value through other comprehensive income" category after deduction of deferred taxes of €3 million (previous year €5 million). It also includes impairment of securities in the "at fair value through other comprehensive income" category.

Changes in the fair value of equity instruments allocated to the "at fair value through other comprehensive income" category under IFRS 9 are also recognized here. Changes in the fair value of equity instruments of €3 million were recognized in other comprehensive income in the last fiscal year. Due to the inclusion of S-Biomedic NV in the consolidation group, €4 million of this amount was reclassified to retained earnings. No changes in the fair value of equity instruments were recognized in other comprehensive income for this fiscal year.

25 Dividends

In accordance with the German Stock Corporation Act, dividends are distributed from net retained profits reported in the HGB single-entity financial statements of Beiersdorf AG. The Executive Board and Supervisory Board will propose a dividend of €1.00 per no-par-value share bearing dividend rights to the Annual General Meeting. The proposed distribution must be approved by the shareholders at the Annual General Meeting and therefore is not reported as a liability in the consolidated financial statements.

In accordance with the resolution by the Annual General Meeting on April 13, 2023, a dividend of €0.70 per no-par-value share bearing dividend rights was distributed in 2023 from the net retained profits for fiscal year 2022.

26 Provisions for Pensions and other post-employment benefits

Group companies provide retirement benefits under both defined contribution and defined benefit plans. With the exception of net interest, the defined benefit and defined contribution expenses are included in the costs of the respective functions. Net pension interest is reported in the financial result.

Defined contribution expenses also contain contributions to statutory or state pension insurance funds. There was no material income or expense from the termination of pension plans or the curtailment and transfer of pension benefits in the year under review. Past service cost arose in Germany in 2022 in connection with a one-time benefit introduced by the sponsoring companies of the TROMA foundation for the existing pensioners and future retirees.

Pension Benefit Expenses

(in € million)

	2022			2023		
	Germany	Other countries	Group	Germany	Other countries	Group
Current service cost	41	15	56	21	11	32
Past service cost	9	–	9	–	–	–
Defined benefit expense (EBIT)	50	15	65	21	11	32
Net interest result attributable to defined benefit plans (pension expense (+)/pension income (-))	9	–	9	12	–	12
Total expenses for defined benefit plans	59	15	74	33	11	44
Defined contribution expense (EBIT)	41	21	62	46	23	69
Total pension expense	100	36	136	79	34	113

Defined benefit pension plans

The structure of the plans varies depending on the legal, economic, and tax situation in the country in question, and the plans are generally based on the employees' length of service, salary, and status, as well as their own contributions. The largest plans can be found at the German companies.

International defined benefit plans are largely spread across the sites in the United Kingdom, Switzerland, and the United States. The present value of the defined benefit obligations and the balance sheet provisions were attributable to Germany and the other countries as follows as of the reporting date:

Provisions for Pensions and Other Post-employment Benefits

(in € million)

	Dec. 31, 2022			Dec. 31, 2023		
	Germany	Other countries	Group	Germany	Other countries	Group
Present value of defined benefit obligations	1,224	235	1,459	1,272	253	1,525
Fair value of plan assets	-868	-246	-1,114	-949	-255	-1,204
Net obligation	356	-11	345	323	-2	321
Amounts not recognized due to asset ceiling	–	15	15	–	7	7
Other recognized amounts	–	22	22	–	22	22
Provisions for pensions and other post-employment benefits	356	26	382	323	27	350

A majority of the defined benefit obligations within the Beiersdorf Group relate to employees in Germany. These are primarily obligations in relation to retirement pensions, disability pensions, and surviving dependents' pensions granted as a supplement to the statutory pension insurance. Pension commitments in Germany largely consist of direct and indirect commitments by Beiersdorf AG and direct commitments by tesa SE. The benefits depend on the employees' length of service and their average salary over the three years immediately preceding the date on which the pension becomes payable. The pension payments to the beneficiaries are adjusted for inflation by at least 1% per annum; this is performed annually in some cases or at the latest every three years.

Defined benefit obligations are funded exclusively by employer payments. Although there is no minimum funding requirement in Germany, both Beiersdorf AG and tesa SE have transferred plan assets to a separate entity. In addition, the benefit plans are protected against the consequences of insolvency in accordance with the *Gesetz zur Verbesserung der betrieblichen Altersversorgung* (German Occupational Pensions Improvement Act, *BetrAVG*); annual contributions are made to the *Pensions-Sicherungs-Verein* (German Pension Protection Fund) for this.

Beiersdorf AG has transferred plan assets to an entity with the legal form of a foundation (TROMA *Alters- und Hinterbliebenenstiftung*, Hamburg). The board of trustees of the foundation is composed of representatives of the company and of the Group Works Council. The board of trustees is responsible for setting and implementing the investment strategy. The strategy is regularly reviewed and adjusted as necessary in light of the latest developments.

Plan assets of tesa SE are invested and managed by an independent trustee via a contractual trust agreement (CTA). An investment committee consisting of representatives of the company and of the Works Council sets the investment strategy. Portfolio performance and the current situation are analyzed at regular intervals and, where necessary, the investment strategy is amended to reflect changed conditions.

To mitigate the risk of changes in capital market conditions and demographic developments, the old pension plans were closed to tesa employees in 2005 and to Beiersdorf employees in 2008. Employees joining the companies after this date can join employee-financed benefit plans. Under these plans, they can save part of their pensionable pay and also receive an employer contribution. The plan assets are invested and managed by independent trustees via a CTA. The employer guarantees a minimum return on contributions of 3.25% per annum until retirement. As from 2019, new entrants at Beiersdorf are guaranteed a minimum return of 1.8%. For new entrants at tesa, a minimum interest rate of 1.5% is guaranteed from 2022 onwards. The pension can be paid in the form of an annuity or as a lump sum.

The expenses for defined benefit plans and the present value of pension commitments are determined on the basis of actuarial calculations.

Measurement is based on the following assumptions:

Actuarial Assumptions

(in %)

	2022		2023	
	Germany	Other countries	Germany	Other countries
Discount rates	3.70	3.68	3.50	3.42
Projected wage and salary growth	3.25	2.73	3.25	3.01
Projected pension growth ¹	2.25	1.85	2.25	2.24
Projected staff turnover	2.14	9.08	2.14	9.06

¹ In Germany provided the contractual agreement of 1% does not apply.

The figures given are averages. The local parameters were weighted using the present values of the relevant defined benefit obligations. During the period under review, the present value of the defined benefit obligations changed as shown in the table below.

Present Value of Defined Benefit Obligations

(in € million)

	2022			2023		
	Germany	Other countries	Group	Germany	Other countries	Group
Jan. 1	1,647	287	1,934	1,224	235	1,459
Current service cost	41	15	56	21	11	32
Past service cost	9	–	9	–	–	–
Net interest expense	20	4	24	44	8	52
Actuarial gains (–) and losses (+)	-455	-72	-527	27	5	32
Of which experience adjustments	49	6	55	-9	-1	-10
Of which due to changes in financial assumptions	-558	-75	-633	35	7	42
Of which due to changes in demographic assumptions	54	-3	51	1	-1	–
Contributions by plan participants	10	3	13	9	4	13
Pension benefits paid	-45	-14	-59	-53	-14	-67
Currency translation adjustment	–	4	4	–	5	5
Other changes	-3	8	5	–	-1	-1
Dec. 31	1,224	235	1,459	1,272	253	1,525

The funded status of the present value of the Group's defined benefit obligations as of the reporting date was as follows:

Funded Status of Present Value of Defined Benefit Obligations

(in € million)

	Dec. 31, 2022			Dec. 31, 2023		
	Germany	Other countries	Group	Germany	Other countries	Group
Partly or wholly funded defined benefit obligations	1,219	218	1,437	1,267	235	1,502
Unfunded defined benefit obligations	5	17	22	5	18	23
Present value of defined benefit obligations	1,224	235	1,459	1,272	253	1,525

The change in plan assets during the period under review was as follows:

Fair Value of Plan Assets

(in € million)

	2022			2023		
	Germany		Other countries	Germany		Other countries
	Jan. 1	864	288	1,152	868	246
Return on plan assets	11	4	15	32	8	40
Actuarial gains (+) and losses (-)	-14	-56	-70	50	-5	45
Actual return on plan assets	-3	-52	-55	82	3	85
Employer contributions	4	9	13	4	8	12
Contributions by plan participants	13	4	17	13	4	17
Pension benefits paid	-8	-11	-19	-18	-12	-30
Currency translation adjustment	-	3	3	-	7	7
Other changes	-2	5	3	-	-1	-1
Dec. 31	868	246	1,114	949	255	1,204

In fiscal year 2024, employer contributions to plan assets are expected to amount to €22 million. The breakdown of the plan assets as of the reporting date was as follows:

Composition of Plan Assets

(in € million)

	Dec. 31, 2022			Dec. 31, 2023		
	Germany		Other countries	Group	Germany	
	Equity instruments	Debt instruments	Real estate	Cash and cash equivalents	Other	Total plan assets
Equity instruments	76	265	169	317	41	868
Debt instruments	82	86	30	21	27	246
Real estate	158	351	199	338	68	1,114
Cash and cash equivalents	122	329	216	253	29	949
Other	81	73	33	14	54	255
Total plan assets	203	402	249	267	83	1,204

The plan assets serve exclusively to meet the benefit obligations. The funding provided for these benefit obligations represents a provision for future cash outflows. The overarching investment policy and investment strategy are based on the goal of generating a return on plan assets in the medium term which, taken together with the contributions, is sufficient to meet the pension obligations. The plan assets are invested in a variety of different asset classes so as to avoid risk clusters.

The equity instruments comprise investments in equity funds and direct investments. In general, these have quoted market prices in a liquid market. Passive index tracker equities funds may contain a limited number of Beiersdorf shares. No Beiersdorf shares are held directly. Of the equity instruments in Germany, all are attributable to the mature markets.

Debt instruments may comprise investments in funds and direct investments in bonds. In general, these have quoted market prices in a liquid market. In Germany, 60% are attributable to corporate bonds and 40% to government bonds.

The real estate consists of residential and commercial properties. Investments can take the form of both investments in listed real estate funds and directly held properties. As of the reporting date, the portfolio included buildings held and used in the amount of €0 million (previous year: €41 million) as a result of the move to the new Beiersdorf Headquarters.

Cash and cash equivalents comprise both cash at banks and units in money market funds. This position also includes a short-term deposit of TROMA Alters- und Hinterbliebenenstiftung with Beiersdorf AG in the amount of €163 million (previous year: €204 million).

The following overview provides a breakdown of the weighted average duration of the present values of the defined benefit obligations and a maturity analysis of expected pension payments:

Duration and Maturity Analysis

	Dec. 31, 2022			Dec. 31, 2023		
	Germany	Other countries	Group	Germany	Other countries	Group
Duration of the present value of the pension obligations (in years)	15	13	14	15	13	14
Maturity analysis of the expected pension payments (in € million)						
Up to 1 year	57	12	69	54	10	64
More than 1 and up to 2 years	54	12	66	57	10	67
More than 2 and up to 5 years	198	39	237	205	31	236
More than 5 and up to 10 years	331	69	400	339	50	389

The following sensitivity analysis shows the effect of individual changes in assumptions on the present value of the defined benefit obligations:

Sensitivity of the Defined Benefit Obligations

Change in present value of defined benefit obligations

(in € million)

	Dec. 31, 2022			Dec. 31, 2023		
	Germany		Other countries	Germany		Other countries
	Germany	Other countries	Group	Germany	Other countries	Group
Discount rate						
+0.50%	-80	-10	-90	-85	-6	-91
-0.50%	91	9	100	96	7	103
Projected wage and salary growth						
+0.25%	2	1	3	2	-	2
-0.25%	-2	-1	-3	-2	-	-2
Projected pension growth						
+0.25%	21	3	24	21	2	23
-0.25%	-21	-2	-23	-22	-1	-23
Projected staff turnover						
+0.25%	-	-1	-1	-	-1	-1
-0.25%	-	1	1	-	1	1
Life expectancy						
Increase of one year	46	3	49	49	2	51
Decrease of one year	-44	-3	-47	-46	-2	-48

The sensitivity analysis is based on realistic potential changes as of the end of the reporting period. It was performed using a methodology that extrapolates the effect of realistic changes in the key assumptions at the end of the reporting period on the defined benefit obligation. Each change in the key actuarial assumptions was analyzed separately. No interdependencies were taken into account.

27 Other Provisions

(in € million)

	Personnel	Marketing and selling	Litigation and similar risks	Miscellaneous	Total
Jan. 1, 2023	371	83	130	176	760
Of which non-current	70	-	40	36	146
Currency effects	-2	-2	2	-6	-8
Additions	265	56	21	86	428
Utilized	223	50	7	64	344
Reversals	23	8	13	13	57
Dec. 31, 2023	388	79	133	179	779
Of which non-current	89	-	38	23	150

Provisions are recognized if an obligation toward a third party exists, the outflow of resources is probable, and the likely amount of the obligation can be estimated reliably. The calculation of provisions is determined based on the best possible estimation of the parameters. Long-term

provisions are discounted using a discount rate dependent on when they are expected to be settled, provided the interest effect is material.

Provisions for personnel expenses primarily comprise provisions for annual bonuses, vacation pay, anniversary payments, and severance agreements. The provisions for marketing and selling expenses relate in particular to cooperative advertising allowances and other marketing- or customer-related obligations. Provisions for litigation and similar risks include provisions for litigation in Brazil amounting to €32 million (previous year: €27 million), risks in connection with customs audits amounting to €10 million (previous year: €12 million), patent risks amounting to €16 million (previous year: €16 million) and for risks relating to other legal disputes of €74 million (previous year: €75 million). The miscellaneous provisions relate to a wide variety of matters and companies and also include provisions for restructuring. The performance-related purchase price components resulting from the Chantecaille acquisition are also reported under other provisions.

28 Liabilities

The following table gives a breakdown of current liabilities

Current Liabilities

(in € million)

	Dec. 31, 2022	Dec. 31, 2023
Trade payables (AC)	2,328	2,234
Other current financial liabilities	525	333
Other financial liabilities (AC)	515	318
Negative fair value of derivatives (DFI)	10	15
Other current liabilities	111	156
Other tax liabilities	94	132
Social security liabilities	11	20
Other miscellaneous liabilities	6	4
	2,964	2,723

Other financial liabilities primarily comprise short-term bank loans amounting to €20 million (previous year: €163 million), lease liabilities of €82 million (previous year: €78 million), and liabilities to TROMA Alters- und Hinterbliebenenstiftung of €163 million (previous year: €204 million) from investment activities involving TROMA plan assets. At €156 million (previous year: €111 million), other current liabilities are largely unchanged in amount and composition. As the current liabilities have remaining contractual maturities of less than 12 months as of the reporting date, their carrying amounts at the balance sheet date correspond approximately to their fair value. As part of its strategic supplier management, Beiersdorf offers selected suppliers around the world the opportunity to participate in a supply chain financing program. Once participating suppliers invoice Beiersdorf, Beiersdorf posts the invoices on a bank platform so that the participating suppliers have the opportunity to sell these invoices to the organizing bank and thus generate a faster cash inflow. Beiersdorf does not know to what extent this option to sell the receivables will be used, and Beiersdorf does not incur any costs as a result. Beiersdorf considers this liability as part of its working capital management and, since Beiersdorf has no knowledge of whether the respective supplier has sold this receivable to the organizing bank, Beiersdorf continues to classify this liability as a trade payable. Liabilities to participating suppliers totaled €127 million (previous year: €149 million) at the reporting date. The average payment term for these liabilities was 102 days.

Non-current liabilities are comprised as follows:

Non-current Liabilities

(in € million)

	Dec. 31, 2022	Dec. 31, 2023
Non-current financial liabilities	117	153
Other non-current liabilities	–	–
	117	153

Non-current financial liabilities primarily comprise non-current lease liabilities.

29 Additional Disclosures on Financial Instruments, Financial Risk Management, and Derivative Financial Instruments

The table below shows the carrying amounts and fair values of the Group's financial instruments as of December 31, 2022, and December 31, 2023:

(in € million)

2022	Measurement category under IFRS 9				
	Carrying amount Dec. 31	Amortized cost	Fair value recognized in OCI	Fair value through profit or loss	Fair value Dec. 31
Assets					
Amortized cost (AC)	6,438	6,438	–	–	6,116
Non-current financial assets	29	29	–	–	29
Trade receivables	1,508	1,508	–	–	1,508
Other current financial assets	104	104	–	–	104
Cash and cash equivalents	1,080	1,080	–	–	1,080
Securities	3,717	3,717	–	–	3,395
Fair value through other comprehensive income (FVOCI)	158	–	158	–	158
Non-current financial assets	3	–	3	–	3
Securities	155	–	155	–	155
Fair value through profit or loss (FVPL)	85	–	–	85	85
Non-current financial assets	2	–	–	2	2
Securities	83	–	–	83	83
Derivative financial instruments used for hedges (DFI)	43	–	35	8	43
Derivative financial instruments not included in a hedging relationship (FVPL)	–	–	–	–	–
Liabilities					
Other financial liabilities (AC)	2,960	2,960	–	–	2,960
Non-current financial liabilities	117	117	–	–	117
Trade payables	2,328	2,328	–	–	2,328
Other current financial liabilities	515	515	–	–	515
Derivative financial instruments used for hedges (DFI)	10	–	9	1	10
Derivative financial instruments not included in a hedging relationship (FVPL)	–	–	–	–	–

	2023	Measurement category under IFRS 9			
		Carrying amount Dec. 31	Amortized cost	Fair value recognized in OCI	Fair value through profit or loss
Assets					
Amortized cost (AC)	6,320	6,320	–	–	6,129
Non-current financial assets	27	27	–	–	27
Trade receivables	1,598	1,598	–	–	1,598
Other current financial assets	132	132	–	–	132
Cash and cash equivalents	1,133	1,133	–	–	1,133
Securities	3,430	3,430	–	–	3,239
Fair value through other comprehensive income (FVOCI)	189	–	189	–	189
Non-current financial assets	5	–	5	–	5
Securities	184	–	184	–	184
Fair value through profit or loss (FVPL)	292	–	–	292	292
Non-current financial assets	4	–	–	4	4
Securities	288	–	–	288	288
Derivative financial instruments used for hedges (DFI)	25	–	17	8	25
Derivative financial instruments not included in a hedging relationship (FVPL)	3	–	–	3	3
Liabilities					
Other financial liabilities (AC)	2,705	2,705	–	–	2,705
Non-current financial liabilities	153	153	–	–	153
Trade payables	2,234	2,234	–	–	2,234
Other current financial liabilities	318	318	–	–	318
Derivative financial instruments used for hedges (DFI)	15	–	10	5	15
Derivative financial instruments not included in a hedging relationship (FVPL)	–	–	–	–	–

The following overview shows the IFRS 13 fair value hierarchy levels used to classify financial instruments that are measured at fair value on a recurring basis:

(in € million)

Dec. 31, 2022	Fair Value Hierarchy under IFRS 13			
	Level 1	Level 2	Level 3	Total
Assets				
Fair value through other comprehensive income (FVOCI)	155	–	3	158
Non-current financial assets	–	–	3	3
Securities	155	–	–	155
Fair value through profit or loss (FVPL)	83	–	2	85
Non-current financial assets	–	–	2	2
Securities	83	–	–	83
Derivative financial instruments used for hedges (DFI)	–	43	–	43
Derivative financial instruments not included in a hedging relationship (FVPL)	–	–	–	–
Liabilities				
Derivative financial instruments used for hedges (DFI)	–	10	–	10
Derivative financial instruments not included in a hedging relationship (FVPL)	–	–	–	–

Dec. 31, 2023	Fair Value Hierarchy under IFRS 13			
	Level 1	Level 2	Level 3	Total
Assets				
Fair value through other comprehensive income (FVOCI)	184	–	5	189
Non-current financial assets	–	–	5	5
Securities	184	–	–	184
Fair value through profit or loss (FVPL)	288	–	4	292
Non-current financial assets	–	–	4	4
Securities	288	–	–	288
Derivative financial instruments used for hedges (DFI)	–	25	–	25
Derivative financial instruments not included in a hedging relationship (FVPL)	–	3	–	3
Liabilities				
Derivative financial instruments used for hedges (DFI)	–	15	–	15
Derivative financial instruments not included in a hedging relationship (FVPL)	–	–	–	–

In the Beiersdorf Group, securities carried at fair value are allocated to fair value hierarchy Level 1 and are measured at quoted prices on the balance sheet date.

Derivative financial instruments are assigned to fair value hierarchy Level 2. The fair values of currency forwards are calculated using the exchange rate as of the reporting date and discounted to the reporting date on the basis of their respective yield curves.

Fair value hierarchy Level 3 mainly comprises fair values of equity investments. These are allocated to the "at fair value through other comprehensive income" (FVOCI) category.

During 2023, Beiersdorf sold bonds with a book value of €330 million from the "at amortized cost" (AC) category. This resulted in a loss of €3 million, which is recognized within "Other financial result."

