

Beiersdorf

FORMULA FOR
SUSTAINABLE GROWTH

ANNUAL REPORT
2022



Beiersdorf 2022

Key Figures - Overview

		2021	2022
Group sales	(in € million)	7,627	8,799
Change (organic)	(in %)	9.7	10.2
Change (nominal)	(in %)	8.6	15.4
Consumer sales	(in € million)	6,129	7,131
Change (organic)	(in %)	8.8	10.5
Change (nominal)	(in %)	7.5	16.3
tesa sales	(in € million)	1,498	1,668
Change (organic)	(in %)	13.6	8.8
Change (nominal)	(in %)	13.1	11.3
Operating result (EBIT, excluding special factors)	(in € million)	993	1,158
EBIT margin (excluding special factors)	(in %)	13.0	13.2
Operating result (EBIT)	(in € million)	933	1,092
EBIT margin	(in %)	12.2	12.4
Profit after tax	(in € million)	655	771
Return on sales after tax	(in %)	8.6	8.8
Earnings per share	(in €)	2.81	3.33
Total dividend	(in € million)	159	159
Dividend per share	(in €)	0.70	0.70
Gross cash flow	(in € million)	897	1,084
Capital expenditure¹	(in € million)	413	1,137
Research and development expenses	(in € million)	268	291
Employees	(Number on Dec. 31)	20,567	21,401

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

CONTENT

CONSOLIDATED FINANCIAL STATEMENTS

TO OUR SHAREHOLDERS

- p. 42 Letter from the Chairman
- p. 45 Beiersdorf's Shares and Investor Relations
- p. 48 Report by the Supervisory Board

COMBINED MANAGEMENT REPORT

p. 54 FOUNDATION OF THE GROUP

- p. 54 Business and Strategy
- p. 60 Research and Development
- p. 72 People at Beiersdorf
- p. 87 Sustainability

p. 88 NON-FINANCIAL STATEMENT

p. 137 ECONOMIC REPORT

- p. 137 Economic Environment
- p. 140 Results of Operations
- p. 150 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. 164 Report on Expected Developments

p. 167 OTHER DISCLOSURES

- p. 167 Corporate Governance Statement
- p. 184 Report by the Executive Board on Dealings among Group Companies
- p. 184 Disclosures relating to Takeover Law
- p. 187 Report on Gender Equality and Equal Pay

p. 191 CONSOLIDATED FINANCIAL STATEMENTS

- p. 191 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 Significant Accounting Policies
- p. 207 Consolidated Group, Acquisitions, and Divestments
- p. 209 Notes to the Income Statement
- p. 213 Notes to the Balance Sheet
- p. 235 Other Disclosures
- p. 240 Report on Post-Balance Sheet Date Events
- p. 241 Beiersdorf AG Boards

p. 243 ATTESTATIONS

- p. 243 Independent Auditor's Report
- p. 254 Independent Auditor's Limited Assurance Report
- p. 257 Responsibility Statement by the Executive Board