Financial instruments that are not measured at fair value predominantly have remaining contractual maturities of less than 12 months as of the reporting date. Therefore, their carrying amounts at the balance sheet date correspond approximately to their fair value. Securities belonging to the "at amortized cost" (AC) category are an exception. The fair values for this item have been assigned to fair value hierarchy Level 1.

Risk management principles

As a result of its operations, the Beiersdorf Group is exposed to various risks such as currency risk, interest rate risk, and default risk. These risks are countered by active treasury management based on a global directive. They are managed and hedged centrally to a very large extent.

Derivative financial instruments are used to hedge the operational business and material financial transactions. The transactions are conducted exclusively with marketable instruments. IFRS 7 requires sensitivity analyses, which show the effects of hypothetical changes in relevant risk variables on profit or loss and equity, to be used in presenting market risk. For the Beiersdorf Group, this mainly relates to currency risk. The effects are ascertained by applying the hypothetical changes in risk variables to the portfolio of financial instruments as of the balance sheet date. It is assumed that the portfolio at the reporting date is representative for the full year.

Currency risk

Currency risk is the risk of fluctuations in the fair value or future cash flows of a financial instrument as a result of changes in exchange rates.

Currency risk within the meaning of IFRS 7 arises through monetary financial instruments that are reported in a currency other than the functional currency. Exchange rate differences arising from the translation of financial statements of affiliates into the Group currency are not included. Relevant risk variables are therefore basically all non-functional currencies in which financial instruments are held by the Beiersdorf Group. As a result of the Beiersdorf Group's international orientation with an emphasis on the eurozone, the euro serves as the key currency. Consequently, the Beiersdorf Group is exposed to risks through financing measures and operational activities when other currencies fluctuate against the euro.

As a matter of principle, currency risks relating to cross-border intragroup financing are hedged centrally in full and at matching maturities using currency forwards (fair value hedges). Owing to these hedging activities, the Beiersdorf Group is not exposed to any significant currency risks in its financing activities as of the balance sheet date. Gains and losses on these currency forwards are offset in full by gains and losses on the hedged items.

With regard to operations, a majority of cash flows in non-functional currencies in the Beiersdorf Group are generally hedged for the next 12 months using standard currency forwards. These transactions are recorded, measured, and managed centrally in the treasury management system. As a result, the Beiersdorf Group is not exposed to any significant currency risks in its operations as of the balance sheet date.

Since material non-derivative financial instruments are either denominated directly in the functional currency or transformed into the functional currency through the use of derivatives, changes in the exchange rate do not have any material effects on profit or loss or equity. Consequently, the Beiersdorf Group is primarily only exposed to risks arising from currency forwards which are designated as hedging instruments, and which meet the criteria for recognition as cash flow hedges on forecasted

transactions. Changes in market prices largely affect the hedging reserve in equity and the fair values of the hedging transactions.

The fair value of the currency forwards at the balance sheet date was €13 million (previous year: €33 million), and their notional value was €2,167 million (previous year: €1,712 million). Currency forwards with a market value of €2 million have a remaining maturity of more than one year; the remaining forward contracts have a remaining maturity of up to one year. In the previous year all contracts had a remaining maturity of under one year. The notional values represent the aggregate of all purchase and selling amounts for derivatives. The notional values shown are not netted.

If the euro had appreciated by 10% against all currencies as of December 31, 2023, the fair values of the currency forwards recognized directly within the hedging reserves in equity would have increased by €62 million (previous year: €42 million). If the euro had depreciated by 10%, the fair values of the currency forwards recognized directly within the hedging reserves in equity would have decreased by €73 million (previous year: €49 million). An appreciation of the euro by 10% would have decreased the value of currency forwards not included in a hedging relationship by €4 million within financial result. A corresponding decrease in the value of the euro by 10% would have increased the financial result by €7 million.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument may fluctuate as a result of changes in market interest rates.

Beiersdorf has only a small volume of non-current financial instruments that are not measured at amortized cost and does not have any interest rate derivatives. Changes in fair values are therefore of no more than minor significance for the Beiersdorf Group. These are subject to interest rate risk within the meaning of IFRS 7 for the entire fiscal year.

If the interest rates at the quarter-ends of the fiscal year had been 100 basis points higher (lower) in each case than the yield curve, the financial result would have been €10 million (previous year: €5 million) higher (lower). This would have had no impact on accumulated other comprehensive income within equity.

Default risk

The Beiersdorf Group is exposed to default risk within the Scope of its financing activities and in its operations. The maximum default risk can be seen from the carrying amount of each financial asset recognized in the balance sheet. The total carrying amount of the financial assets was €6,829 million as of December 31, 2023 (previous year: €6,724 million).

The simplified process is used for determining impairments on trade receivables under IFRS 9. In this approach, expected credit losses over the entire lifetime of the financial instruments are determined. Expected losses are estimated based on analyses of historical defaults and the age structure of the receivables as well as current economic developments and an assessment of the credit quality of individual customers.

Given that historical and expected default rates are low, the impairments did not have a material impact on assets or equity. We counter the risk of bad debts through detailed monitoring of our customer relationships, active receivables management, and the selective use of trade credit insurance.

Potential default risks relating to the investment of the Group's liquid funds are limited by only making investments with counterparties deemed reliable. Counterparty risk is monitored on the basis of ratings and the counterparties' liable capital, as well as continuously updated risk indicators. These parameters

are used to determine maximum amounts for investments with partner banks and securities issuers (counterparty limits), which are compared regularly with the investments actually made throughout the Group. We have invested the majority of our liquidity in low-risk investments (such as government and corporate bonds).

Impairments based on expected credit losses over the next 12 months are recognized on securities measured at amortized cost or at fair value through other comprehensive income. The estimate is based on ratings and continuously updated risk indicators. Current CDS spreads and the issuers' bond spreads are also used in the calculation.

Valuation Allowances

(in € million)

	2022	2023
Securities in the "at amortized cost" category	6	5
Securities in the "at fair value through other comprehensive income" category	1	–
	7	5

Financial assets such as cash and cash equivalents include bank balances and very short-term liquid investments. These belong to the "at amortized cost" category. Given the very short terms (e.g., due on demand) and the creditworthiness of our contractual partners, no impairment was identified based on expected credit losses.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulties in meeting the obligations associated with its financial liabilities. As a result of the large amount of cash and cash equivalents as well as securities held as of the balance sheet date, the Beiersdorf Group is not currently exposed to any liquidity risk. Additionally, in order to ensure the liquidity and financial flexibility of the Beiersdorf Group at all times, liquidity reserves are maintained in the form of credit lines.

Other Disclosures

30 Contingent Liabilities, Other Financial Obligations, and Legal Risks

(in € million)

	Dec. 31, 2022	Dec. 31, 2023
Contingent liabilities		
Liabilities under guarantees	99	107
Other financial obligations		
Obligations under purchase commitments	523	412
Due within the next year	217	220
Due in 1 to 5 years	306	192

Other financial obligations

The aggregate nominal amount of the other financial obligations was €412 million (previous year: €90 million).

As of December 31, 2023, future undiscounted lease liabilities with a remaining term of up to one year amounted to €61 million (previous year: €61 million) and those with a remaining term of more than one year to €182 million (previous year: €140 million).

Lease expenses in 2023 include expenses for short-term leases of €27 million (previous year: €26 million), expenses for leases of low-value assets of €3 million (previous year: €2 million), and expenses from variable lease payments of €10 million (previous year: €6 million). Total cash outflow for leases in 2022 was €108 million (previous year: €102 million).

The future cash outflows from extension options, whose future exercise was not taken into account in the measurement of the lease liabilities due to the lack of reasonable certainty amount to around €98 million (previous year: €104 million).

Legal risks

The claim for damages from the liquidator of Schlecker e. K. following closed antitrust proceeding by the Bundeskartellamt, which has been pending since 2016, was rejected by the courts of first and second instance. Upon a complaint against denial of leave to appeal by the plaintiff, the appeal was granted without reasoning by the Federal Court of Justice (BGH). The BGH overturned the appeal judgment and referred the case back to the second instance for a new decision. The proceedings are also directed against six other companies. The claim for compensation, which involves joint and several liability of all defendants, amounts to approximately €200 million plus interest. Decisions on other claims for damages made in and out of court in connection with this concluded antitrust proceeding are pending. In one of these proceedings, the Schleswig-Holstein Higher Regional Court issued an indicative court order in which it provided indications on the concretization of a possible damage. Beiersdorf contests these claims.

The state of São Paulo is demanding retroactive tax payments of €86 million (previous year: €77 million) from our Consumer Business Segment's Brazilian affiliates for the years 2005 to 2009. This amount has increased from the previous year owing mostly to interest and changes in the exchange rate. State tax authorities allege that VAT on imports should have been paid in São Paulo state instead of the Brazilian state of landing. All cases are in financial court proceedings. Potential claims for back taxes for the years 2010 to 2017 are now time-barred, which means no further notices demanding additional tax payments

can be issued for this period. The Brazilian tax authorities also issued additional, in our view unjustified, VAT demands on at least a similar scale in relation to various matters. Our affiliates are appealing these claims through official processes. The Brazilian courts are not expected to reach a definitive decision in any of these cases for several years. The Group has provisions of €30 million (previous year: €27 million) for these cases.

Some of our affiliates are currently undergoing tax audits. In accordance with IFRIC 23, disputed tax items have been recognized with their most probable cash outflow. In one case, a liquidation loss that had been recognized was not accepted for tax purposes by the tax authorities in Austria. We filed appeals against the tax notices for the affected years. We are convinced that our view will prevail in legal proceedings. However, a final decision cannot be expected for several years. A final non-recognition of the tax-deductible loss would reduce Group profit by approximately €57 million (previous year: €47 million).

In addition, some of our affiliates are currently undergoing customs audits. The Group has recognized provisions of €10 million (previous year: €12 million) for the risks resulting from these audits.

Assessments of the course and results of legal disputes as well as tax and customs audits are associated with considerable difficulty and uncertainty. Results that differ from our expectations may have an effect on the amount of the recognized costs and provisions or liabilities. As of the balance sheet date, we assume, based on the currently available information, that no further significant charges for the Group are to be expected.

31 Employees and Personnel Expenses

The breakdown of employees by function is as follows:

Number of Employees as of Dec. 31

	2022	2023
Production, supply chain, and quality management	8,253	8,403
Marketing and sales	7,644	7,815
Research and development	1,591	1,686
Other functions	3,913	4,054
	21,401	21,958

Average Number of Employees during the Year

	2022	2023
Production, supply chain, and quality management	8,166	8,313
Marketing and sales	7,681	7,779
Research and development	1,573	1,660
Other functions	3,813	3,991
	21,233	21,743

Personnel expenses amounted to €1,788 million (previous year: €1,747 million). This amount breaks down into wages and salaries of €1,474 million (previous year: €1,404 million), social security expense of €213 million (previous year: €217 million), and pension expense of €101 million (previous year: €126 million). A breakdown of employees by business segment can be found in the segment reporting.

32 Auditor's Fees

The Annual General Meeting on April 13, 2023, elected EY GmbH & Co. KG Wirtschaftsprüfungsgesellschaft as the auditors for the annual and consolidated financial statements for fiscal year 2023.

The following table gives an overview of the total fee charged by EY GmbH & Co. KG Wirtschaftsprüfungsgesellschaft (EY GmbH & Co. KG):

Fees Paid to the Group Auditors

(in € thousand)

	2022	2023
Audit services	4,615	5,339
thereof EY GmbH & Co. KG	1,719	2,216
Other assurance services	419	338
thereof EY GmbH & Co. KG	252	252
Tax advisory services	58	173
thereof EY GmbH & Co. KG	–	–
Other services	158	213
thereof EY GmbH & Co. KG	–	198
Total	5,250	6,063
Total – thereof EY GmbH & Co. KG	1,971	2,666

Non-audit services in fiscal year 2023 mainly comprised the voluntary limited assurance engagement on the combined Non-financial Statement, agreed-upon procedures, and other legally prescribed, contractually agreed, or voluntarily requested assurance services.

33 Declaration of Compliance with the German Corporate Governance Code

In December 2023, Beiersdorf Aktiengesellschaft's Executive Board and Supervisory Board issued their Declaration of Compliance with the recommendations of the Government Commission on the German Corporate Governance Code for fiscal year 2023 in accordance with § 161 AktG. The Declaration of Compliance was made permanently accessible to shareholders on the company's website at www.beiersdorf.com/declaration_of_compliance.

34 Related Party Disclosures - Individuals

The requirements of IAS 24 apply to key management personnel of the company and their immediate family members, as well as the companies they control. In the Beiersdorf Group, the key management personnel are the members of the Executive and Supervisory Boards of Beiersdorf Aktiengesellschaft.

For fiscal year 2023, the members of the Supervisory Board received remuneration totaling €1,664 thousand (previous year €1,673 thousand) and the members of the Executive Board received remuneration totalling €21,947 thousand (previous year: €27,412 thousand), in each case in accordance with the provisions of German commercial law. Of the total compensation of the members of the Executive Board, €11,912 thousand (previous year: €15,406 thousand) relates to long-term benefits (changes in provisions for the LTP and any multi-year bonuses). The short-term benefits (Fixed Basic Remuneration and Variable Bonus) including ancillary benefits amounted to €10,035 thousand (previous year: €12,006 thousand). For information on the principles of the system governing Executive and Supervisory Board remuneration and the amount of members' individual remuneration, please

refer to the remuneration report in the section "Additional Information" in the Annual Report. This remuneration report is not part of the combined management report. Payments to former members of the Executive Board and their surviving dependents amounted to €6,721 thousand (previous year: €5,128 thousand). Provisions for pension commitments to former members of the Executive Board and their surviving dependents totalled €50,845 thousand (previous year: €54,674 thousand).

With the exception of the granting of the remuneration disclosed in the remuneration report, there were no material transactions between the members of Beiersdorf Aktiengesellschaft's Executive Board or Supervisory Board and the companies of the Beiersdorf Group in fiscal year 2023. The same applies to the immediate family members of these persons.

35 Related Party Disclosures - Entities

Since March 30, 2004, maxingvest GmbH & Co. KGaA has held more than 50% of Beiersdorf Aktiengesellschaft's share capital. Accordingly, Beiersdorf Aktiengesellschaft is a dependent company within the meaning of § 312 (1) sentence 1 in conjunction with § 17 (2) *AktG*. Since no control agreement exists between Beiersdorf Aktiengesellschaft and maxingvest GmbH & Co. KGaA, the Executive Board of Beiersdorf Aktiengesellschaft prepares a report on dealings among Group companies in accordance with § 312 (1) sentence 1 *AktG*. In fiscal year 2023, as in the previous year, Beiersdorf Aktiengesellschaft and its affiliated companies as well as maxingvest GmbH & Co. KGaA and its affiliated companies pooled purchase volumes to achieve cost benefits and sourced products and services from each other at standard market terms to an extent that is not material. There was also limited collaboration in various areas.

36 Shareholdings in Beiersdorf Aktiengesellschaft

The following shareholdings were reported to Beiersdorf Aktiengesellschaft in accordance with the provisions of the *Wertpapierhandelsgesetz* (German Securities Trading Act, *WpHG*) up to the date of preparation of the financial statements.

1.

With voting rights notifications pursuant to §§ 33 et seq. *WpHG* dated June 16, 2023, Max und Ingeburg Herz Stiftung (Hamburg, Germany), IH Zweite GmbH (Hamburg, Germany) as well as Wolfgang Herz, Michael Herz, Alexander Herz, Benjamin Herz, Maximilian Herz, Paul Herz, and Svenja Haux each disclosed that they had exceeded the 50% threshold as of June 15, 2023. The notifying parties indicated for themselves – and in the case of Michael Herz, Wolfgang Herz, and Max und Ingeburg Herz Stiftung also for a number of subsidiaries – that they each held a total share of voting rights of 51.19% (128,991,406 voting rights).

2.

During fiscal year 2023, BlackRock, Inc., Wilmington, DE, USA, submitted several voting rights notifications in accordance with § 33 et seq. *WpHG* through which BlackRock, Inc. – on its own behalf and on behalf of a number of subsidiaries – disclosed on several occasions that the companies listed in the notifications had exceeded or fallen below the threshold of 3% of the voting rights in Beiersdorf Aktiengesellschaft. According to the latest notification dated November 1, 2023, on October 27, 2023, a 3.34% share of voting rights stemming from shares in Beiersdorf Aktiengesellschaft was attributable to BlackRock, Inc. and a number of its subsidiaries in accordance with § 34 *WpHG*. In addition, at this point in time, BlackRock, Inc. and a number of its subsidiaries were direct or indirect holders of financial instruments pursuant to § 38 *WpHG* relating to 0.03% of voting rights stemming from shares in Beiersdorf Aktiengesellschaft.

3.

In accordance with § 25 (1) sentence 3 in conjunction with § 21 (1) sentence 1 *WpHG* (former version), Beiersdorf Aktiengesellschaft also announced that it had exceeded the threshold of 5% of the voting rights in its own company on February 3, 2004, and that a share of 9.99% has been attributable to it since then. The own shares held by the company do not bear voting or dividend rights in accordance with § 71b *AktG*.

All releases on voting rights notifications in accordance with § 40 (1) *WpHG* that Beiersdorf Aktiengesellschaft has made since January 3, 2018, are available under www.beiersdorf.com/investors/financial-reports/voting-rights-notifications.

Report on Post-balance Sheet Date Events

On February 5, 2024, the Executive Board has resolved - with the approval of the Supervisory Board - to buy back shares in the Company in an amount of up to EUR 500 million. The share buyback program is expected to begin in May 2024 and to be completed by the end of 2024. The Company will announce further details on the share buyback program in accordance with the statutory provisions before the start of the share buyback program. Treasury shares held by the Company will be cancelled to the extent necessary to carry out the share buyback program.

Beiersdorf Aktiengesellschaft Boards

Supervisory Board

Name	Profession	Memberships
Hong Chow	Head of China & International, Healthcare, Merck KGaA	
Reiner Hansert	Business Partner tesa & La Prairie Group Corporate Brand Protection Unit, Beiersdorf AG, Data Protection Officer, Beiersdorf AG	Member of the Supervisory Board: maxingvest GmbH & Co. KGaA ¹
Wolfgang Herz	General Manager Participia Holding GmbH	Chairman of the Supervisory Board: Blume 2000 SE ¹ TOPP Holding AG ¹ Deputy Chairman of the Supervisory Board: Libri GmbH ¹ Member of the Supervisory Board: maxingvest GmbH & Co. KGaA ¹ TCHIBO GmbH ¹
Uta Kemmerich-Keil	Member of the Supervisory Board / Advisory Board / Administrative Board of various companies	Member of the Supervisory Board: Biotech AG ² Schott AG ¹ Affimed NV, Netherlands ² Karo Healthcare AB, Sweden ¹ Member of the Administrative Board (Verwaltungsrat): Klosterfrau Zürich AG, Switzerland ¹
Andreas Köhn	Chairman of the Works Council, Beiersdorf Manufacturing Hamburg GmbH	
Jan Koltze	Regional Head, Industriegewerkschaft Bergbau, Chemie, Energie (IG BCE)	Member of the Supervisory Board: Aurubis AG ² ExxonMobil Central Europe Holding GmbH ¹ maxingvest GmbH & Co. KGaA ¹
Dr. Dr. Christine Martel	Business Executive Officer (BEO) / General Manager, Nestlé Suisse S.A.	
Olaf Papier	Chairman of the Works Council, Beiersdorf AG	
Frédéric Pflanz* Deputy Chairman	Chief Financial Officer, maxingvest GmbH & Co. KGaA	Member of the Administrative Board (Verwaltungsrat): Cambiata Schweiz AG, Switzerland ¹ (until June 21, 2023) Member of the Board of Directors: Cambiata Ltd., British Virgin Islands ¹ (until January 31, 2024)
Prof. Dr. Reinhard Pöllath Chairman	Lawyer, P+P Pöllath + Partners	Chairman of the Supervisory Board: Elektrobau Mulfingen GmbH ¹ maxingvest GmbH & Co. KGaA ¹ Wanzl GmbH & Co. KGaA ¹ Member of the Supervisory Board: TCHIBO GmbH (until December 31, 2023) ¹ Wanzl GmbH & Co. Holding KG ¹
Prof. Manuela Rousseau* Deputy Chairwoman	Senior Advisor Global Diversity & Inclusion, Beiersdorf AG, Professor at the Academy of Music and Theatre, Hamburg	
Kirstin Weiland	Member of the Works Council, tesa SE	Member of the Supervisory Board: tesa SE (intragroup) ¹

¹ Non-listed.² Listed.

* The Supervisory Board's diversity officers.

Supervisory Board Committees

Members of the Presiding Committee	Members of the Audit Committee	Members of the Finance Committee	Members of the Nomination Committee	Members of the Mediation Committee	Members of the Personnel Committee
Prof. Dr. Reinhard Pöllath Chairman	Dr. Dr. Christine Martel Chairwoman	Frédéric Pflanz Chairman	Prof. Dr. Reinhard Pöllath Chairman	Prof. Dr. Reinhard Pöllath Chairman	Frédéric Pflanz Chairman
Wolfgang Herz	Reiner Hansert	Reiner Hansert	Hong Chow	Olaf Papier	Hong Chow
Frédéric Pflanz	Uta Kemmerich-Keil	Uta Kemmerich-Keil	Dr. Dr. Christine Martel	Frédéric Pflanz	Reiner Hansert
Prof. Manuela Rousseau	Olaf Papier	Dr. Dr. Christine Martel	Frédéric Pflanz	Prof. Manuela Rousseau	Uta Kemmerich-Keil (since April 13, 2023)
	Frédéric Pflanz	Olaf Papier			Andreas Köhn
					Prof. Dr. Reinhard Pöllath (until April 13, 2023)
					Kirstin Weiland

Executive Board

Name	Function	Responsibilities	Memberships ¹
Vincent Warnery	CEO	Corporate Development & Strategy Internal Audit Supply Chain & Quality Assurance Research & Development Derma Health Care Corporate Communication Sustainability Greater China / South Korea Japan	
Oswald Barckhahn	Europe USA/Canada	Europe USA/Canada	
Astrid Hermann	Finance tesa SE	Finance & Financial Control Legal & Compliance IT tesa SE	Deputy Chairwoman of the Supervisory Board: tesa SE (intragroup) ² Member of the Supervisory Board: Stora Enso Oyj, Finland (since March 16, 2023) ³
Nicola Lafrentz	Human Resources	Human Resources General Services & Real Estate (Labor Director)	
Grita Loebssack	NIVEA	Brand Management Digital Marketing	
Ramon A. Mirt	Emerging Markets	Latin America Africa Asia (excluding Greater China) Russia	
Patrick Rasquinet	Luxury	La Prairie Chantecaille	Member of the Supervisory Board: Silhouette International Schmied AG, Austria (since July 14, 2023) ²

¹ In connection with their Group management and supervisory duties, the members of the Executive Board of Beiersdorf Aktiengesellschaft also hold offices in comparable supervisory bodies at Group companies and other associated companies.

² Non-listed.

³ Listed.

Hamburg, February 7, 2024

Beiersdorf Aktiengesellschaft

The Executive Board

Attestations

Independent Auditor's Report

To Beiersdorf Aktiengesellschaft

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 Beiersdorf Aktiengesellschaft, Hamburg, and its subsidiaries (the Group), which comprise the consolidated balance sheet as at December 31, 2023, and the consolidated income statement, consolidated statement of comprehensive income, consolidated cash flow statement and consolidated statement of changes in equity for the fiscal year from January 1 to December 31, 2023, and notes to the consolidated financial statements, including a summary of significant accounting policies. In addition, we have audited the group management report of Beiersdorf Aktiengesellschaft, which is combined with the management report of the company, for the fiscal year from January 1 to December 31, 2023. In accordance with the German legal requirements we have not audited the components of the group management report stated in the annex.

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 IFRSs as adopted by the EU, and the additional requirements of German commercial law pursuant to Sec. 315e (1) of the German Commercial Code (HGB) and, in compliance with these requirements, give a true and fair view of the assets, liabilities, and financial position of the Group as at December 31, 2023, and of its financial performance for the fiscal year from January 1 to December 31, 2023, and
- The attached Group Management Report provides an accurate picture of the Group's position overall. In all material respects, this Group Management Report is consistent with the consolidated financial statements, complies with German legal requirements, and suitably presents the opportunities and risks associated with the company's future performance. We have not issued an audit opinion on the components of the Group Management Report referred to in the Annex.

Pursuant to Sec. 322 (3) 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 Sec. 317 HGB and the EU Audit Regulation (No 537/2014, referred to subsequently as "EU Audit Regulation") and 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) 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 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 fiscal year from January 1 to December 31, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon; we do not provide a separate opinion on these matters.

Below, we describe what we consider to be the key audit matters:

1) Recognizing revenue from the sale of goods and products

Reasons why the matter was determined to be a key audit matter

The consolidated financial statements of Beiersdorf Aktiengesellschaft recognize revenue from the sale of goods and products, less discounts, customer bonuses, and rebates, and taking into account returns, when control over the goods and products has transferred to the customer. Considerations payable to trading partners are also deducted from revenue in those cases in which the consideration is not matched by a distinct product or service supplied and its fair value can be estimated reliably. Given the large number of different contractual arrangements and the judgment to be exercised as regards determining rebates, customer bonuses, discounts, and the terms and conditions of returns, there is an elevated risk of material misstatement in the recognition of revenue from the sale of goods and products on an accrual basis. Auditing of the recognition of revenue from the sale of goods and products was therefore one of the key audit matters.

Auditor's response

As part of our audit, we examined the accounting policies applied in the consolidated financial statements of Beiersdorf Aktiengesellschaft for the recognition of revenue from the sale of goods and products using the criteria defined in IFRS 15. We walked through the process for revenue recognition implemented by the executive directors of Beiersdorf Aktiengesellschaft for the Beiersdorf Group and the accruals for expected rebates, customer bonuses, discounts, and expected returns using selected transactions from order receipt to recognition in the consolidated financial statements. Moreover, we performed an examination on a test basis to determine whether the contractually agreed and awarded rebates, customer bonuses, and discounts, actual returns, as well as payments to trading partners without identifiable consideration were deducted from sales revenue on an accrual basis. In addition, we analyzed the calculation of still expected returns of goods and products and their deduction from sales revenue by comparing the plan and actual figures for the assumptions made in previous years, taking into account the contractual agreements made with customers. To prove the existence of sales revenue, we performed, among other things, an examination with the aid of data analyses to establish whether it led to the recognition of trade receivables and whether these receivables were in turn settled by payments received. We examined postings in December 2023 which involved large amounts compared with the average for the year in order to determine whether there were irregularities in respect of the accruals principle.

Our audit procedures did not give rise to any reservations in respect of the recognition of revenue from the sale of goods and products.

Reference to related disclosures

For the accounting policies applied in relation to the recognition of revenue from the sale of goods and products and for the associated disclosures on the exercise of judgment, we refer to the information in the notes to the consolidated financial statements, section "Significant Accounting Policies" in the chapter of the same name.

2) Current and deferred income taxes, import sales taxes and customs duties

Reasons why the matter was determined to be a key audit matter

The Beiersdorf Group operates its business activities in countries with different local tax and customs law, with the associated complexity in relation to the recognition of current and deferred income taxes and the accounting treatment of risks from import sales taxes and customs duties, namely the transfer prices applied, intragroup financing, and changing tax and customs laws. The calculation of provisions for income tax liabilities and of deferred tax items, and the accounting treatment of risks from import sales taxes and customs duties require the executive directors of Beiersdorf Aktiengesellschaft to exercise significant judgment in evaluating tax- and customs-related matters and to estimate tax and customs law risks as well as the recoverability of deferred tax assets.

Given the risks and their potential impact on the consolidated financial statements from current and deferred income taxes and from import sales taxes and customs duties, the complexity of the individual matters and the existing discretion in exercising judgment, auditing the current and deferred income taxes and import sales taxes and customs duties was one of the key audit matters.

Auditor's response

As part of the audit, we obtained an understanding of the Beiersdorf Group's processes for assessing tax and customs law risks. As part of these processes, the executive directors of Beiersdorf Aktiengesellschaft regularly engage external tax experts to provide professional statements on individual matters. We involved our tax and customs experts with knowledge of the relevant local tax and customs law for the countries in question to evaluate the tax- and customs-related assessments made by the executive directors of Beiersdorf Aktiengesellschaft, taking into account any professional statements from external experts where these had been provided. We also examined the correspondence with the competent tax and customs authorities and the latest status of ongoing appeal proceedings and court cases. We examined the assumptions used to calculate current income tax provisions and deferred taxes and to account for risks from import sales taxes and customs duties, taking particular account of the transfer prices used, on the basis of our knowledge and experience of the current application of the relevant legal provisions by authorities and courts. We examined the assumptions about the recoverability of deferred tax assets on tax loss carryforwards and temporary differences by testing the plausibility of the underlying forecasts using the development of the relevant companies' results over recent years and publicly available information on the expected development of the markets concerned. We also evaluated the information in the notes to the consolidated financial statements of Beiersdorf Aktiengesellschaft on current and deferred income taxes and risks from import sales taxes and customs duties.

Our audit procedures did not give rise to any reservations in respect of the recognition of current and deferred income taxes or the accounting treatment of risks from import sales taxes and customs duties.

Reference to related disclosures

For information on the accounting policies applied to current and deferred income taxes and the presentation of risks arising from import sales taxes and customs duties, as well as related disclosures on management discretion and sources of estimation uncertainty, please refer to the disclosures in the Notes to the consolidated financial statements in the "Basis of Preparation and Methods" section under

"Significant accounting policies," in the "Notes to the Income Statement" section under Note 09, and in the "Other Disclosures" section under Note 30.

3) Legal disputes in connection with concluded antitrust proceedings

Reasons why the matter was determined to be a key audit matter

In October 2016, a lawsuit was filed against Beiersdorf Aktiengesellschaft by the insolvency administrator of Anton Schlecker e. K. i.l., Ehingen (Donau), seeking damages in connection with German antitrust proceedings concluded in 2013. In addition to Beiersdorf Aktiengesellschaft, the lawsuit was also filed against six other companies. The total value of the claim filed jointly and severally by the insolvency administrator of Anton Schlecker e. K. i.l., Ehingen (Donau), against all defendants amounts to approximately 200 million euros plus interest. This lawsuit was dismissed by the court of first instance in fiscal 2018 and by the court of second instance in fiscal 2020, without the possibility to appeal to Germany's Federal Court of Justice (BGH), the country's supreme court. The insolvency administrator of Anton Schlecker e. K. i.l., Ehingen (Donau), has filed appeal against this denial of leave to appeal with BGH against the judgment rendered by the court of second instance. In response to the plaintiff's appeal against the denial of leave to appeal, the BGH granted leave to appeal without stating any reasons in January 2022. The BGH granted the appeal against the denial of leave to appeal, reversed the decision by the court of second instance, and referred the case back for a new hearing. In connection with the aforementioned concluded antitrust proceedings, further domestic and foreign customers of the Beiersdorf Group filed claims for damages against companies of the Beiersdorf Group in fiscal years 2016 and 2017, respectively, or asserted claims for damages out of court. Due to the existing uncertainties, the presentation of the legal risks arising from the claims for damages asserted in the consolidated financial statements requires Beiersdorf Aktiengesellschaft's executive directors to exercise significant discretion in assessing whether and to what extent a potential loss has been incurred, and with regard to the extent of any potential claim arising from joint and several liability. In determining the extent of a possible loss, they have, in particular, considerable discretion with respect to the assumptions regarding what is known as the "overcharge" and the "pass-on rate." The "overcharge" corresponds to the percentage difference between the prices actually seen on the market and the prices expected in the absence of a cartel. The "pass-on rate" corresponds to the percentage extent to which price increases by suppliers were passed on to customers.

Given the risks and potential impact on the consolidated financial statements from the legal disputes in connection with the concluded antitrust proceedings, the complexity of the individual matters, and the existing discretion in exercising judgment, auditing the legal disputes in connection with concluded antitrust proceedings was one of the key audit matters.

Auditor's response

We obtained an understanding of the Beiersdorf Aktiengesellschaft's processes for assessing legal risks. As part of these processes, the executive directors of Beiersdorf Aktiengesellschaft commissioned external lawyers to provide professional statements evaluating the legal basis for the claims filed and the potential joint and several liability, as well as reports from an external expert calculating the extent of potential damages. In addition, the executive directors used a court ruling relating to a comparable claim case (indicative court order of October 12, 2023, file reference 16 U 97/22 Kart, of the Cartel Division of the Schleswig-Holstein Higher Regional Court - hereinafter referred to as "indicative court order" for short) in substantiating the amount of potential damages.

We obtained confirmations from the external lawyers commissioned by Beiersdorf Aktiengesellschaft. We critically examined and evaluated these confirmations, supplementary internal documentation of Beiersdorf Aktiengesellschaft, and the indicative court order to ascertain whether there were possible changes from the original risk assessment and in the calculation of possible damages. Supported by our internal legal experts, we examined the existing claims for damages, statements of defense, replies

to the statements of defense, court rulings, and other correspondence to determine whether these had been taken into account in the risk assessment by the executive directors of Beiersdorf Aktiengesellschaft. Furthermore, we obtained an understanding of the calculation of potential damages in relation to the amount of the overcharge and the level of the pass-on rate by evaluating the external expert's methodology with the support of our internal expert, taking account of the interpretation and reasons for these assumptions in the indicative court order. We also evaluated the professional qualifications, skills and objectivity of the external expert. In addition, our audit procedures involved assessing the disclosures in the notes to the consolidated financial statements of Beiersdorf Aktiengesellschaft on the legal risks arising from the damages claims filed.

Our audit procedures did not give rise to any reservations in respect of the accounting treatment of the legal risks arising from legal disputes in connection with antitrust proceedings already concluded.

Reference to related disclosures

For the disclosures concerning legal risks in connection with one concluded case of antitrust proceedings, we refer to the information in the notes to the consolidated financial statements, note 30 in the chapter "Other Disclosures."

4) Recoverability of the goodwill of the Chantecaille Group

Reasons why the matter was determined to be a key audit matter

The determination of a potential impairment loss on the goodwill of the Chantecaille Group by conducting an impairment test is highly dependent on the executive directors' assessment and discretionary judgments about the amount of future cash flows, the cost of capital used, and the growth rates; it requires estimates and assumptions that are subject to considerable uncertainties. The assumptions about the long-term development of the underlying contributions to earnings, in particular, are subject to discretion and have a material influence on the outcome of the impairment test on the goodwill of the Chantecaille Group (cash-generating unit). Given the lack of observable inputs, the recoverable amount of the cash-generating unit is always determined on the basis of value in use using the discounted cash flow model.

In 2023, general economic performance in China, Chantecaille's delayed entry into the Chinese domestic market, and the trend in the travel retail business in South Korea in particular had a negative impact on the planned cash inflows of the Chantecaille Group in the relevant evaluation period. Furthermore, the capital market interest rates relevant for determining the discount rate, and therefore the weighted cost of capital, increased overall. These developments resulted in the need to recognize a material impairment loss in the fiscal year.

Against this backdrop, the materiality of goodwill in relation to total assets, the complexity to which its measurement is subject, as well as the existing considerable discretion in exercising judgment and the associated significant risk of material misstatements, the recoverability of the goodwill of the Chantecaille Group was one of the key matters of our audit.

Audit procedure

As part of our audit, we evaluated the methodology applied to conducting the impairment test against the background of the appropriate rules in IAS 36 with the involvement of internal valuation experts. We analyzed the processes implemented and controls introduced by the executive directors of the Beiersdorf Group to plan future expected cash flows, to determine the fair values of assets, and to test the recoverability of goodwill as of the reporting date in order to identify potential risks of error and to obtain an understanding of the steps they took in this process. We assessed the plausibility of the expected future cash flows used for the goodwill impairment test on the basis of past earnings and the

information provided to us by the Beiersdorf Group's executive directors regarding the expected future performance of the Chantecaille Group. Similarly, we also assessed the forecasts for expected future cash inflows and outflows by comparing them with the Group's internal system-based budget planning and by reviewing the expectations of analysts and industry associations with respect to general economic and market-specific developments. A random comparison of historical planning data with actual results was carried out to assess planning accuracy. Furthermore, we reconciled the budget plans approved by the Executive Board with the assessments presented to us.

With the assistance of our internal valuation specialists, we analyzed the assumptions and discretionary estimates used in the impairment test (in particular growth rates and country-specific costs of capital) to determine value in use to ascertain whether they correspond to general economic parameters and industry-specific market expectations. We compared the assumptions regarding the underlying cost of debt, among other factors, with current interest rate trends; with regard to the cost of equity, we assessed the beta coefficient applied, in particular via the composition of the peer companies used, and compared the interest rate on equity with available market data. In addition, we obtained an understanding of the mathematical accuracy of the valuation model used.

With respect to the recoverability of the goodwill of the Chantecaille Group, we assessed the composition of the carrying amounts of the cash-generating unit for completeness, in particular using the criteria defined in IAS 36. Furthermore, we performed an audit of the calculation of the carrying amounts of the cash-generating unit and its inclusion in the consolidated financial statements. We also audited the comparison of the recoverable amount to the carrying amount of the cash-generating unit. In order to understand the potential impact of changes in the calculation parameters applied as well as in the expected cash flows to the recoverable amount and therefore to assess a possible impairment risk, we assessed the level of uncertainty of future financial cash inflows and outflows based on scenarios and ranges of results and also performed our own sensitivity analyses to verify our client's result.

Further, we examined the disclosures in the Notes to the consolidated financial statements regarding the goodwill impairment test in accordance with IAS 36 with respect to the requirements resulting from the IFRS rules.

Our audit procedures did not give rise to any reservations regarding the recoverability of the goodwill of the Chantecaille Group.

Reference to related disclosures

For information on the disclosures and accounting policies applied to the recoverability of the goodwill of the Chantecaille Group, please refer to the disclosures in the notes to the consolidated financial statements in the section "Intangible assets" under Note 11.

Other information

The Supervisory Board is responsible for its own report. The executive directors and the Supervisory Board are responsible for the declaration on the German Corporate Governance Code in accordance with Sec. 161 of the German Stock Corporation Act (AktG), which is part of the Group's Corporate Governance Statement, and for the remuneration report in accordance with Sec. 162 AktG. The executive directors are responsible for the remaining other information. Other information comprises the components of the group management report stated in the annual report.

Our 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 opinion or any other form of assurance conclusion thereon.

In connection with our audit, it is our responsibility to read the other information and to assess whether the other information is:

- Materially inconsistent with the consolidated financial statements, the Group Management Report or our knowledge obtained in the course of the audit, or
- Otherwise materially misrepresented.

If, on the basis of the activities that we have performed, we conclude that there has been a material misstatement of this other information, we are obliged to report that fact. We have nothing to report in this respect.

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, which comply in all material respects with IFRS as adopted by the EU and the additional requirements of German law pursuant to Section 315e(1) of the German Commercial Code (HGB), and for being satisfied that the consolidated financial statements present a true and fair view of the net assets, financial position, and results of operations of the Group in accordance with these requirements.

Furthermore, the executive directors are responsible for the internal controls that they have determined are necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error (i.e., manipulation of the financial statements and misstatement of assets).

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 objective is to be reasonably certain that the consolidated financial statements as a whole are free from material misstatements, whether due to fraud or error, and that the Group Management Report as a whole provides a suitable view of the Group's position and is consistent, in all material respects, with the consolidated financial statements and with our audit findings, complies with German legal requirements, and suitably presents the opportunities and risks as they pertain to the Group's future performance, and to issue an audit opinion that includes our audit assessments of the consolidated financial statements and the Group Management Report.

Reasonable certainty is a high level of certainty, but is not a guarantee that an audit conducted in accordance with Section 317 HGB and the EU-APrVO and in compliance with German generally accepted standards for the audit of financial statements 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 the Group Management Report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatements, whether due to fraud or error, in the consolidated financial statements and the Group Management Report, plan and perform audit procedures in response to such risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk that material misstatements will not be detected is greater in the case of fraudulent acts than in the case of errors, as fraudulent acts may involve fraudulent collusion, falsification, intentional incompleteness, misrepresentation, or suspension 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 opinion on the effectiveness of these systems.
- 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 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 IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to Sec. 315e (1) HGB.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express opinions on the consolidated financial statements and on the group management report. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our opinions.
- Evaluate the consistency of the group management report with the consolidated financial statements, its conformity with the 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 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, related safeguards.

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 audit of the electronic reproductions of the consolidated financial statements and of the group management report prepared for the purposes of disclosure in accordance with Sec. 317 (3a) HGB

Audit opinion

In accordance with Sec. 317 (3a) HGB, we have performed a reasonable assurance engagement to determine whether the reproductions of the consolidated financial statements and the Group management report contained in the "Beiersdorf_AG_KA+KLB_ESEF_2023-12-31.zip" and prepared for disclosure purposes (hereinafter also referred to as the "ESEF documents") comply in all material respects with the requirements of Sec. 328 (1) HGB regarding the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this audit extends only to the conversion of the information in the consolidated financial statements and the group management report into the ESEF format and therefore neither to the information contained in these reproductions nor to any other information contained in the above-mentioned file.

In our opinion, the electronic versions of the consolidated financial statements and the group management report included in the file referred to above and prepared for disclosure purposes comply, in all material respects, with the provisions of Sec. 328 (1) HGB concerning the electronic reporting format. We do not express any opinion on the information contained in these reproductions or on the other information contained in the above-mentioned file other than our opinion on the accompanying consolidated financial statements and on the accompanying group management report for the fiscal year from January 1 to December 31, 2023 contained in the preceding "Report on the audit of the consolidated financial statements and Group Management Report".

Basis for the audit opinion

We conducted our audit of the reproductions of the consolidated financial statements and the group management report contained in the above-mentioned file in accordance with Sec. 317 (3a) HGB and IDW Auditing Standard: Auditing of Electronic Reproductions of Financial Statements and Management Reports Prepared for the Purpose of Disclosure pursuant to Sec. 317 (3a) HGB (IDW PS 410 (06.2022)). Our responsibility thereafter is further described in the section "Auditor's Responsibility for the Audit of the ESEF Documents". Our auditing practice has complied with the requirements for the quality assurance system of the IDW Quality Assurance Standard: Requirements for Quality Assurance in the Auditing Practice (IDW QS 1).

Responsibilities of the executive directors and the Supervisory Board for the ESEF documents

The Company's executive directors are responsible for preparing the ESEF documents with the electronic reproductions of the consolidated financial statements and of the group management report in accordance with Sec. 328 (1) sentence 4 no. 1 HGB and for marking up the consolidated financial statements in accordance with Sec. 328 (1) sentence 4 no. 2 HGB.

In addition, the Company's executive directors are responsible for such internal control as they have determined necessary to enable the preparation of the ESEF documents that are free from material violations, whether due to fraud or error, of the requirements for the electronic reporting format stipulated in Sec. 328 (1) HGB.

The Supervisory Board is responsible for overseeing the process of the preparation of the ESEF documents as part of the financial reporting process.

Responsibility of the auditor of the consolidated financial statements for the audit of the ESEF documents

Our objectives are to obtain reasonable assurance about whether the ESEF documents are free from material violations, whether due to fraud or error, of the requirements stipulated in Sec. 328 (1) HGB. We exercise professional judgment and maintain professional skepticism throughout the audit. We also

- Identify and assess the risks of material violations of the requirements stipulated in Sec. 328 (1) HGB, 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 opinion.
- Obtain an understanding of internal control relevant to the audit of the ESEF documents in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of such control.
- Assess the technical validity of the ESEF documents, i.e. whether the file containing the ESEF documents meets the requirements relating to the technical specification for this file stipulated in the Delegated Regulation (EU) 2019/815 in the version applicable on the balance sheet date.
- Assess whether the ESEF documents enable reproduction of the audited consolidated financial statements and audited group management report with the identical content in XHTML format.
- Assess whether marking up of the ESEF documents with Inline XBRL technology (iXBRL) in accordance with Articles 4 and 6 of the Delegated Regulation (EU) 2019/815 in the version applicable on the balance sheet date enables an appropriate and full machine-readable XBRL copy of the XHTML reproduction.

Further Information pursuant to Article 10 of the EU Audit Regulation

We were elected as group auditor by the annual general meeting on April 13, 2023. We were engaged by the supervisory board on June 30, 2023. We have been the group auditor of Beiersdorf Aktiengesellschaft without interruption since fiscal year 2006.

We declare that the opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Art. 11 of the EU Audit Regulation (long-form audit report).

Other Matters – Use of the Auditor's Report

Our auditor's report must always be read in connection with the audited consolidated financial statements, the audited group management report and the audited ESEF documents. The consolidated financial statements and group management report converted into the ESEF format - also the versions to be disclosed in the company register - are only electronic reproductions of the audited consolidated

financial statements and the audited group management report and do not replace them. In particular, the ESEF report and our opinion in it must be used only in conjunction with the audited ESEF documents provided in electronic form.

German Public Auditor responsible for the engagement

The German Public Auditor responsible for the engagement is Britta Siemer.

Annex to the auditor's report:

1. Components of the group management report not included in the audit

The following components of the group management report, which are part of "Other information," were not included in the audit:

- Non-financial Statement
- "Corporate Governance Statement" chapter and "Declaration by the Executive Board and the Supervisory Board of Beiersdorf Aktiengesellschaft on the Recommendations of the 'Government Commission on the German Corporate Governance Code' in accordance with § 161 of the Aktiengesetz (German Stock Corporation Act, AktG)"

Furthermore, we have not audited the content specified below that is not a required part of the Group Management Report. Non-required disclosures in the Group Management Report are disclosures that are not required under Sections 315, 315a, or 315b to 315d of the German Commercial Code (HGB):

- "Building on strong foundations: Culture - Core Values - Capabilities - Care Beyond Skin" section of the "Business and Strategy" chapter
- The sections on "Product highlights"; "tesa - product and technology development" in the "Research and Development" chapter
- "People at Beiersdorf" chapter
- "Sustainability" chapter
- "Appropriateness and effectiveness of the internal control and risk management systems" section of the "Risk Report" chapter.

2. Additional other information

"Other information" also includes other components intended for the annual report made available to us until we issued the auditor's report, in particular the following sections:

- Executive Board's Responsibility Statement in accordance with Sec. 297 (2) sentence 4 HGB
- Report by the Supervisory Board in accordance with Sec. 171 (2) AktG
- the sections "Magazine," "Letter from the Chairman," and "Beiersdorf's Shares and Investor Relations"

but excludes the consolidated financial statements, the disclosures in the group management report included in the audit, and our related auditor's report.

Hamburg, February 21, 2024

EY GmbH & Co. KG

Wirtschaftsprüfungsgesellschaft

Dr. Janze

German Public Auditor

Siemer

German Public Auditor

Independent Auditor's Report on a Limited Assurance Engagement

The assurance engagement performed by EY relates exclusively to the German version of the combined non-financial statement 2023 of Beiersdorf AG. The following text is a translation of the original German independent assurance report.

To Beiersdorf AG, Hamburg

We have performed a limited assurance engagement on the non-financial statement of Beiersdorf AG, Hamburg, (hereinafter the "Company"), which is combined with the non-financial statement of the Group, consisting of the section "Non-financial Statement 2023" as well as the disclosures marked with the symbol  in the sections "Business and Strategy" and "People at Beiersdorf" of the Combined Management Report, for the period from 1 January 2023 to 31 December 2023 (hereinafter the "non-financial Reporting").

Not subject to our assurance engagement are other references to disclosures made outside the non-financial Reporting.

Responsibilities of the executive directors

The executive directors of the Company are responsible for the preparation of the non-financial Reporting in accordance with Sec. 315c in conjunction with Secs. 289c to 289e HGB [“Handelsgesetzbuch”: German Commercial Code] and Art. 8 of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment and amending Regulation (EU) 2019/2088 (hereinafter the “EU Taxonomy Regulation”) and the Delegated Acts adopted thereunder as well as in accordance with their own interpretation of the wording and terms contained in the EU Taxonomy Regulation and the Delegated Acts adopted thereunder as set out in section “EU Taxonomy Reporting” of the non-financial Reporting.

These responsibilities of the Company’s executive directors include the selection and application of appropriate methods for the preparation of the non-financial Reporting and making assumptions and estimates about individual non-financial disclosures that are reasonable in the circumstances. Furthermore, the executive directors are responsible for such internal control as the executive directors consider necessary to enable the preparation of a non-financial Reporting that is free from material misstatement, whether due to fraud (manipulation of the non-financial Reporting) or error.

The EU Taxonomy Regulation and the Delegated Acts adopted thereunder contain wording and terms that are still subject to considerable interpretation uncertainties and for which clarifications have not yet been published in every case. Therefore, the executive directors have disclosed their interpretation of the EU Taxonomy Regulation and the Delegated Acts adopted thereunder in section “EU Taxonomy Reporting” of the non-financial Reporting. They are responsible for the defensibility of this interpretation. Due to the immanent risk that undefined legal terms may be interpreted differently, the legal conformity of the interpretation is subject to uncertainties.

Independence and quality assurance of the auditor's firm

We have complied with the German professional requirements on independence as well as other professional conduct requirements.

Our audit firm applies the national legal requirements and professional pronouncements - in particular the BS WP/vBP ("Berufssatzung für Wirtschaftsprüfer/vereidigte Buchprüfer": Professional Charter for German Public Accountants/German Sworn Auditors) in the exercise of their Profession and the IDW Standard on Quality Management issued by the Institute of Public Auditors in Germany (IDW): Requirements for Quality Management in the Audit Firm (IDW QS 1) and accordingly maintains a comprehensive quality management system that includes documented policies and procedures with regard to compliance with professional ethical requirements, professional standards as well as relevant statutory and other legal requirements.

Responsibilities of the auditor

Our responsibility is to express a conclusion with limited assurance on the non-financial Reporting based on our assurance engagement.

We conducted our assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised): "Assurance Engagements other than Audits or Reviews of Historical Financial Information" issued by the IAASB. This standard requires that we plan and perform the assurance engagement to obtain limited assurance about whether any matters have come to our attention that cause us to believe that the Company's non-financial Reporting is not prepared, in all material respects, in accordance with Sec. 315c in conjunction with Secs. 289c to 289e HGB and the EU Taxonomy Regulation and the Delegated Acts adopted thereunder as well as the interpretation by the executive directors disclosed in section "EU Taxonomy Reporting" of the non-financial Reporting. Not subject to our assurance engagement are other references to disclosures made outside the non-financial Reporting.

In a limited assurance engagement, the procedures performed are less extensive than in a reasonable assurance engagement, and accordingly, a substantially lower level of assurance is obtained. The selection of the assurance procedures is subject to the professional judgment of the auditor.

In the course of our assurance engagement we have, among other things, performed the following assurance procedures and other activities:

- Gain an understanding of the structure of the sustainability organization and stakeholder engagement,
- Inquiries of the executive directors and relevant employees regarding the selection of topics for the non-financial Reporting, the impact and risk assessment and the policies of the Company and the Group for the topics identified as material,
- Inquiries of the executive directors and relevant employees involved in the preparation of the non-financial Reporting about the preparation process, about the internal controls related to this process as well as disclosures in the non-financial Reporting,
- Inspection of the relevant documentation of the systems and processes for collecting, aggregating and validating relevant data in the reporting period,
- Identification and assessment of risks of material misstatement in the non-financial Reporting,
- Analytical procedures on selected disclosures in the non-financial Reporting,
- Inquiries, inspection of sample documents and obtaining evidence relating to the collection and reporting of selected disclosures in the non-financial Reporting,
- Reconciliation of selected disclosures with the corresponding data in the annual financial statements and management report,

- Evaluation of the process to identify the economic activities taxonomy-eligible and taxonomy-aligned as well as the corresponding disclosures in the non-financial Reporting,
- Evaluation of the presentation of disclosures in the non-financial Reporting.

In determining the disclosures in accordance with Art. 8 of the EU Taxonomy Regulation, the executive directors are required to interpret undefined legal terms. Due to the immanent risk that undefined legal terms may be interpreted differently, the legal conformity of their interpretation and, accordingly, our assurance engagement thereon are subject to uncertainties.

Assurance conclusion

Based on the assurance procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the non-financial Reporting of the Company for the period from 1 January 2023 to 31 December 2023 is not prepared, in all material respects, in accordance with Sec. 315c in conjunction with Secs. 289c to 289e HGB and the EU Taxonomy Regulation and the Delegated Acts adopted thereunder as well as the interpretation by the executive directors as disclosed in section "EU Taxonomy Reporting" of the non-financial Reporting.

We do not express an assurance conclusion on the other references to disclosures made outside the non-financial Reporting.

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. As a result, it may not be suitable for another purpose than the aforementioned. Accordingly, the report is not intended to be used by third parties for making (financial) decisions based on it. Our responsibility is to the Company alone. We do not accept any responsibility to third parties. Our assurance conclusion is not modified in this respect.

General Engagement Terms and Liability

The enclosed "General Engagement Terms for Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften [German Public Auditors and Public Audit Firms]" as issued by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] on 1 January 2017 are applicable to this engagement and also govern our relations with third parties in the context of this engagement (www.de.ey.com/general-engagement-terms). In addition, please refer to the liability provisions contained there in no. 9 and to the exclusion of liability towards third parties. We accept no responsibility, liability or other obligations towards third parties unless we have concluded a written agreement to the contrary with the respective third party or liability cannot effectively be precluded.

We make express reference to the fact that we will not update the report to reflect events or circumstances arising after it was issued, unless required to do so by law. It is the sole responsibility of anyone taking note of the summarized result of our work contained in this report to decide whether and in what way this information is useful or suitable for their purposes and to supplement, verify or update it by means of their own review procedures.

Hanover, February 21, 2024
 EY GmbH & Co. KG
 Wirtschaftsprüfungsgesellschaft

Dr. Christian Janze Annette Johne

German Public Auditor German Public Auditor

Responsibility Statement by the Executive Board

To the best of our knowledge, and in accordance with the applicable reporting principles, the consolidated financial statements give a true and fair view of the assets, liabilities, financial position, and profit or loss of the Group, and the Group Management Report, which has been combined with the Management Report for Beiersdorf Aktiengesellschaft, includes a fair review of the development and performance of the business and the position of the Group, together with a description of the material opportunities and risks associated with the expected development of the Group.

Hamburg, February 7, 2024

The Executive Board



Vincent Warnery

Chairman of the Executive Board



Oswald Barckhahn

Member of the Executive Board



Astrid Hermann

Member of the Executive Board



Nicola D. Lafrentz

Member of the Executive Board



Grita Loebssack

Member of the Executive Board



Ramon A. Mirt

Member of the Executive Board



Patrick Rasquinet

Member of the Executive Board

- p. 262 Remuneration Report**
- p. 290 Ten-Year Overview**
- p. 291 Beiersdorf AG's Shareholdings**
- p. 297 Imprint**
- p. 298 Financial Calendar**

ADDITIONAL INFORMATION

Remuneration Report

The remuneration report explains the structure and amount of the remuneration paid to current and former members of the Executive Board and the Supervisory Board of Beiersdorf AG in fiscal year 2023. It was prepared in accordance with the statutory provisions of § 162 *Aktiengesetz* (German Stock Corporation Act, *AktG*) as amended by the *Gesetz zur Umsetzung der zweiten Aktionärsrechterichtlinie* (German Act on the Implementation of the Second Shareholders' Rights Directive, *ARUG II*) and also contains additional information on Executive Board and Supervisory Board remuneration for added clarity and transparency. The auditor has examined whether the remuneration report contains the information required in accordance with § 162 (1) and (2) *AktG*. The auditor's report is included in this remuneration report.

On April 13, 2023, the Annual General Meeting approved the remuneration report for fiscal year 2022, which was prepared and audited in accordance with § 162 *AktG*, with a majority of approximately 76% of the votes cast. Following the 2023 Annual General Meeting, the Executive Board and Supervisory Board have again given very careful consideration to the comments made to the company by investors with regard to the remuneration system and the 2022 Remuneration Report. Wherever the Supervisory Board and Executive Board deemed it reasonable and appropriate, they have been taken into account in the preparation of this remuneration report. In addition, the remuneration system is to be aligned with the further development of the business strategy. Therefore, it was decided to make changes to the Executive Board remuneration system starting from the 2025 fiscal year and to submit the new system to the 2025 Annual General Meeting for approval. The revision of the remuneration system has already begun.

1. Remuneration of the Executive Board

The Supervisory Board is responsible for setting the remuneration of the members of the Executive Board. It addressed the structure and appropriateness of Executive Board remuneration, as well as individual remuneration questions, at its meetings on February 3, 2023, February 21, 2023, April 13, 2023, May 26, 2023, and December 1, 2023. On February 5, 2024, the Supervisory Board determined the remuneration of the Executive Board for fiscal year 2023. All decisions by the Supervisory Board in relation to Executive Board remuneration were prepared by the Presiding Committee of the Supervisory Board.

Remuneration system and process

The remuneration system for the Executive Board was revised in line with the *AktG*, as amended by *ARUG II*, as of January 1, 2021, and approved by the Annual General Meeting on April 1, 2021, with a majority of 87% of the votes cast. The remuneration system is published on the website at www.beiersdorf.com/investor-relations/corporate-governance/remuneration-of-executive-board-and-supervisory-board. The main elements of the remuneration system are also summarized in this remuneration report.

The remuneration system applies to all members of the Executive Board appointed from 2021 on. In accordance with the underlying legal framework, the service agreements currently in force with the members of the Executive Board appointed prior to 2021, in particular the long-term variable compensation components, are in principle unaffected. Nevertheless, the Supervisory Board has agreed in principle with serving Executive Board members that the remuneration system shall apply to them effective January 1, 2021.

An enhanced remuneration system will be presented again for approval at the 2025 Annual General Meeting.

Link to strategy and guiding principles of the remuneration system

The remuneration system for the Executive Board makes a material contribution to furthering and implementing the C.A.R.E.+ business strategy both in its entirety and with its individual components by creating incentives for sustained and value-oriented corporate development and taking into account the interests of the shareholders, customers, employees, business partners, environment, and society (stakeholders).

The business strategy is rooted in the clear ambition to grow competitively and sustainably through strategic priorities and the will to create added value for people and society in the long term. In this way, Beiersdorf wants to expand its position in the skin care market and ensure sustained profitability.

The C.A.R.E.+ strategy entails the following five strategic priorities:

- Digital transformation: strengthen consumer proximity through new digital channels and technologies
- Skin care: gain consumers' favor with superior skin care innovations and a strong portfolio of global brands
- Growth potential: tap new growth markets and business areas and leverage global growth potential
- Increasing productivity: accelerate growth through increased productivity
- Sustainability and Core Values: With the four Core Value attributes (Care, Simplicity, Courage and Trust), culture, sustainability, compliance as well as our employees' capabilities and skills, we are building on a strong foundation.

The structure of the remuneration system and the actual remuneration awarded on the basis of this system give the members of the Executive Board an incentive to pursue and achieve the goals defined in the strategy and thus work toward achieving sustainable and long-term growth of the company's enterprise value. In 2023, both the short- and long-term variable remuneration therefore included specific performance criteria geared toward the five priorities of the C.A.R.E.+ strategy.

Beyond this strategic link, the Supervisory Board is guided by the following additional factors in structuring the remuneration system and determining the amount of remuneration:

Company's situation	The remuneration system is based on the company's operating, financial, and economic situation as well as its successes and outlook for the future.
Duties and performance of the Executive Board	The remuneration system takes into account the duties and performance of the Executive Board as a whole as well as of the individual members.
Pay for performance	The remuneration system defines appropriate performance indicators for determining the performance-tied variable remuneration, which accounts for most of the total remuneration, to ensure that the Executive Board's performance is appropriately rewarded, while taking due account of any failure to achieve the defined targets.
Appropriateness	The structure and amount of the Executive Board remuneration reflects customary market practice and is competitive. This is ensured by means of regular benchmarking against the relevant peer groups. In addition, the remuneration for the Executive Board is appropriately balanced in relation to the remuneration for the company's senior management and employees.
Consistency	The remuneration system for the Executive Board and senior management create comparable incentives and have predominantly uniform objectives (consistency of the remuneration system). In addition, the corporate targets for employees' variable remuneration are defined on the basis of the corporate goals defined for the remuneration of the Executive Board. This ensures consistent incentives and, hence, a uniform control effect.
Regulatory conformity	The remuneration system for the Executive Board is consistent with the German Stock Corporation Act and takes account of the recommendations and suggestions of the German Corporate Governance Code.

Procedure for determining, implementing, and reviewing the remuneration system

The Supervisory Board has drawn up and approved the remuneration system in accordance with the statutory requirements and in the light of the recommendations and suggestions of the German Corporate Governance Code (except where the company has declared a deviation from that Code). In doing so, it was advised and supported by external remuneration advisors and by its Presiding Committee, particularly on questions concerning the appropriateness and market conformity of the amount of the remuneration, and by the Personnel Committee, particularly on questions concerning the remuneration structure.

The Supervisory Board regularly reviews the remuneration system, particularly with regard to its appropriateness, including in relation to comparable companies (horizontal comparison) and within the company in relation to senior management and the workforce as a whole (vertical comparison). The review of the remuneration system is prepared by the Presiding Committee, which recommends any necessary adjustments to the remuneration system to the Supervisory Board. The Supervisory Board submits the remuneration system for approval by the Annual General Meeting in accordance with § 120a AktG in the event of any material change to the remuneration system and at least every four years.

Definition of specific target total remuneration and determination of the amount of remuneration

On the basis of the remuneration system, the Supervisory Board defines the specific target total remuneration for the individual members of the Executive Board comprising all fixed and variable remuneration components for the year including ancillary benefits.

The Supervisory Board defines the performance criteria for all variable compensation components for the fiscal year ahead at the recommendation of its Presiding Committee within the framework of the remuneration system. When defining the performance criteria, the Supervisory Board also determines the weighting of the individual performance criteria within the specific remuneration component. In addition, it ensures that the target remuneration under the variable remuneration components is generally tied more closely to strategic objectives than to operational ones and that the amount of the target remuneration under long-term remuneration components is higher than that under the short-term remuneration component. For the short-term variable remuneration applicable in 2023, the Supervisory Board set the performance criteria in December 2022 following submission of the multi-year planning prepared by the Executive Board.

After the end of the fiscal year (or, in the case of long-term variable remuneration, after the end of the last fiscal year of the assessment period), the Supervisory Board determines the specific target achievement at the recommendation of its Presiding Committee. For this purpose, achievement of the financial targets is determined in connection with the preparation and approval of the annual and consolidated financial statements. Achievement of the non-financial targets is determined after detailed consultation derived from a comparison of the target/actual achievement of individual performance criteria. The Supervisory Board sets the variable remuneration and the total remuneration for the previous fiscal year on the basis of the target achievement. For the 2023 variable bonus, the Supervisory Board determined the specific target achievement at its meeting on February 5, 2024 (see also e) in the "Remuneration structure and elements" section below).

Appropriateness and market conformity of the remuneration / comparison with market environment and employee remuneration

In determining remuneration, the Supervisory Board pays particular attention to ensuring that the target remuneration appropriately reflects the duties (including division responsibilities) and performance of the member of the Executive Board. In addition to distinctions based on specific functions, e.g., the position of Chairman of the Executive Board and regional responsibilities, the Supervisory Board may

also, at its own due discretion, take account of other criteria such as location, experience, and length of service. The Supervisory Board also ensures that the remuneration of the Executive Board appropriately reflects the company's net assets, financial position, results of operations, and prospects for the future and does not exceed the customary remuneration without reason.

In assessing appropriateness and market conformity, the Supervisory Board particularly considers the specific competitive situation (horizontal comparison). For this purpose, the Supervisory Board considers relevant peer groups, which are selected on the basis of Beiersdorf's market position (particularly country, sector, and size). The peer groups, whose composition is disclosed in the remuneration system, comprise companies listed in the German DAX and MDAX equity indexes, on the one hand, and an international sector peer group, on the other. The horizontal comparison is also intended to ensure that the Executive Board receives competitive remuneration that conforms to standard market practice.

To ensure appropriate Executive Board remuneration in conformance with standard market practice, the Supervisory Board also considers its relationship to the company's internal remuneration structure (vertical comparison). To this end, it compares the amount of the average annual target remuneration paid to senior management, comprising the first and second management group of the Consumer Business Segment in Germany below the Executive Board, with the Executive Board remuneration. Moreover, the Executive Board remuneration is compared with the amount of the average annual remuneration across all employees in the Consumer Business Segment in Germany (including senior management). The ratio thus determined is also reviewed over time.

The Supervisory Board recently reviewed and confirmed the appropriateness and market conformity of the Executive Board remuneration in setting the specific target remuneration for 2024. As part of the current further development of the remuneration system that will apply from 2025, its appropriateness and market conformity will again be reviewed with the support of an external remuneration expert.

Remuneration structure and elements

a) Overview

The total remuneration payable to the members of the Executive Board is composed of fixed and variable elements. The fixed remuneration, which is not tied to performance, comprises the base remuneration plus ancillary benefits. The variable remuneration is composed of a short-term variable bonus with annual targets (Variable Bonus) and a long-term variable bonus (LTP). It may also contain a multi-annual bonus (MAB) that is tied primarily to the targets defined for the area of responsibility of that member of the Executive Board. In addition, the members of the Executive Board may be offered a reappointment bonus (may also be tied to performance).

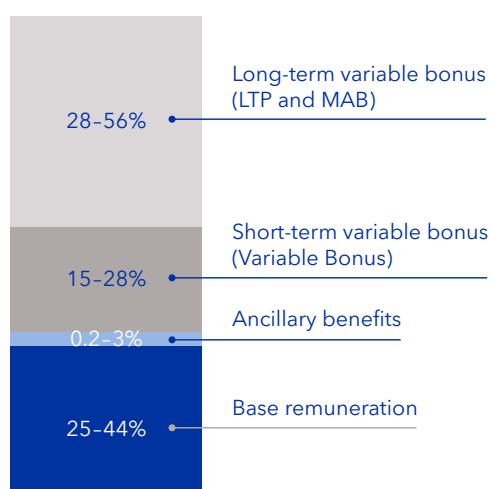
The LTP can be converted into a defined contribution benefit commitment (see g) below). Other than this, there are no pension commitments for the serving members of the Executive Board.

Remuneration components

Non-performance-tied remuneration	Base remuneration	Fixed annual amount paid in 12 equal instalments at the end of the calendar month.
	Ancillary benefits	Customary benefits, such as company car, insurance, reimbursement of job-related relocation costs. In addition, secondment related benefits may be granted.
Performance-tied remuneration	Variable Bonus	<ul style="list-style-type: none"> Period: one year Performance criteria: performance of the Consumer Business Segment; joint (financial/non-financial) and individual targets Cap: 200%
	LTP	<ul style="list-style-type: none"> Period: four years Performance criteria: strategy-related and / or non-financial targets Cap: 200%
	MAB	<ul style="list-style-type: none"> Period: duration of the appointment or at least three years Performance criteria: annual growth and increase in market shares or other KPIs from the respective Executive Board member's area of responsibility Cap: 200%
Maximum remuneration	The maximum total remuneration is €9 million per year for the Chairman of the Executive Board and €6 million per year for each ordinary member of the Executive Board	

As a rule, the relative share of the base remuneration, on the one hand, and the short-term and long-term variable remuneration, on the other hand, breaks down as follows (including regular benefits but excluding any secondment-related benefits and reappointment bonuses):

Relative Shares of the Remuneration Components



In this description of the relative shares, long-term variable remuneration components (MAB and LTP) are included with an annual target value on a prorated basis, notwithstanding the fact that they are not due for payment until the end of the period. If a member of the Executive Board is granted a reappointment bonus, this is generally up to 50% of the annual target total remuneration at the beginning of the appointment period. The secondment-related benefits may equal an amount of up to 100% of the base remuneration depending on the location (see c) below for a breakdown of ancillary benefits). The relative shares accounted for by the other remuneration components are modified correspondingly in these cases.

The variable remuneration is predominantly measured over a multi-year period. In addition, the share of variable remuneration from long-term targets exceeds the share from short-term targets.

The remuneration of the individual members of the Executive Board in 2023, including the relative shares of the remuneration components granted and owed (within the meaning of § 162 (1) sentence 2 no. 1 AktG) is reported in the "Remuneration of the individual Executive Board members in 2023" section.

b) Base remuneration

The base remuneration is a fixed annual amount paid in 12 equal installments at the end of each calendar month. If the service agreement begins or ends part way through a fiscal year, the base remuneration for that fiscal year is paid pro rata.

Together with the other remuneration components, the base remuneration forms the basis for recruiting and retaining the highly qualified members required by the Executive Board to develop and implement the business strategy. The remuneration should reflect both the duties and performance of the individual Executive Board members and their skills and experience.

c) Ancillary benefits

Each Executive Board member receives customary non-cash remuneration components and other ancillary benefits. The regular benefits may include:

- Provision of a company car, which may also be used for private purposes. In accordance with the Group's "Green Car Policy," the emissions produced by the company car must not exceed a certain carbon threshold. In lieu of a company car, a monthly "cash for car" allowance may also be granted.
- Customary insurance cover, including contributions to health and accident insurance, as well as to any invalidity and surviving dependents policies
- Reimbursement of job-related relocation costs
- Allowance for school expenses

If, at the request of the company, a member of the Executive Board relocates work location or residence or does not maintain them at the headquarters of the company, other benefits may be granted. Such secondment-related benefits may particularly include:

- Foreign-secondment allowance to cover the cost of accommodation at the place of residence
- Cost of flights for the member of the Executive Board and corresponding family to and from the place of residence
- Further health insurance expenses

d) Reappointment

In individual cases, the Supervisory Board may agree on a bonus payable in the event of reappointment. As a rule, this reappointment bonus is due upon the reappointment taking effect ("reappointment bonus").

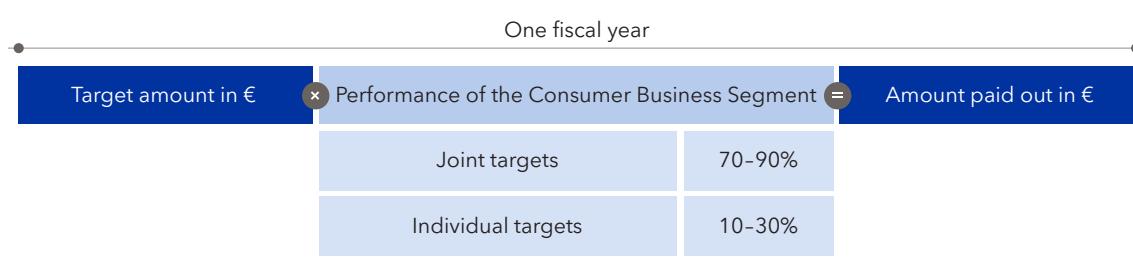
The Supervisory Board may at its own due discretion determine the structure of the reappointment bonus, in particular as a performance-related bonus, to which the performance criteria defined for the Variable Bonus (see e) below) or the MAB (see f)) apply.

e) Variable Bonus

The members of the Executive Board receive for each fiscal year a Variable Bonus tied to the performance of the Consumer Business Segment, which is paid out after the Annual General Meeting of the year following the fiscal year in question.

The Variable Bonus is composed of joint and individual performance criteria that are tied to the company's financial and non-financial performance as well as its strategic and operational development. The joint targets are given a weighting of 70-90% and the individual targets a weighting of 10-30%.

Variable Bonus



The Supervisory Board determines the selection and weighting of the individual performance criteria at the recommendation of the Presiding Committee for the new fiscal year. With respect to the total Variable Bonus, the individual performance criteria for the joint targets generally have a weighting of 10-40% and the individual targets a weighting of 5-20%.

In accordance with the remuneration system, the following performance criteria may be used for the Variable Bonus (at the discretion of the Supervisory Board):

Joint financial targets	Revenue	Revenue growth in the Consumer Business Segment could be subject to elimination of exceptional effects, e.g. currency-translation effects and M&A.
	EBIT margin	Increase in earnings before interest in tax in the Consumer Business Segment as a percentage of revenues, subject to elimination of exceptional effects, e.g. currency-translation effects and M&A.
	Market shares and position	Increase in market shares and position in the relevant categories, particularly skin care, also in new channels and markets.
	Innovations	Strategic skin care initiatives and innovations.
Joint non-financial targets	Digitalization	Strategic digitalization initiatives, e.g. shares of digital media, e-commerce, infrastructure, data analytics, and processes.
	Sustainability	Implementation of the sustainability agenda, particularly with a view to the seven focus areas, e.g.: <ul style="list-style-type: none"> • Reduction of CO₂e emissions • Increase in the proportion of recyclable resources and packaging • Use of renewable raw materials
	People	Measures in connection with human resources management, e.g.: <ul style="list-style-type: none"> • Succession planning, including identification and development of suitable candidates for the Executive Board and management • Reinforcement and development of Beiersdorf employee's skills and capabilities
	Diversity	Measures for enhancing diversity, e.g. <ul style="list-style-type: none"> • Increase in the proportion of internationally active employees or foreign transfers • Promotion of gender diversity
Individual targets	Contribution to joint targets from functional or regional responsibilities or other personal targets.	

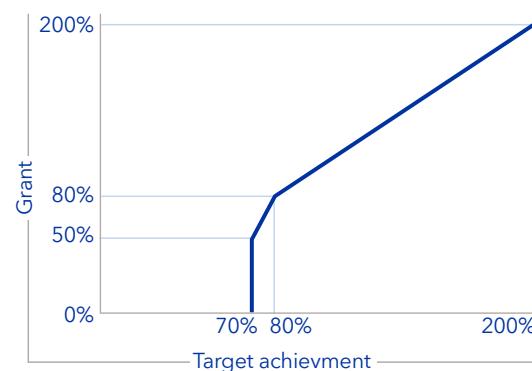
The performance criteria underlying the Variable Bonus create an incentive for the Executive Board to increase the company's enterprise value on a sustained and long-term basis in line with the C.A.R.E.+ strategy. In particular, sales is to be increased by opening up new growth markets and areas of business, while profitability is to be improved by means of simultaneous investments in innovations. Market shares are to be widened and market positions strengthened by reinforcing the global brands and improving consumer proximity as well as through new digital channels and technologies. The performance criteria defined in the sustainability agenda and those related to diversity also reflect – in line with the Core Values underlying the strategy – the responsibility that the Executive Board has for creating long-term value for people, the environment, and society.

As a general rule, the targets defined for the performance criteria are based on the applicable annual planning. Similarly, measurable criteria are defined for the non-financial targets as far as possible. Depending on the individual case, these may be derived from the annual planning, strategic projects, or other activities. The achievement of non-financial targets is determined by comparing actual with target achievement.

On this basis, the Supervisory Board defines percentage target-achievement levels for the components of the Variable Bonus after the end of the fiscal year. The following target-achievement levels apply:

- The applicable components are omitted if target achievement is less than 70%.
- 50% of the target amount defined for the component in question is granted for target achievement of 70%.
- 80% of the target amount defined for the component in question is granted for target achievement of 80%.
- 200% of the target amount defined for the component in question is granted for target achievement of 200%. A cap is applied to target achievement of above 200%.
- The intermediate values are interpolated on a linear basis.

Target Achievement levels Variable Bonus



Subsequently, the total target achievement for and the amount of the Variable Bonus are calculated on the basis of the target achievement for the individual components.

To allow for extraordinary developments, the Supervisory Board may at its own due discretion raise or lower the Variable Bonus by up to 20%. Additionally, the members of the Executive Board are able to transfer bonus entitlements to the long-term variable remuneration LTP; no use was made of this option in 2023.

For the 2023 Variable Bonus, the Supervisory Board set the joint and individual performance targets shown in the table below and, on February 5, 2024, determined the level of target achievement (also shown below) and resulting payment amount. In view of the end of the measurement period on December 31, 2023, the 2023 Variable Bonus was "granted" to the Executive Board members in fiscal year 2023, even though it is not paid out until after the 2024 Annual General Meeting.

Variable Bonus 2023

Joint Targets

Performance criteria	Target level (100% target achievement)	Actuals 2023	Weighting	Target achievement
Net sales growth Consumer	5.5% net sales growth (gatekeeper: 12.5% return on sales)	12.6%	24.5%	200.0%
Skin Care in-market performance	Outperforming relevant skin care market: increase in sell-out above market by +180bps in 2023	117 bps	24.5%	89.5%
NIVEA and Derma innovation	Increase in share of net sales of most important innovation projects to 14.5% in 2023 Increase of net sales W630 (NIVEA LUMINOUS630®; Thiamidol; Lumidose) by 28% (vs. 2022)	14.6% 49%	7.0%	112.5%
Digital transformation	Over proportional growth of e-commerce: increase in ecommerce net sales by 38% (vs. 2022) Upskilling of digital marketing experts (375 employees trained) Digital upskilling of employees (5,000 employees trained)	22% 1,342 employees 9,117 employees	7.0%	88.0%
Organizational development & people	Enhance employee engagement in regard to specific topics like "learn and grow" and "open communication" by 1.0 points on average (gatekeeper: delivery of high quality development plans)	1.0 points	7.0%	100.0%
Target achievement for joint targets				144.5% ¹

¹ The target achievement contains an increase that the Supervisory Board has set at its own due discretion in accordance with the remuneration system. Due to a stronger weighting of the sales and market growth target with the respective results of the Pharmacy & Selective business, the achievement of the joint targets for Patrick Rasquinet totals 133.1%.

Individual Targets

	Performance criteria	Weighting	Target achievement
Vincent Warney	CEO: Development Skin Care business; S4/HANA implementation; set up of new Beiersdorf HQ	30.0%	165.0%
Oswald Barckhahn	Europe/North America: Net sales growth; outperforming relevant Skin Care market, derived from market share; results of employee survey and employee development	30.0%	131.3%
Astrid Hermann	Finance: S4/HANA implementation; finance and IT functional organization and efficiency	30.0%	160.4%
Nicola D. Lafrentz	HR: Succession planning and development, set-up and move to new Beiersdorf Campus, development of HR organization, with focus on diversity	30.0%	141.7%
Grita Loebssack	NIVEA: Bigger and better innovations, delivery of sustainability targets, accelerate digital marketing, team development and increase diversity	30.0%	131.3%
Ramon A. Mirt	Emerging Markets: Net sales growth; outperforming relevant skin care market, derived from market share; new markets; development of lead team, including women in leadership	30.0%	139.2%
Patrick Rasquinet	Pharmacy & Selective: Development of Derma and Chantecaille business; leadership development	30.0%	80.0%

Target remuneration and achievement

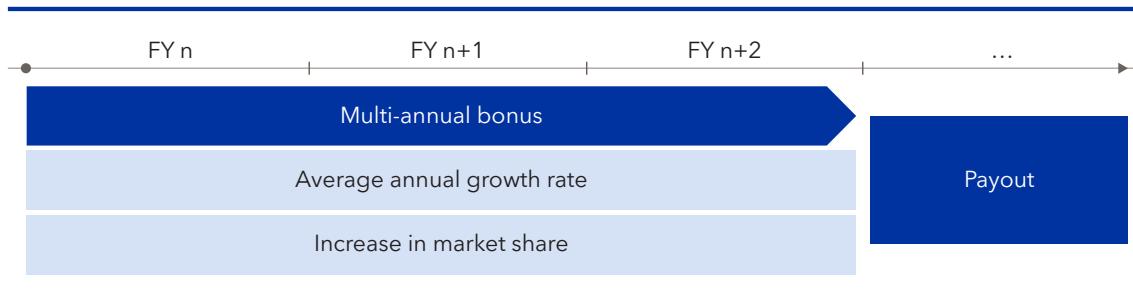
	Target remuneration Variable Bonus (in € thousand)	Overall target achievement	Payment amount (in € thousand)
Vincent Warney	1,000	150.7%	1,507
Oswald Barckhahn	300	140.6%	422
Astrid Hermann	300	149.3%	448
Nicola D. Lafrentz	300	143.7%	431
Grita Loebssack	300	140.6%	422
Ramon A. Mirt	300	142.9%	429
Patrick Rasquinet	300	117.2%	352

f) Multi-annual bonus (MAB)

Under the currently still applicable remuneration system, the long-term variable remuneration for the members of the Executive Board may additionally include a multi-annual bonus ("MAB"). The MAB particularly has the strategic purpose of strengthening Beiersdorf in regional growth markets or specific business areas.

The performance criteria for the MAB are derived from the targets defined for the areas of responsibility assigned to the members of the Executive Board. In particular, target achievement may be measured on the basis of growth according to annual or multi-annual corporate planning and by reference to the growth in market shares in the applicable region or business area during the appointment of the relevant member of the Executive Board or over a period of at least three years.

Multi-annual bonus



Percentage target achievement is also measured in accordance with the arrangements for the Variable Bonus (see description for target achievement levels for Variable Bonus in e) above). To allow for any extraordinary developments, the Supervisory Board may at its own due discretion raise or lower the MAB by up to 20%.

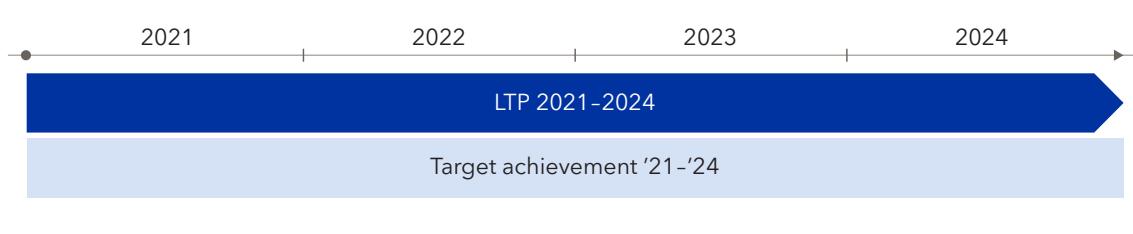
Of the serving Executive Board members, only Ramon A. Mirt was offered an MAB in 2023 (target amount: €500 thousand p.a.) for his activities in Group companies. This MAB relates to a measurement period from January 1, 2019, to December 31, 2024, and is calculated based among other things on the average annual growth rate in accordance with corporate planning in the regions for which Ramon A. Mirt is responsible and on the increase in market shares throughout his term of office as a member of the Executive Board. After the end of the term of this MAB for Ramon A. Mirt, no further MAB will be granted to any member of the Executive Board.

g) Long-term bonus (LTP)

LTP 2021-2024

Executive Board members receive a multi-annual bonus measured on the basis of the targets for the achievement of strategic criteria after the expiry of a four-year bonus period from 2021 through 2024 (LTP 2021-2024). For Executive Board members appointed during the current LTP 2021-2024 bonus period, a prorated bonus period up to the end of 2024 applies. The LTP 2021-2024 is due for payment to the serving members of the Executive Board after the 2025 Annual General Meeting; the LTP 2021-2024 for serving members of the Executive Board is therefore not "granted and owed" in 2023 within the meaning of § 162 (1) AktG.

Long-term Bonus



The LTP 2021-2024 makes a material contribution to advancing the company's C.A.R.E.+ strategy by giving the Executive Board an incentive for securing sustainable and profitable growth particularly by strengthening the focus on skin care, sustainability, digitalization, opening up new growth markets and business areas, innovations, and human resource development.

Joint targets for all members of the Executive Board apply to the LTP 2021-2024 and are tied to the company's strategic development. They can be weighted individually depending on the duties involved. For this purpose, the Supervisory Board defines measurable non-financial or financial criteria, which are primarily derived from the implementation of the C.A.R.E.+ strategy and the multi-annual planning required to be submitted to the Supervisory Board for approval.

On the recommendation of its Presiding Committee, the Supervisory Board has set the following performance criteria and weightings for the LTP 2021–2024:

Strategic targets	Target level (100% target achievement)	Weighting
Digital Transformation	Increase in e-commerce sales by 95% (vs. 2021) up to 2024, the successful go-live of S4/HANA, increase of digital 1-on-1 consumer connections	20%
Win with Skin Care	Positioning as a leading skin care company through the implementation of a new innovation management process and by increasing the innovation share to 10% (of net sales)	20%
Opening up new growth markets and areas of business	Accelerate sales growth in the USA, China and the Emerging Markets through enlarged presence and the delivery of business plans	20%
Sustainability	Reduction of global Scope 1, 2 & 3 emissions by 20% (vs. 2018) and increasing the share of recycled materials in plastic packaging by 20%, each by 2024	20%
Diversity and employee development	Increasing the proportion of women at management levels MG 1–4 to 45% and succession planning for MG 1–4, including increase in internal and international promotions	20%
Performance metrics (applicable if strategic targets ≥ 90%)		
Value Above Market	Outperforming relevant skincare market (market share, measured as net value creation, adjusted for portfolio mix effects)	50%
Net Sales	Net sales above market (nominal) from 2021–2024 (gatekeeper: EBIT target p.a. of the annual business plan +/- 10%)	50%

After the expiry of the bonus period, the Supervisory Board defines the percentage target achievement levels between 0 and 200% for the strategic targets of the LTP 2021–2024. At or above an overall target achievement of 90%, target achievement for the aforementioned strategic targets is weighted with the target achievement for the performance metrics (if target achievement $\geq 100\%$) from the multi-year planning adopted in 2021. Nominal sales growth exceeding the market (with an EBIT gatekeeper of +/- 10% deviation from plan) accounts for half of these performance criteria. Outperformance of the relevant skin care market (based on market shares and measured as net value added, excluding market growth and portfolio mix effects) in the Consumer categories accounts for the other half. In addition, the Supervisory Board may at its own due discretion raise or lower the target achievement for the LTP and the resultant bonus by up to 20% for objective reasons, for example in response to extraordinary developments.

The members of the Executive Board also have the option, effective expiry of the bonus period in 2024, of converting all or part of the LTP into a pension commitment in the form of a defined contribution commitment for which a reinsurance policy can be concluded.

LTP Enterprise Value Component under the old remuneration system

As per their contracts, the serving Executive Board members appointed prior to 2021 received a share in the increase in enterprise value for the Consumer Business Segment in the form of a multi-annual bonus (LTP Enterprise Value Component), which was based on a mathematical formula drawn from the annual financial statements at the beginning and end of their terms of office, provided it had not already been settled. The Supervisory Board has agreed on rules in this respect to prevent inappropriately high remuneration as a result of the LTP Enterprise Value Component and the LTP 2021–2024.

Under the LTP Enterprise Value Component, Executive Board members are allocated a notional share of the enterprise value (Base Virtual Units, BVU) at the start of their period of appointment or reappointment. The Executive Board member will be paid their share of the percentage increase in the LTP Enterprise Value Component once their period of appointment or reappointment has ended and following, where applicable, an additional vesting period ("bonus period"), if the Annual General Meeting approves the Executive Board member's actions.

The increase in enterprise value corresponds to the percentage share of the Executive Board member's (notionally allocated) Enterprise Value Component that will be paid to them. For the Executive Board members appointed before 2017, the enterprise value is calculated as a multiple of sales and EBIT as reported in the consolidated financial statements. The increase in value is the increase in enterprise value from the beginning to the end of the bonus period. In each case, this is calculated as an average over three years. For Executive Board members appointed from 2017 onward, the increase in enterprise value is calculated from the increase in sales from the beginning to the end of the bonus period, unless EBIT deviates by more than 10% from plan.

As with the Variable Bonus, sales are adjusted for special factors. If applicable, EBIT is adjusted for, among other things, any deviations from the plan for marketing expenses as well as expenses for research and development compared with the start of the bonus period. In individual cases, the Supervisory Board is also entitled to make adjustments following due assessment of the circumstances, for instance by adjusting for special factors and inflation or by increasing or decreasing the LTP Enterprise Value Component for objective reasons by up to 20%.

With the LTP Enterprise Value Component, the Executive Board members can also share in the enterprise's performance by making a personal investment and acquiring Covered Virtual Units (CVU). These are acquired by retaining bonus payments due under the Variable Bonus, by the Executive Board member providing collateral (e.g., by pledging a suitable asset), or by way of annual allotment (Bonus CVUs). The Covered Virtual Units generally participate in positive and negative percentage changes in the value of the Enterprise Value Component; however, the Bonus CVUs only participate in positive changes. They vest immediately and are paid out in full or in part, or not paid out, after being adjusted on the basis of the enterprise value performance. For Covered Virtual Units, the Executive Board member may receive a further Enterprise Value Component in the same amount (Matching Virtual Units, MVU), corresponding to the Base Virtual Units.

As a rule, the LTP Enterprise Value Component is limited to a maximum amount for each member of the Executive Board (200% cap, corresponding to around 10% p.a.). This does not apply to Covered Virtual Units acquired through personal investment, since the Executive Board member is also exposed to a risk of loss in this case. If an Executive Board member is active for a period shorter than the respective member's period of appointment, the LTP Enterprise Value Component is reduced pro rata. The LTP Enterprise Value Component is forfeited in the event that an Executive Board member's contract is terminated prematurely at the request of the Executive Board member or by the company for good cause.

For the serving Executive Board members in 2023, the bonus period for the offered LTP Enterprise Value Component is still ongoing only for Ramon A. Mirt.

Capping of the variable remuneration and maximum remuneration

The amount of all variable remuneration elements (Variable Bonus, LTP, and MAB, if granted) is capped at 200% of the applicable individual target amount. The amount of the maximum total remuneration is determined on the basis of this relative cap taking into account all fixed and other remuneration components that may be granted to a member of the Executive Board depending on the individual case.

The maximum remuneration is €9 million per year for the Chairman of the Executive Board and €6 million per year for each ordinary member of the Executive Board. This maximum remuneration contains the amounts of the long-term variable remuneration (MAB and LTP) with an annual maximum value (200%) on a prorated basis, notwithstanding the fact that they are not due for payment until the end of the period. In principle, it is not possible to report on adherence to maximum remuneration within the meaning of § 162 (1) sentence 2 no. 7 AktG until after the long-term variable remuneration

has been paid out. Nevertheless, the remuneration granted and owed to the individual Executive Board members in the reporting year is compared against the maximum remuneration, even when the long-term variable remuneration has not been paid out in the individual case (see the tables in the following section "Remuneration of the individual Executive Board members in 2023").

Retention and claw-back arrangements

The Supervisory Board has the possibility of reducing or retaining at its own due discretion the variable remuneration by up to 20% to appropriately take account of exceptional circumstances.

Under the applicable remuneration system, variable remuneration components that have already been determined or paid may be retained or claimed back by the Supervisory Board if the basis for calculating the original target achievement, particularly the applicable consolidated financial statements, subsequently proves to be materially incorrect due to new facts or evidence ("claw-back"). However, this possibility is barred no later than three years after payment. This does not prejudice any other remedies that the company may have to recover damages from the member of the Executive Board, particularly under § 93 (2) AktG. The Supervisory Board did not make use of this possibility in 2023.

Rules in relation to termination of Executive Board members' duties

In the event of the premature termination of the office or activities of a member of the Executive Board for reasons beyond that member's control, the Executive Board service agreements provide for a cap on the termination benefits or other payments of twice the value of the base remuneration and twice the value of the Variable Bonus and any MAB or a cap equaling the total target remuneration for the remaining period of the service agreement.

If the contract of a member of the Executive Board is terminated, the disbursement of any remaining variable remuneration components attributable to the period up until the termination of the contract is based on the originally agreed targets and comparison parameters as well as the due dates or holding periods stipulated in the contract.

Upon the premature termination of the Executive Board member's duties at the company's request, except in the case of termination for good cause for reasons within the member's control, the Variable Bonus (depending on entitlement) and the long-term variable remuneration are granted on a prorated basis. If the member of the Executive Board resigns at his or her own instigation or for good cause for reasons within the respective member's control, all claims under the long-term variable remuneration will lapse. Claims under the short-term Variable Bonus for the year of resignation will also lapse unless higher target achievement can be clearly demonstrated.

There are no commitments covering the premature termination of the contract of a member of the Executive Board due to a change of control.

For the duration of the post-contractual noncompete agreement of regularly 24 months, the relevant members of the Executive Board are entitled to claim compensation equaling half the most recently agreed annual base remuneration and half their short-term Variable Bonus. The company may waive enforcement of the post-contractual noncompete agreement at any time, however no later than six months before the termination of the contract and, in the event of the contract's premature termination, also waive this six-month period. In this respect, no compensation may be claimed.

The 2022 Remuneration Report reported on the specific arrangements in connection with the termination of the Executive Board membership of Thomas Ingelfinger and Zhengrong Liu in fiscal year 2022. No members stepped down from the Executive Board in 2023.

Remuneration of the individual Executive Board members in 2023

The tables below show the individual remuneration of the serving members of the Executive Board in 2023.

They show the targets along with the achievable minimum and maximum figures, which corresponds to "benefits granted" ("gewährte Zuwendungen") within the meaning of the German Corporate Governance Code in the version dated February 7, 2017 ("2017 Code"). They also show the prorated target remuneration (p.a.) for the annual allotments of long-term variable remuneration (MAB and LTP) even if the relevant bonus period/measurement period has not yet ended and they have not yet been paid out.

The tables also show the remuneration granted and owed in the fiscal year within the meaning of § 162 (1) sentence 1 AktG. Remuneration is reported as having been "granted" ("gewährt") in the fiscal year if the (one-year or multi-year) activities on which it is based have been fully performed as of the end of that fiscal year, meaning that the remuneration has been earned, even if it is not received (i.e., paid out) until the following fiscal year. Remuneration "owed" ("geschuldet") is remuneration that is due but has not (yet) been received. Disclosing remuneration earned in the respective fiscal year ensures clearer, more transparent reporting and comparability of performance and remuneration during the reporting period. In particular, the Variable Bonus earned in a fiscal year can be compared against the results of operations for that fiscal year.

On this basis, remuneration granted and owed in the table below includes, in addition to base remuneration and ancillary benefits for fiscal year 2023, the 2023 Variable Bonus, for which the measurement period ended on December 31, 2023, and which will not be paid out until after the 2024 Annual General Meeting. In contrast, the LTP 2021–2024 is not shown, as its measurement period has not yet ended. The MAB and LTP Enterprise Value Component are only included if their measurement period ended in fiscal year 2023 or an advance was paid. This corresponds to "benefits received" ("Zufluss") within the meaning of the 2017 Code.

The table below also shows the relative shares of fixed and variable remuneration. These shares also relate to the remuneration granted and owed in the relevant fiscal year within the meaning of § 162 (1) sentence 1 AktG. Therefore, they are not comparable with the relative shares in the description of the remuneration system in accordance with § 87a (1) no. 3 AktG, which refer to the respective targets or, in the case of long-term variable remuneration, to the annual target values on a prorated basis (see "Remuneration structure and elements" above). The tables also compare the maximum remuneration set by the remuneration system for the Executive Board members with the remuneration granted and owed in the reporting year. In accordance with § 162 (1) sentence 2 no. 7 AktG, it is explained that the maximum remuneration was adhered to for each member in 2023; however, a definitive statement is only possible in cases where the long-term variable remuneration is granted and owed.

Remuneration granted and owed to serving Executive Board members in accordance with § 162 (1) AktG (in € thousand)

Vincent Warnecke

Chairman of the Executive Board (since May 1, 2021)

Date joined: February 15, 2017

	Target remuneration and min./max.-remuneration				Granted and owed remuneration in accordance with § 162 (1) AktG			
	2022	2023	2023	2023	2022	Share	2023	2023
	Target amount	Target amount	Min.	Max.			Share	Share
Base remuneration	1,000	1,000	1,000	1,000	1,000	38.3%	1,000	39.8%
Ancillary benefits and other remuneration	10	5	5	5	10	0.4%	5	0.2%
Total fixed remuneration	1,010	1,005	1,005	1,005	1,010	38.6%	1,005	40.0%
Variable Bonus	1,000	1,000	–	2,000	1,604	61.4%	1,507	60.0%
Multi-year variable remuneration								
LTP 2021-2024 (term 1/2021-12/2024)	2,000	2,000	–	4,000	–	–%	–	–%
Total variable remuneration	3,000	3,000	–	6,000	1,604	61.4%	1,507	60.0%
Total remuneration	4,010	4,005	1,005	7,005	2,614	100.0%	2,512	100.0%
Maximum remuneration (remuneration system)					9,000		9,000	

Oswald Barckhahn

Member of the Executive Board

Date joined: October 15, 2021

	Target remuneration and min./max.-remuneration				Granted and owed remuneration in accordance with § 162 (1) AktG			
	2022	2023	2023	2023	2022	Share	2023	2023
	Target amount	Target amount	Min.	Max.			Share	Share
Base remuneration	500	500	500	500	500	44.4%	500	46.1%
Ancillary benefits and other remuneration	169	163	163	163	169	15.0%	163	15.0%
Total fixed remuneration	669	663	663	663	669	59.5%	663	61.1%
Variable Bonus	300	300	–	600	456	40.5%	422	38.9%
Multi-year variable remuneration								
LTP 2021-2024 (term 10/2021-12/2024)	1,550	1,550	–	3,050	–	–%	–	–%
Total variable remuneration	1,850	1,850	–	3,650	456	40.5%	422	38.9%
Total remuneration	2,519	2,513	663	4,313	1,125	100.0%	1,085	100.0%
Maximum remuneration (remuneration system)					6,000		6,000	

Astrid Hermann

Member of the Executive Board/CFO

Date joined: January 1, 2021

	Target remuneration and min./max.-remuneration				Granted and owed remuneration in accordance with § 162(1) AktG			
	2022	2023	2023	2023	2022	Share	2023	Share
	Target amount	Target amount	Min.	Max.			500	52.2%
Base remuneration	500	500	500	500	500	52.2%	500	52.2%
Ancillary benefits and other remuneration	10	10	10	10	10	1.0%	10	1.0%
Total fixed remuneration	510	510	510	510	510	53.3%	510	53.2%
Variable Bonus	300	300	—	600	447	46.7%	448	46.8%
Multi-year variable remuneration								
LTP 2021-2024 (term 1/2021-12/2024)	434	1,083	—	2,090	—	—%	—	—%
Total variable remuneration	734	1,383	—	2,690	447	46.7%	448	46.8%
Total remuneration	1,244	1,893	510	3,200	957	100.0%	958	100.0%
Maximum remuneration (remuneration system)					6,000		6,000	

Nicola D. Lafrentz

Member of the Executive Board/Labor Director

Date joined: May 1, 2022

	Target remuneration and min./max.-remuneration				Granted and owed remuneration in accordance with § 162(1) AktG			
	2022	2023	2023	2023	2022	Share	2023	Share
	Target amount	Target amount	Min.	Max.			500	52.9%
Base remuneration	333	500	500	500	333	48.8%	500	52.9%
Ancillary benefits and other remuneration	60	14	14	14	60	8.8%	14	1.5%
Total fixed remuneration	393	514	514	514	393	57.5%	514	54.4%
Variable Bonus	200	300	—	600	290	42.5%	431	45.6%
Multi-year variable remuneration								
LTP 2021-2024 (term 05/2022-12/2024)	304	455	—	860	—	—%	—	—%
Total variable remuneration	504	755	—	1,460	290	42.5%	431	45.6%
Total remuneration	897	1,269	514	1,974	683	100.0%	945	100.0%
Maximum remuneration (remuneration system)					4,000		6,000	

Grita Loeksack

Member of the Executive Board

Date joined: January 1, 2022

	Target remuneration and min./max.-remuneration				Granted and owed remuneration in accordance with § 162(1) AktG			
	2022	2023	2023	2023	2022	Share	2023	Share
	Target amount	Target amount	Min.	Max.	2022	Share	2023	Share
Base remuneration	500	500	500	500	500	32.9%	500	31.9%
Ancillary benefits and other remuneration	572	645	645	645	572	37.7%	645	41.2%
Total fixed remuneration	1,072	1,145	1,145	1,145	1,072	70.6%	1,145	73.1%
Variable Bonus	300	300	–	600	447	29.4%	422	26.9%
Multi-year variable remuneration								
LTP 2021-2024 (term 1/2022-12/2024)	1,300	1,300	–	2,600	–	–%	–	–%
Total variable remuneration	1,600	1,600	–	3,200	447	29.4%	422	26.9%
Total remuneration	2,672	2,745	1,145	4,345	1,519	100.0%	1,567	100.0%
Maximum remuneration (remuneration system)					6,000		6,000	

Ramon A. Mirt

Member of the Executive Board

Date joined: January 1, 2019

	Target remuneration and min./max.-remuneration				Granted and owed remuneration in accordance with § 162(1) AktG			
	2022	2023	2023	2023	2022	Share	2023	Share
	Target amount	Target amount	Min.	Max.	2022	Share	2023	Share
Base remuneration	500	500	500	500	500	10.6%	500	16.2%
Ancillary benefits and other remuneration	1,515	1,013 ¹	1,013 ¹	1,013 ¹	1,515	32.1%	1,013 ¹	32.8%
Total fixed remuneration	2,015	1,513	1,513	1,513	2,015	42.7%	1,513	48.9%
Variable Bonus	300	300	–	600	456	9.7%	429	13.9%
Multi-year variable remuneration								
MAB (term 1/2019-12/2024)	500	500	–	600	1,500	31.8%	800 ²	25.9%
LTP 2021-2024 (term 1/2021-12/2024)	600	600	–	1,200	–	–%	–	–%
LTP - Enterprise Value BVU (term 1/12-12/2024)	–	–	–	–	750	15.9%	350 ³	11.3%
Total variable remuneration	1,400	1,400	–	2,400	2,706	57.3%	1,579	51.1%
Total remuneration⁴	3,415	2,913	1,513	3,913	4,721	100.0%	3,092	100.0%
Maximum remuneration (remuneration system)					6,000		6,000	

¹ This includes an advance of €500 thousand on the reappointment bonus awarded in 2022, which is linked to the MAB performance criteria and which was granted to Ramon A. Mirt for his early agreement to extend his appointment as a member of the Executive Board and continue his activities in Group companies. The advance is subject to the final calculation of the MAB and the acceptance of the reappointment following the resolution by the Supervisory Board.

² Ramon A. Mirt received an advance payment in this amount on the MAB for his activities in Group companies. This is subject to the final calculation.

³ Ramon A. Mirt received an advance payment in this amount on the LTP Enterprise Value Component for his activities in Group companies. This is subject to the final calculation.

⁴ Of these totals, remuneration of €2,301 thousand/target value, €901 thousand/min. p.a., and €3,301 thousand/max. p.a. was offered and €2,480 thousand granted in 2023 for activities in Group companies.

Patrick Rasquinet

Member of the Executive Board

Date joined: July 1, 2021

	Target remuneration and min./max.-remuneration				Granted and owed remuneration in accordance with § 162 (1) AktG			
	2022	2023	2023	2023	2022	Share	2023	Share
	Target amount	Target amount	Min.	Max.	2022	Share	2023	Share
Base remuneration	500	500	500	500	500	46.4%	500	48.7%
Ancillary benefits and other remuneration	175	174	174	174	175	16.2%	174	17.0%
Total fixed remuneration	675	674	674	674	675	62.7%	674	65.7%
Variable Bonus	300	300	–	600	402	37.3%	352	34.3%
Multi-year variable remuneration								
LTP 2021-2024 (term 7/2021-12/2024)	700	700	–	1,400	–	–%	–	–%
Total variable remuneration	1,000	1,000	–	2,000	402	37.3%	352	34.3%
Total remuneration¹	1,675	1,674	674	2,674	1,077	100.0%	1,026	100.0%
Maximum remuneration (remuneration system)					6,000		6,000	

¹ Of these totals, remuneration of €673 thousand/target value, €273 thousand/min. p.a., and €1,073 thousand/max. p.a. was offered and €414 thousand granted in 2023 for activities in Group companies.

For 2023, the remuneration granted and owed to all serving Executive Board members in the reporting year amounted to €11,185 thousand (previous year: €14,256 thousand). Of this total, fixed remuneration accounted for €4,000 thousand (previous year: €4,558 thousand), ancillary benefits for €2,024 thousand (previous year: €2,654 thousand), the short-term Variable Bonus for €4,011 thousand (previous year: €4,794 thousand), and the MAB and LTP for €1,150 thousand (previous year: €2,250 thousand). The ratio of fixed to variable remuneration is therefore 53.9% to 46.1% (previous year: 50.6% to 49.4%). The prior-year figures include remuneration for the former Executive Board members Thomas Ingelfinger and Zhengrong Liu, who stepped down in 2022.

In the interests of consistent reporting, the table below goes beyond the statutory requirements of §162 (1) sentence 1 AktG to show the total remuneration offered for fiscal year 2023, including the annual allotments of long-term variable remuneration from the LTP in the form of changes in the provisions, even though these were not granted and owed in the reporting year for the serving members of the Executive Board. This corresponds to the HGB reporting in individualized form, in which remuneration is to be reported only up to the end of the appointment, on a prorated basis, in cases where an appointment to the Executive Board is terminated early prior to the regular end of the service agreement. Moreover, long-term variable remuneration components that are already to be reported as remuneration granted and owed in accordance with § 162 (1) AktG are not recorded in this amount if they were already reported on a prorated basis in previous years during their respective measurement period. Lastly, the total amount set aside for the LTP since it was awarded is shown.

Total remuneration with values awarded p.a.

(in € thousand)

	Base remuneration				Ancillary benefits and other remuneration				Variable Bonus		Changes in provisions for the LTP		Total remuneration in accordance with HGB		Total amount set aside for the LTP			
	2022		2023		2022		2023		2022		2023		2022		2023		2022	
	Vincent Warnery	1,000	1,000	10	5	1,604	1,507	4,000	3,000	6,614	5,512	6,000	9,000					
Oswald Barckhahn	500	500	169	163	456	422	2,455	2,312	3,580	3,397	2,765	5,077						
Astrid Hermann	500	500	10	10	447	448	835	1,579	1,792	2,537	1,265	2,844						
Nicola D. Lafrentz	333	500	60	14	290	431	467	621	1,150	1,566	467	1,088						
Grita Loebssack	500	500	572	645	447	422	1,950	1,950	3,469	3,517	1,950	3,900						
Ramon A. Mirt	500	500	2,015	1,513 ¹	456	429	1,200	900	4,171	3,342 ²	2,150	2,700						
Patrick Rasquinet	500	500	175	174	402	352	1,225	1,050	2,302	2,076 ³	1,575	2,625						
Total	4,558	4,000	3,154	2,524	4,794	4,011	14,906	11,412	27,412	21,947	25,265	27,234						

¹ This figure includes an amount of €500 thousand (target amount p.a.) for the MAB offered and the advance granted on the reappointment bonus; see the explanations in the section above on the remuneration granted and owed.

² €2,730 thousand of this amount was allotted as remuneration for activities in Group companies.

³ €834 thousand of this amount was allotted as remuneration for activities in Group companies.

For 2023, total remuneration corresponding to HGB reporting for all serving member of the Executive Board amounted to €21,947 thousand (previous year: €27,412 thousand). Of this total, fixed remuneration accounted for €4,000 thousand (previous year: €4,558 thousand), ancillary benefits for €2,524 thousand (previous year: €3,154 thousand), the short-term Variable Bonus for €4,011 thousand (previous year: €4,794 thousand), and the changes in provisions for the LTP for €11,412 thousand (previous year: €14,906 thousand). The prior-year figures include remuneration for the former Executive Board members Thomas Ingelfinger and Zhengrong Liu, who stepped down in 2022.

Former Executive Board members

The table below shows the fixed and variable remuneration components granted and owed in 2023 to former Executive Board members in accordance with § 162 AktG and their relative share of total remuneration. For the sake of clarity, the amounts are shown as relating to the entire reporting year, even if the appointment of the relevant Executive Board member was terminated during the year and prior to the regular expiry of their service agreement. In accordance with § 162 (5) AktG, personal remuneration is reported until the expiry of ten years after the end of the fiscal year in which the Executive Board member concerned terminated their activity. For Executive Board members who left longer ago, a total figure is reported.

A total of €50,845 thousand (previous year: €54,674 thousand) has been accrued for pension obligations to former members of the Executive Board and their surviving dependents. Since 2007, newly concluded service agreements no longer contain any corresponding pension commitments.

Remuneration granted and owed to former Executive Board members in accordance with § 162 (1) AktG

(in € thousand)

	Ancillary benefits and other remuneration				Short term variable remuneration		Long term variable remuneration		Pension payments		Total		Maximum remuneration
	Base remuneration		2022		2022	2023	2022	2023	2022	2023	2022	2023	2023
	2022	2023	2022	2023									
Stefan De Loecker ¹	1,000	500	156	3	1,000	500	—	—	—	—	2,156	1,003	4,500
Relative share	46.4%	49.9%	7.2%	0.3%	46.4%	49.9%	—%	—%	—%	—%	100.0%	100.0%	
Zhengrong Liu ²	500	—	137	100	435	—	—	3,450 ³	—	—	1,072	3,550	6,000 ⁴
Relative share	46.6%	—%	12.8%	2.8%	40.6%	—%	—%	97.2%	—%	—%	100.0%	100.0%	
Members who stepped down prior to 2013	—	—	—	—	—	—	—	—	1,775	2,168	1,775	2,168	n/a
Relative share	—%	—%	—%	—%	—%	—%	—%	—%	100.0%	100.0%	100.0%	100.0%	

¹ Appointment until June 30, 2021; service agreement until June 30, 2023² Appointment and service agreement until December 31, 2022³ The LTP Enterprise Value Component for Zhengrong Liu ran out in 2023 and is due after the 2024 Annual General Meeting. See the explanations in the following section.⁴ The maximum remuneration p.a. set by the remuneration system contains the long-term variable remuneration with an annual maximum value on a prorated basis. Upon payment of such remuneration components, the maximum remuneration must therefore be increased by the total of the annual maximum values throughout its term for the purpose of verifying adherence to it. The maximum remuneration over the full term under the LTP Enterprise Value Component awarded to Zhengrong Liu is therefore €7,922 thousand. In addition, this LTP Enterprise Value Component was awarded under the remuneration system applicable until 2020, meaning that the maximum remuneration set for the current remuneration system does not apply. The amount is nevertheless shown for reasons of transparency; this shows that the maximum remuneration was adhered to.

At the close of December 31, 2023, the term of the LTP Enterprise Value Component of Zhengrong Liu, who had already left the Board effective December 31, 2022, that was awarded to him until 2020 came to an end. The associated bonus has thus been earned and is due for payment after the 2024 Annual General Meeting. It is therefore reported as "granted and owed" in 2023 in the table above. The table below shows how this earned LTP Enterprise Value Component and the associated bonus were calculated. As long-term variable remuneration for the last two years of his appointment, Zhengrong Liu was awarded the LTP 2021-2024 on a prorated basis in 2021 and 2022; this has a term until the end of 2024 and is not yet due.

LTP Enterprise Value Component earned in 2023

	Term	Target (= 100% target achievement)	Target remuneration over entire term ¹ (in € thousand)	Actual (adjusted for special factors)		Target achievement (in %)	Payment amount (in € thousand)
				Virtual Units:	Bonus CVU:		
Zhengrong Liu	July 2014 to Dec. 2022	Average annual increase in sales and EBIT of 5% p.a. during measurement period from 2013 to 2022 ² , with a sales multiple of 1.75x and an EBIT multiple of 8x	Virtual Units: 5,200 Bonus CVU: 880 Total: 6,080	Sales increase: 2.95% p.a. EBIT increase: 2.20% p.a.		51.0	Virtual Units: 2,651 Bonus CVU: 799 Total: 3,450

¹ Includes all virtual units offered at the beginning of or during the bonus period (BVU, MVU, CVU) and Bonus CVUs annually allotted during the bonus period (including offered MVUs). Bonus CVUs only participate in enterprise value performance beyond the respective allotment value. The allotment value is in total €700 thousand for Zhengrong Liu.² The first and last year of the measurement period is calculated as an average over three years. Example: At the end of the measurement period in 2022, the last year is calculated as the average from the years 2021, 2022, and 2023.

Commitments for Executive Board members stepping down in 2023

No members left the Executive Board in 2023; accordingly, no benefits were offered to Executive Board members terminating their activity in the past year. The benefits promised to the members of the Executive Board who left the company in 2022 were reported in the 2022 remuneration report.

2. Remuneration of the Supervisory Board

The remuneration of the Supervisory Board (§ 15 of the Articles of Association) takes into account the responsibilities and scope of tasks of the individual members of the Supervisory Board as well as the company's economic situation and is in line with the applicable principles, recommendations, and suggestions of the German Corporate Governance Code.

The existing provisions in § 15 of the Articles of Association reasonably and sufficiently reflect these requirements as the remuneration takes due account in terms of both structure and amount of the requirements arising from the specific duties of the members of the Supervisory Board and the time required by them to duly and properly perform these duties. Moreover, the remuneration of the Supervisory Board members has consisted exclusively of fixed remuneration components.

In addition to the reimbursement of their expenses, the members of the Supervisory Board receive fixed remuneration of €85,000 plus an attendance fee of €1,000 for participating in the meetings of the Supervisory Board and its committees. The Chairman of the Supervisory Board receives two-and-a-half times and his deputy one-and-a-half times this amount. Members of committees – with the exception of the Nomination Committee and the Committee established in accordance with § 27 (3) *Mitbestimmungsgesetz* (German Co-determination Act, *MitbestG*) – receive separate remuneration of €20,000 per full fiscal year for their duties on these committees; the members of the Audit Committee receive twice this amount. The chair of a committee receives two-and-a-half times the remuneration of a committee member. If a member of the Supervisory Board simultaneously holds several offices for which increased remuneration is granted, the respective member only receives the remuneration for the highest-paying office.

The amount of the remuneration for members of the Supervisory Board is also appropriate in comparison to the remuneration paid to members of the supervisory boards of other large listed companies in Germany. The appropriateness of the remuneration for the Supervisory Board ensures that Beiersdorf Aktiengesellschaft remains in a position to attract qualified candidates for an office on its Supervisory Board; in this way, the remuneration for the Supervisory Board helps to promote the company's business strategy and its long-term development on a sustained basis. The remuneration for the members of the Supervisory Board is regularly reviewed for its appropriateness.

The following table shows the remuneration granted and owed (within the meaning of § 162 (1) *AktG*) to the Supervisory Board, including the relative shares of the fixed amount, attendance fees, and committee fees.

Supervisory board remuneration granted and owed in accordance with § 162 (1) AktG¹

(in €)

	Fixed		Attendance fees		Committee fees		Total	
	2022	2023	2022	2023	2022	2023	2022	2023
Hong Chow	85,000	85,000	8,000	9,000	20,000	20,000	113,000	114,000
Relative share	75%	75%	7%	8%	18%	18%	100%	100%
Reiner Hansert	85,000	85,000	17,000	13,000	40,000	40,000	142,000	138,000
Relative share	60%	62%	12%	9%	28%	29%	100%	100%
Wolfgang Herz	85,000	85,000	9,000	9,000	20,000	20,000	114,000	114,000
Relative share	75%	75%	8%	8%	18%	18%	100%	100%
Uta Kemmerich-Keil (since August 1, 2022)	35,630	85,000	4,000	12,000	13,260	40,000	52,890	137,000
Relative share	67%	62%	8%	9%	25%	29%	100%	100%
Andreas Köhn	85,000	85,000	9,000	8,000	20,000	20,000	114,000	113,000
Relative share	75%	75%	8%	7%	18%	18%	100%	100%
Jan Koltze	85,000	85,000	6,000	6,000	–	–	91,000	91,000
Relative share	93%	93%	7%	7%	–%	–%	100%	100%
Dr. Dr. Christine Martel	85,000	85,000	12,000	13,000	100,000	100,000	197,000	198,000
Relative share	43%	43%	6%	7%	51%	51%	100%	100%
Olaf Papier	85,000	85,000	14,000	12,000	40,000	40,000	139,000	137,000
Relative share	61%	62%	10%	9%	29%	29%	100%	100%
Frédéric Pflanz (Deputy Chairman)	85,000	85,000	20,000	16,000	50,000	50,000	155,000	151,000
Relative share	55%	56%	13%	11%	32%	33%	100%	100%
Prof. Dr. Reinhard Pöllath (Chairman)	212,500	212,500	11,000	11,000	–	–	223,500	223,500
Relative share	95%	95%	5%	5%	–%	–%	100%	100%
Prof. Manuela Rousseau (Deputy Chairwoman)	127,500	127,500	11,000	8,000	–	–	138,500	135,500
Relative share	92%	94%	8%	6%	–%	–%	100%	100%
Kirstin Weiland	85,000	85,000	6,000	7,000	20,000	20,000	111,000	112,000
Relative share	77%	76%	5%	6%	18%	18%	100%	100%
Total amounts²	1,214,685	1,190,000	135,000	124,000	323,260	350,000	1,672,945	1,664,000

¹ Presented exclusive of value added tax.² The prior-year figures also include the following amounts paid to the former Supervisory Board member Martin Hansson, who stepped down on July 31, 2022: €74,055 (fixed, 90.3% of remuneration granted in 2022), €8,000 (attendance fee, 9.7% of remuneration granted in 2022), and €82,055 (total).

3. Comparative view of the annual change in remuneration and earnings performance

The following table presents a comparative view, in accordance with § 162 (1) sentence 2 no. 2 AktG, of the annual change in Executive Board and Supervisory Board remuneration, the earnings performance of Beiersdorf AG and the Consumer Business Segment, and the average remuneration of employees.

The change in Executive Board and Supervisory Board remuneration shown relates to the remuneration granted or owed within the meaning of § 162 (1) sentence 1 AktG. Relative changes in Executive Board and Supervisory Board remuneration may therefore be attributable solely to individuals joining or leaving the boards during the year or changing roles, or to the payment of variable remuneration components.

Earnings performance is shown based on the development of Beiersdorf AG's profit after tax in accordance with § 275 (2) no. 17 *Handelsgesetzbuch* (German Commercial Code, HGB). Since the remuneration of Executive Board members also depends to a large extent on the development of other key performance indicators in the Consumer Business Segment, the development of organic sales and the EBIT margin (excluding special factors) for the Consumer Business Segment is also shown.

The comparison with the development of the remuneration of employees is based on the average remuneration of the workforce in the Beiersdorf companies belonging to the Consumer Business Segment on a full-time equivalent basis. Since the remuneration structures, particularly in the foreign subsidiaries, are many and varied, the comparison should be based only on the development of average remuneration for the workforce in Germany. The remuneration granted and owed for the total workforce in the fiscal year (including senior management and executive staff within the meaning of § 5 (3) *Betriebsverfassungsgesetz* (Works Constitution Act, *BetrVG*)) was taken into account in that. If employees additionally received remuneration as a member of the Supervisory Board of Beiersdorf AG, this was not taken into account. To enable comparison, the remuneration of part-time employees was calculated on a full-time equivalent basis. This comparison group was also used to review the appropriateness of the remuneration of Executive Board members.

Comparison of annual change in Executive and Supervisory Board remuneration in accordance with §162 AktG

	2023 in EUR	2022 in EUR	2023 vs. 2022 in %	2022 vs. 2021 in	2021 vs. 2020 in %	2020 vs. 2019 in %
Executive Board remuneration (in € thousand)						
Vincent Warnero (Chairman since May 1, 2021)	2,512	2,614	-3.9%	-62.9%	744.3%	-13.4%
Oswald Barckhahn (since October 15, 2021)	1,085	1,125	-3.6%	364.9%	-%	-%
Astrid Hermann (since January 1, 2021)	958	957	0.1%	-6.8%	-%	-%
Nicola D. Lafrentz (since May 1, 2022)	945	683	38.4%	-%	-%	-%
Grita Loebssack (since January 1, 2022)	1,567	1,519	3.2%	-%	-%	-%
Ramon A. Mirt (since January 1, 2019)	3,092	4,721	-34.5%	243.3%	12.2%	-20.6%
Patrick Rasquinet (since June 1, 2021)	1,026	1,077	-4.7%	63.4%	-%	-%

Executive Board members who resigned prior to 2023						
Thomas Ingelfinger (until June 30, 2022)	—	2,391	-100.0%	170.2%	14.0%	-18.1%
Zhengrong Liu (until December 31, 2022)	3,550	1,072	231.2%	7.5%	24.2%	-16.0%
Stefan De Loecker (until June 30, 2021)	1,003	2,156	-53.5%	-69.2%	-229.9%	-36.1%
Ralph Gusko (until December 31, 2019)	—	458	-100.0%	-50.1%	-16.2%	-23.9%
Asim Naseer (until April 5, 2021)	—	507	-100.0%	-42.5%	2.1%	-32.4%
Dessi Temperley (until April 5, 2021)	—	—	-%	-100.0%	-42.8%	-43.3%
Supervisory Board remuneration (in € thousand)						
Prof. Dr. Reinhard Pöllath (Chairman since April 30, 2008)	224	224	-%	-1.3%	12.3%	-13.7%
Hong Chow (since April 20, 2017)	114	113	0.9%	-11.4%	6.1%	8.4%
Reiner Hansert (since April 20, 2017)	138	142	-2.8%	-9.3%	2.6%	6.7%
Wolfgang Herz (since April 29, 2020)	114	114	-%	-2.6%	23.8%	-%
Uta Kemmerich-Keil (since August 1, 2022)	137	53	159.0%	-%	-%	-%
Andreas Köhn (since April 1, 2021)	113	114	-0.9%	32.4%	-%	-%
Jan Koltze (since April 17, 2019)	91	91	-%	-2.2%	17.4%	-13.9%
Dr. Dr. Christine Martel (since April 26, 2012)	198	197	0.5%	-6.9%	6.1%	-12.6%
Olaf Papier (since April 17, 2019)	137	139	-1.4%	3.6%	33.8%	-13.8%
Frédéric Pflanz (Deputy Chairman since September 2, 2022)	151	155	-2.6%	-7.2%	33.9%	17.4%
Prof. Manuela Rousseau (Deputy Chairwoman since April 17, 2019)	136	139	-2.2%	-8.9%	-2.0%	-1.3%
Kirstin Weiland (since April 17, 2019)	112	111	0.9%	-3.5%	14.7%	-12.7%
Supervisory Board members who resigned prior to 2023						
Frank Ganschow (until April 17, 2019)	—	—	-%	-100.0%	-50.1%	-51.5%
Martin Hansson (until July 31, 2022)	—	82	-100.0%	-46.4%	2.6%	6.7%
Michael Herz (until April 29, 2020)	—	—	-%	-100.0%	-79.1%	39.1%
Thorsten Irtz (until April 17, 2019)	—	—	-%	-100.0%	-50.1%	-49.1%
Matthias Locher (until April 17, 2019)	—	—	-%	-100.0%	-50.1%	-51.5%
Tomas Nieber (until April 17, 2019)	—	—	-%	-100.0%	-50.1%	-58.7%
Regina Schillings (until April 1, 2021)	—	—	-%	-100.0%	-25.1%	-11.9%
Poul Weihrauch (until April 17, 2019)	—	—	-%	-100.0%	-50.1%	-48.8%
Earnings performance						
Profit after tax Beiersdorf AG in accordance with HGB (in € million)	265	308	-14.0%	150.4%	-36.9%	2.9%
EBIT margin Consumer Business Segment (in %)	12.9%	12.3%	0.6%	0.2%	-0.2%	-1.8%
Sales Consumer Business Segment (in € million); changes vs. previous year in % (organic)	7,780	7,131	12.5%	10.5%	8.8%	-6.6%
Average remuneration of employees (in € thousand)						
Remuneration of total workforce in the Consumer Business Segment (Germany)	95	92	3.3%	2.7%	1.5%	3.1%

Independent auditor's report on the audit of the Remuneration Report in accordance with Section 162 (3) *AktG*

To Beiersdorf Aktiengesellschaft

Audit opinions

We have formally audited the Remuneration Report of Beiersdorf Aktiengesellschaft, Hamburg, Germany for the fiscal year from January 1 to December 31, 2023, to ascertain whether the disclosures required under § 162 (1) and (2) *Aktiengesetz* (German Stock Corporation Act, *AktG*) were made in the Remuneration Report. In accordance with § 162 (3) *AktG*, we have not audited the substance of the Remuneration Report.

In our opinion, the attached Remuneration Report makes the disclosures required under §162 (1) and (2) *AktG* in all material respects. Our audit opinion does not cover the substance of the Remuneration Report.

Basis of the audit opinion

We conducted our audit of the Remuneration Report in accordance with § 162 (3) *AktG*, taking into account the IDW Auditing Standard "The Audit of the Remuneration Report in Accordance with § 162 (3) *AktG*" (IDW PS 870 (09.2023)). Our responsibility under this provision and this standard is further described in the section entitled "Auditor's responsibility" of our report. As auditing practice, we applied the requirements of IDW Quality Assurance Standard "Requirements for Quality Assurance Applicable to German Auditing Practices (IDW QS 1). We have complied with the professional duties under the German Act on the Code of Professional Practice for German Public Auditors (*Wirtschaftsprüferordnung*) and the Professional Code of Conduct for Auditors/Certified Accountants, including the requirements for independence.

Responsibility of the Executive Board and Supervisory Board

The Executive Board and Supervisory Board are responsible for preparing the Remuneration Report, including the related disclosures, in compliance with the requirements of § 162 *AktG*. Furthermore, they are responsible for the internal controls that they deem necessary to enable the preparation of a remuneration report, including the related disclosures, that is free from material misstatement, whether due to fraud (i.e., manipulation of the financial statements and misstatement of assets) or error.

Auditor's responsibility

Our aim is to ascertain with reasonable assurance whether the disclosures required in accordance with § 162 (1) and (2) have been made in all material respects and to issue an audit opinion on this in a report.

We planned and conducted our audit in such a way that, by comparing the disclosures made in the Remuneration Report to the disclosures required under § 162 (1) and (2) *AktG*, we can determine whether the Remuneration Report is formally complete. In accordance with § 162 (3) *AktG*, we did not audit the completeness of the substance of the individual disclosures or the appropriate presentation of the Remuneration Report.

Dealing with Any Misrepresentations

In connection with our audit, we are responsible for reading the Remuneration Report, taking account of insights gained from the audit of the financial statements, and in this process for remaining alert to indications as to whether the Remuneration Report contains misrepresentations in relation to the correctness or completeness of the substance of the individual disclosures or in relation to the appropriate presentation of the Remuneration Report.

If, on the basis of the activities that we have performed, we conclude that there has been any such misrepresentation, we are obliged to report that fact. We have nothing to report in this respect.

Hamburg, February 21, 2024

EY GmbH & Co. KG

Wirtschaftsprüfungsgesellschaft

Dr. Janze

German Public Auditor

Siemer

German Public Auditor

Ten-Year Overview

(in € million, unless otherwise stated)

	2014	2015	2016	2017	2018 ²	2019 ^{1,2}	2020	2021	2022	2023
Sales	6,285	6,686	6,752	7,056	7,233	7,653	7,025	7,627	8,799	9,447
Change against prior year (nominal)	(in %)	2.3	6.4	1.0	4.5	2.5	5.8	-8.2	8.6	15.4
Consumer		5,209	5,546	5,606	5,799	5,890	6,274	5,700	6,129	7,131
tesa		1,076	1,140	1,146	1,257	1,343	1,379	1,325	1,498	1,668
Europe		3,421	3,447	3,461	3,568	3,673	3,757	3,467	3,676	3,900
Americas		1,116	1,243	1,252	1,307	1,267	1,372	1,347	1,527	2,126
Africa/Asia/Australia		1,748	1,996	2,039	2,181	2,293	2,524	2,211	2,424	2,773
EBITDA	975	1,091	1,163	1,238	1,262	1,270	1,085	1,220	1,379	1,554
Operating result (EBIT)	796	962	1,015	1,088	1,097	1,032	828	933	1,092	1,105
Profit before tax	811	968	1,040	1,022	1,048	1,037	821	907	1,096	1,105
Profit after tax	537	671	727	689	745	736	577	655	771	749
Return on sales after tax	(in %)	8.5	10.0	10.8	9.8	10.3	9.6	8.2	8.6	8.8
Earnings per share	(in €)	2.33	2.91	3.13	2.96	3.21	3.17	2.47	2.81	3.33
Total dividend - equity holders		159	159	159	159	159	159	159	159	227
Dividend per share	(in €)	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	1.00
Beiersdorf's shares - year-end closing price	67.42	84.16	80.60	97.90	91.16	106.65	94.44	90.38	107.20	135.70
Market capitalization as of Dec. 31		16,990	21,208	20,311	24,671	22,972	26,875	23,799	22,776	27,014
Research and development expenses	168	183	188	196	211	236	246	268	291	320
as % of sales		2.7	2.7	2.8	2.8	2.9	3.1	3.5	3.5	3.4
Employees as of Dec. 31	17,398	17,659	17,934	18,934	20,059	20,654	20,306	20,567	21,401	21,958
Intangible assets		119	119	119	140	200	581	545	538	1,111
Property, plant, and equipment		964	1,054	1,046	1,026	1,239	1,619	1,630	1,845	2,201
Non-current financial assets/securities		1,059	1,318	1,919	2,554	2,642	2,830	3,462	3,990	3,233
Inventories		786	772	739	854	986	1,012	1,001	1,144	1,557
Receivables and other assets		2,426	2,692	2,878	2,730	2,874	2,867	2,562	2,746	3,165
Cash and cash equivalents		976	918	872	901	919	1,145	1,005	1,036	1,080
Equity		3,640	4,201	4,677	5,125	5,647	6,093	6,263	6,894	7,805
Liabilities		2,690	2,672	2,896	3,080	3,213	3,961	3,942	4,405	4,543
Provisions		1,166	1,074	1,242	1,207	1,227	1,478	1,594	1,517	1,142
Trade payables		1,022	1,152	1,244	1,420	1,554	1,660	1,642	1,973	2,328
Other liabilities		502	446	410	453	443	823	704	915	1,073
Total equity and liabilities	6,330	6,873	7,573	8,205	8,860	10,054	10,205	11,299	12,348	12,629
Equity ratio	(in %)	58	61	62	62	64	61	61	61	66

¹ The figures for fiscal year 2019 have been influenced by the initial application of the leasing standard IFRS 16. This affects especially the following positions: EBITDA (+€64 million), property, plant, and equipment (+€177 million), other liabilities (+€177 million), and key figures derived therefrom.

² The figures as of December 31, 2018, as well as December 31, 2019, have been amended due to the finalization of the purchase price allocation for the Coppertone business and due to an adjustment to the valuation of an acquisition made in 2018 in the tesa Business Segment.

Beiersdorf AG's Shareholdings

Germany

Name of the company	Registered office	Equity interest (in %)
Beiersdorf Manufacturing Berlin GmbH	Berlin	100.00
Dermanostic GmbH	Düsseldorf	9.71
La Prairie Group Deutschland GmbH	Düsseldorf	100.00
Beiersdorf Customer Supply GmbH	Hamburg	100.00
Beiersdorf Dermo Medical GmbH	Hamburg	100.00
Beiersdorf Hautpflege GmbH	Hamburg	100.00
Beiersdorf Immo GmbH	Hamburg	100.00
Beiersdorf Immobilienentwicklungs GmbH	Hamburg	100.00
Beiersdorf Manufacturing Hamburg GmbH	Hamburg	100.00
Beiersdorf Shared Services GmbH	Hamburg	100.00
Phanex Handelsgesellschaft mbH	Hamburg	100.00
T.D.G. Vertriebs GmbH & Co. KG	Hamburg	100.00
T.D.G. Vertriebs Verwaltungs GmbH	Hamburg	100.00
tesa Manufacturing Hamburg GmbH	Hamburg	100.00
tesa Werk Hamburg GmbH	Hamburg	100.00
Ultra Kosmetik GmbH i.L.	Hamburg	100.00
W5 Immobilien GmbH & Co. KG	Hamburg	100.00
WINGMAN-STUDIOS GmbH	Hamburg	100.00
tesa nie wieder bohren GmbH	Hanau	100.00
Beiersdorf Beteiligungs GmbH	Leezen	100.00
Tape International GmbH	Leezen	100.00
tesa Grundstücksverwaltungsgesellschaft mbH & Co. KG	Leezen	100.00
tesa Online GmbH	Norderstedt	100.00
tesa SE	Norderstedt	100.00
tesa Werk Offenburg GmbH	Offenburg	100.00
Beiersdorf Manufacturing Waldheim GmbH	Waldheim	100.00

Europe

Name of the company	Registered office	Equity interest (in %)
Beiersdorf CEE Holding GmbH	AT, Vienna	100.00
Beiersdorf Ges mbH	AT, Vienna	100.00
La Prairie Group Austria GmbH	AT, Vienna	100.00
Skin Care Emerging Markets GmbH	AT, Vienna	100.00
tesa GmbH	AT, Vienna	100.00
SA Beiersdorf NV	BE, Anderlecht	100.00
S-Biomedic NV	BE, Berse	92.53
tesa sa-nv	BE, Brussels	100.00
Beiersdorf Bulgaria EOOD	BG, Sofia	100.00

Beiersdorf AG	CH, Basel	100.00
Swiss Cosmetics Production AG	CH, Berneck	100.00
DePoly SA	CH, Sion	5.55
tesa tape Schweiz AG	CH, Urdorf	100.00
La Prairie Group AG	CH, Volketswil	100.00
La Prairie Operations AG	CH, Volketswil	100.00
Laboratoires La Prairie SA	CH, Volketswil	100.00
Beiersdorf spol. s.r.o.	CZ, Prague	100.00
tesa tape s.r.o.	CZ, Prague	100.00
tesa A/S	DK, Allerød	100.00
Beiersdorf A/S	DK, Copenhagen	100.00
Beiersdorf Manufacturing Argentona, S.L.	ES, Argentona	100.00
tesa tape S.A.	ES, Argentona	100.00
La Prairie Group Iberia S.A.U.	ES, Madrid	100.00
Beiersdorf Holding, S.L.	ES, Tres Cantos	100.00
Beiersdorf Manufacturing Tres Cantos, S.L.	ES, Tres Cantos	100.00
Beiersdorf S.A.	ES, Tres Cantos	100.00
Beiersdorf Oy	FI, Turku	100.00
tesa Oy	FI, Turku	100.00
La Prairie Group France S.A.S.	FR, Boulogne-Billancourt	100.00
tesa s.a.s.	FR, Lieusaint	100.00
Beiersdorf Holding France	FR, Paris	100.00
Beiersdorf s.a.s.	FR, Paris	99.93
CHANTECAILLE-Paris SARL	FR, Paris	100.00
Beiersdorf UK Ltd.	GB, Birmingham	100.00
Chantecaille (UK) Ltd.	GB, Chorleywood	100.00
FormFormForm Ltd.	GB, London	100.00
La Prairie (UK) Limited	GB, London	100.00
tesa UK Ltd.	GB, Milton Keynes	100.00
The Salford Valve Company Ltd.	GB, York	13.20
Beiersdorf Hellas A.E.	GR, Athens	100.00
tesa tape A.E.	GR, Gerakas	100.00
Beiersdorf d.o.o.	HR, Zagreb	100.00
Beiersdorf Kft.	HU, Budapest	100.00

Europe

(continued)

Name of the company	Registered office	Equity interest (in %)
Tartsay Beruházó Kft.	HU, Budapest	100.00
tesa tape Ragasztószalag Termelő és Kereskedelmi Kft.	HU, Budapest	100.00
Alpa-BDF Ltd.	IL, Herzeliya	60.00
Beiersdorf ehf	IS, Reykjavík	100.00
Beiersdorf SpA	IT, Milan	100.00
La Prairie s.r.l.	IT, Milan	100.00
tesa SpA	IT, Milan	100.00
Comet SpA	IT, Solbiate con Cagno	100.00
Beiersdorf Kazakhstan LLP	KZ, Almaty	100.00
tesa tape UAB	LT, Vilnius	100.00
Beiersdorf Holding B.V.	NL, Amsterdam	100.00
Beiersdorf NV	NL, Amsterdam	100.00
tesa BV	NL, Hilversum	100.00
tesa Western Europe B.V.	NL, Hilversum	100.00
tesa TL B.V.	NL, Nijkerk	100.00
Beiersdorf AS	NO, Oslo	100.00
tesa AS	NO, Oslo	100.00
Beiersdorf Manufacturing Poznan Sp. z o.o.	PL, Poznan	100.00
Beiersdorf Shared Services Poland Sp. z o.o.	PL, Poznan	100.00
NIVEA Polska Sp. z o.o.	PL, Poznan	100.00
tesa tape Sp. z o.o.	PL, Poznan	100.00
Beiersdorf Portuguesa, Limitada	PT, Barcarena Queluz de Baixo	100.00
tesa Portugal - Produtos Adesivos, Lda.	PT, Barcarena Queluz de Baixo	100.00
Beiersdorf Romania s.r.l.	RO, Bucharest	100.00
tesa tape s.r.l.	RO, Cluj-Napoca	100.00
Beiersdorf d.o.o.	RS, Belgrade	100.00
Beiersdorf LLC	RU, Moscow	100.00
La Prairie Group (RUS) LLC	RU, Moscow	100.00
Beiersdorf Aktiebolag	SE, Gothenburg	100.00
Beiersdorf Nordic Holding AB	SE, Gothenburg	100.00
tesa AB	SE, Kungsbacka	100.00
Beiersdorf d.o.o.	SI, Ljubljana	100.00
tesa tape posrednistvo in trgovina d.o.o. i.L.	SI, Ljubljana	100.00
Beiersdorf Slovakia, s.r.o.	SK, Bratislava	100.00
tesa Bant Sanayi ve Ticaret A.S.	TR, Istanbul	100.00
Beiersdorf Ukraine LLC	UA, Kiev	100.00

Americas

Name of the company	Registered office	Equity interest (in %)
Beiersdorf S.A.	AR, Buenos Aires	100.00
tesa tape Argentina S.R.L.	AR, Buenos Aires	100.00
Beiersdorf S.R.L.	BO, Santa Cruz de la Sierra	100.00
tesa Brasil Ltda.	BR, Curitiba	100.00
Beiersdorf Indústria e Comércio Ltda.	BR, Itatiba	100.00
BDF NIVEA LTDA.	BR, São Paulo	100.00
Beiersdorf Canada Inc.	CA, Saint-Laurent	100.00
Chantecaille Beaute Canada Inc.	CA, Toronto	100.00
tesa tape Chile S.A.	CL, Las Condes	100.00
Beiersdorf S.A.	CL, Providencia	100.00
Beiersdorf S.A.	CO, Bogotá	100.00
tesa tape Colombia S.A.S.	CO, Cali	100.00
BDF Costa Rica, S.A.	CR, San José	100.00
Beiersdorf, SRL	DO, Santo Domingo	100.00
Beiersdorf S.A.	EC, Quito	100.00
BDF Centroamérica, S.A.	GT, Guatemala City	100.00
tesa tape Centro América S.A.	GT, Guatemala City	100.00
BDF México, S.A. de C.V.	MX, Mexico City	100.00
BSS HUB MÉXICO, S.C.	MX, Mexico City	100.00
tesa tape México, S.A. de C.V.	MX, Mexico City	100.00
Beiersdorf Manufacturing México, S.A. de C.V.	MX, Silao	100.00
BDF Panamá, S.A.	PA, Panama City	100.00
Beiersdorf S.A.C.	PE, Lima	99.81
Beiersdorf S.A.	PY, Asunción	100.00
BDF El Salvador, S.A. de C.V.	SV, San Salvador	100.00
tesa tape inc.	US, Charlotte, NC	100.00
Beiersdorf Manufacturing, LLC	US, Cleveland, TN	100.00
Chantecaille Beaute Inc.	US, New York City, NY	100.00
Chantecaille Beaute Operations Inc.	US, New York City, NY	100.00
LaPrairie.com LLC	US, New York City, NY	100.00
Functional Coatings LLC	US, Newburyport, MA	100.00
La Prairie, Inc.	US, Piscataway, NJ	100.00
tesa Plant Sparta LLC	US, Sparta, MI	100.00
Beiersdorf, Inc.	US, Stamford, CT	100.00
Beiersdorf North America Inc.	US, Stamford, CT	100.00
Panda International Holdings Inc.	US, Wilmington, DE	100.00
Pangolin Holdings Inc.	US, Wilmington, DE	100.00
tesa Functional Coatings Inc. USA	US, Wilmington, DE	100.00
tesa TL LLC	US, Wilmington, DE	100.00
Beiersdorf S.A.	UY, Montevideo	100.00
Beiersdorf S.A.	VE, Caracas	100.00

Africa/Asia/Australia

Name of the company	Registered office	Equity interest (in %)
Beiersdorf Middle East FZCO	AE, Dubai	100.00
Beiersdorf Near East FZ-LLC	AE, Dubai	100.00
TESA ME FZE	AE, Dubai	100.00
Beiersdorf Australia Ltd.	AU, North Ryde, NSW	100.00
Beiersdorf Health Care Australia Pty. Ltd.	AU, North Ryde, NSW	100.00
La Prairie Group Australia Pty. Ltd.	AU, Rosebery, NSW	100.00
tesa tape Australia Pty. Ltd.	AU, Sydney, NSW	100.00
Beiersdorf Hong Kong Limited	CN, Hong Kong	100.00
Chantecaille Beaute Hong Kong Limited	CN, Hong Kong	100.00
La Prairie Hong Kong Limited	CN, Hong Kong	100.00
tesa tape (Hong Kong) Limited	CN, Hong Kong	100.00
Chantecaille (Shanghai) Co., Ltd.	CN, Shanghai	100.00
La Prairie (Shanghai) Co., Ltd.	CN, Shanghai	100.00
NIVEA (Shanghai) Company Limited	CN, Shanghai	100.00
tesa tape (Shanghai) Co., Ltd.	CN, Shanghai	100.00
tesa Plant (Suzhou) Co., Ltd.	CN, Suzhou	100.00
tesa tape (Suzhou) Co., Ltd.	CN, Suzhou	100.00
Beiersdorf Egypt for Trading JSC	EG, Cairo	100.00
Beiersdorf LLC	EG, Cairo	100.00
Beiersdorf Nivea Egypt LLC	EG, Cairo	100.00
Beiersdorf Ghana Limited	GH, Accra	100.00
P.T. Beiersdorf Indonesia	ID, Jakarta	100.00
Beiersdorf India Pvt. Limited	IN, Mumbai	51.00
Beiersdorf India Service Private Limited	IN, Mumbai	100.00
NIVEA India Pvt. Ltd.	IN, Mumbai	100.00
tesa tapes (India) Private Limited	IN, Navi Mumbai	100.00
Beiersdorf Holding Japan Yugen Kaisha	JP, Tokyo	100.00
La Prairie Japan K.K.	JP, Tokyo	100.00
Nivea-Kao Co., Ltd.	JP, Tokyo	60.00
tesa tape KK	JP, Tokyo	100.00
Beiersdorf East Africa Limited	KE, Nairobi	100.00
Alkynes Co. Ltd.	KR, Gyeonggi-do	31.43
Beiersdorf Korea Limited	KR, Seoul	100.00
Chantecaille Beaute Korea Ltd.	KR, Seoul	100.00
La Prairie Korea Limited	KR, Seoul	100.00
LYCL Inc.	KR, Seoul	24.09
tesa tape Korea Limited	KR, Seoul	100.00
LYCL Inc.	KR, Seoul	24.09
tesa tape Korea Limited	KR, Seoul	100.00

Africa/Asia/Australia

(continued)

Name of the company	Registered office	Equity interest (in %)
Beiersdorf S.A.	MA, Casablanca	100.00
Beiersdorf (Myanmar) Ltd.	MM, Rangoon	100.00
tesa tape (Malaysia) Sdn. Bhd.	MY, Bandar Baru Bangi	96.25
tesa tape Industries (Malaysia) Sdn. Bhd.	MY, Bandar Baru Bangi	96.25
Beiersdorf (Malaysia) SDN. BHD.	MY, Petaling Jaya	100.00
Beiersdorf Nivea Consumer Products Nigeria Limited	NG, Lagos	100.00
Beiersdorf Philippines Incorporated	PH, Taguig Bonifacio Global City	100.00
Beiersdorf Pakistan (Private) Limited	PK, Lahore	100.00
Turath Al-Bashara for Trading Limited (Skin Heritage for Trading)	SA, Jeddah	70.00
Beiersdorf Singapore Pte. Ltd.	SG, Singapore	100.00
Chantecaille Beaute Singapore Pte. Ltd.	SG, Singapore	100.00
tesa tape Asia Pacific Pte. Ltd.	SG, Singapore	100.00
Beiersdorf (Thailand) Co., Ltd.	TH, Bangkok	100.00
tesa tape (Thailand) Limited	TH, Bangkok	90.57
NIVEA Beiersdorf Turkey Kozmetik Sanayi ve Ticaret A.S.	TR, Istanbul	100.00
La Prairie (Taiwan) Limited	TW, Taipei	100.00
NIVEA (Taiwan) Ltd.	TW, Taipei	100.00
tesa Site Haiphong Company Limited	VN, Haiphong	100.00
tesa Vietnam Limited	VN, Hanoi	100.00
Beiersdorf Vietnam Limited Liability Company	VN, Ho Chi Minh City	100.00
Beiersdorf Consumer Products (Pty.) Ltd.	ZA, Umhlanga	100.00

Contact Information

→ Published by

Beiersdorf Aktiengesellschaft
 Beiersdorfstrasse 1-9
 22529 Hamburg
 Germany

→ Contributors

Design/Realization
 nexxar, Vienna

→ Editorial Team and Concept

Translation/Proofreading
 Leinhäuser Language Services GmbH, Unterhaching

→ Additional Information

Corporate Communications
 Telephone: +49 40 4909-2001
 E-Mail: cc@beiersdorf.com

Investor Relations
 Telephone: +49 40 4909-5000
 E-Mail: investor.relations@beiersdorf.com

Beiersdorf on the internet
www.beiersdorf.com

In consideration of sustainability aspects, the Annual Report will no longer be provided as a printed, but only as an online version. The online versions of the financial publications of Beiersdorf are available at www.beiersdorf.com/financial_reports.

This Annual Report is also available in German

Financial Calendar

2024

April 16

Quarterly Statement
January to March 2024

April 18

Annual General Meeting

August 7

Half-Year Report 2024

October 24

Quarterly Statement
January to September 2024

2025

February / March

**Publication of
Annual Report 2024,
Annual Press Conference,
Financial Analyst Meeting**

April

Annual General Meeting

April/ May

Quarterly Statement
January to March 2025

August

Half-Year Report 2025

October

Quarterly Statement
January to September 2025

Beiersdorf

Beiersdorf Aktiengesellschaft
Beiersdorfstraße 1-9
22529 Hamburg, Germany
Tel.: +49 40 4909-0, Fax: +49 40 4909-3434
Internet: www.beiersdorf.com