ADDITIONAL INFORMATION

p. 259 REMUNERATION REPORT

p. 288 TEN-YEAR OVERVIEW

p. 289 BEIERSDORF AG'S SHAREHOLDINGS

p. 295 IMPRINT

p. 296 FINANCIAL CALENDER



page 6

GROWTH BY SUSTAINABILITY



page 10

GROWTH BY BRAND PURPOSE



page 14

GROWTH BY INNOVATION



page 18

GROWTH BY EMERGING MARKETS



page 22

GROWTH BY PEOPLE



page 28

GROWTH BY DIGITALIZATION



page 34

GROWTH BY TECHNOLOGY





FORMULA FOR **SUSTAINABLE GROWTH**

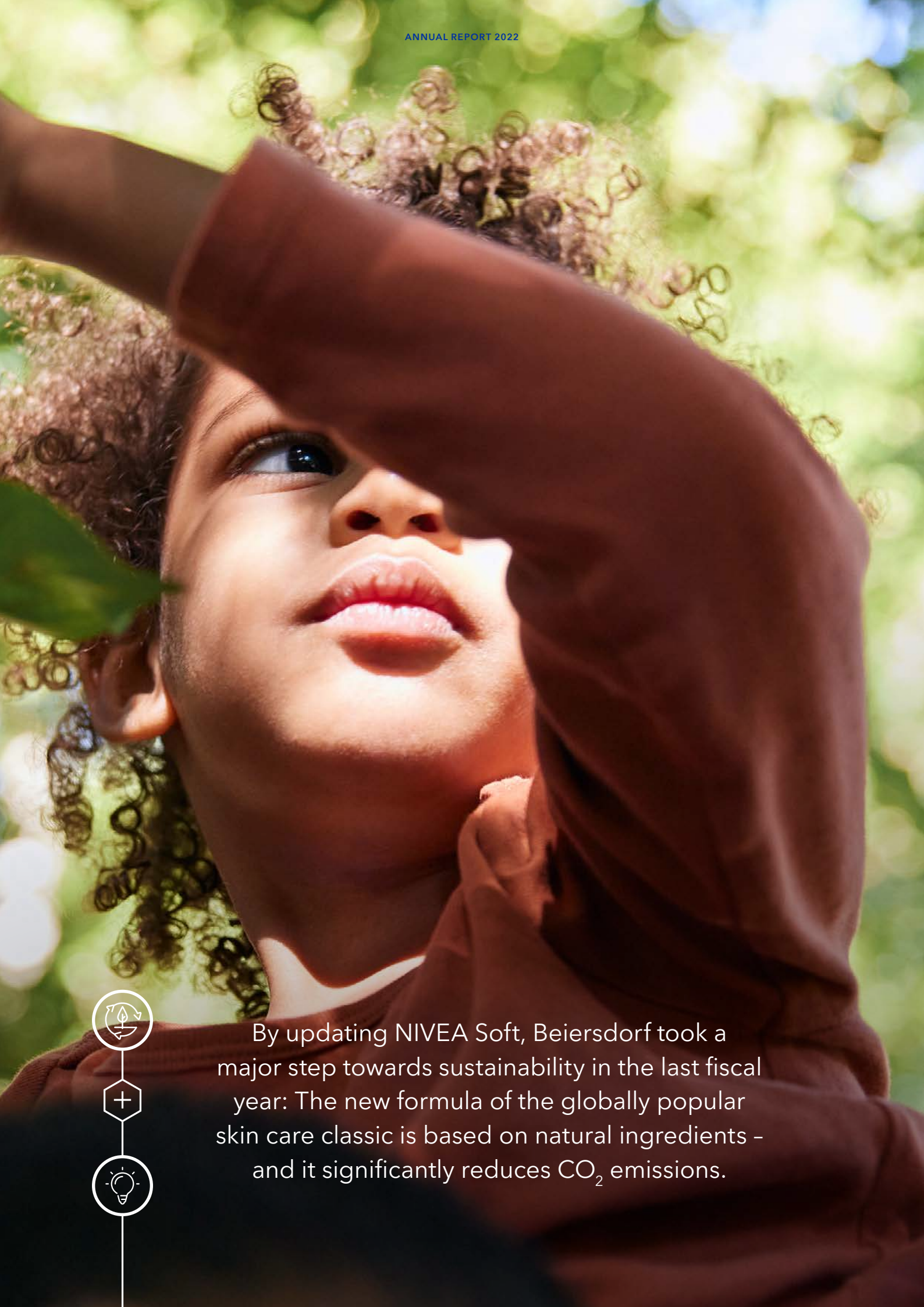
For more than 140 years, formulas have played a highly significant role for us: they are the basis of our products - and thus of our success.

Our formula for sustainable growth is our C.A.R.E.+ strategy, with which we have set clear strategic priorities. Our ambition is to create more value for people and society in the long term.



Growth by sustainability

Nature
+
Innovation
=
Future



By updating NIVEA Soft, Beiersdorf took a major step towards sustainability in the last fiscal year: The new formula of the globally popular skin care classic is based on natural ingredients - and it significantly reduces CO₂ emissions.

FINDING THE PERFECT FORMULA

More than 2,000 formula prototypes, over 9,000 product testers and some four years of in-depth research: "Numerous colleagues from different departments worked closely together to find the perfect formula for NIVEA Soft," says Dr. Silke Garmatz, Manager Body, Cream and Hand at Beiersdorf. "Our common goal: A NIVEA Soft that is made with as many ingredients from a natural origin as possible. As a rule, natural ingredients reduce a product's carbon footprint through lower CO₂ emissions - and that's the whole reason behind our transformation and realization of our ambitious climate goal."

Thousands of product tests

But it's not that easy to switch ingredients. The first task is to find alternatives that are not only more sustainable, but also just as safe, effective and useful as the previous ones. "They also have to be compatible with the other formula ingredients and meet the sensory experience consumers expect and appreciate," says Wei Tang, R&D Engineer at Beiersdorf.

This is why the experienced product developer and her colleagues have changed the formula prototypes again and again over the years, and tested the properties and sensory experience with the help of thousands of product tests. But that's not all: There were also many production challenges to consider with the

NIVEA SOFT



Wei Tang,
R&D Engineer



Dr. Silke Garmatz,
Manager Body,
Creme and Hand



40%
less CO₂
emissions

95%
natural
ingredients

98%
bio-
degradable

100%
natural
jojoba oil

update of the NIVEA Soft formula: Are the potential new ingredients even available in sufficient quantities? Which patent issues need to be clarified? How do the new ingredients and new supply sources affect logistics and manufacturing processes? And can the necessary adjustments be made at all production centers?

40% less CO₂ emissions

Once all of these questions were clarified, the time had come: In June 2022, the newly enhanced NIVEA Soft was launched in several European countries. Its more climate-friendly formula results in 40% lower CO₂ emissions. It contains 100% natural jojoba oil and is 98% biodegradable.

The enhanced NIVEA Soft now lasts even longer - and deeply hydrates the skin for 48 hours

The new formula also provides an improved moisturizing effect: With oils derived from natural sources, NIVEA Soft penetrates even deeper into the skin and strengthens the skin barrier. This means that skin is now hydrated for 48 hours - twice as long as before - thereby creating added value for both the environment and for consumers.

Additional formulas on the horizon

"To so extensively update the formula of such a successful product, that has used and loved by millions of consumers worldwide for decades, is an immense undertaking," explains Dr. Garmatz. "But precisely because NIVEA Soft is one of our best-selling products, we can achieve a significant sustainability impact with the lower CO₂ formula."

While the enhanced NIVEA Soft is now being gradually rolled out in all markets, Dr. Garmatz and her team are already working on updating other product formulas. "We have clearly defined which ingredients we want to replace with more sustainable alternatives in the future. We will work consistently in the coming years to carry this out. Because it is paramount to us to balance excellent skin care with care for the environment and climate protection. Of course, those of us that work in research and development take pride in being able to play a key role in such a large and important topic." •



Anna Grassano,
Regional Vice
President
Marketing
Europe (left)
and Kerstin Bird,
Vice President
Brand Leadership
Unit Face & Lip

Growth by brand purpose

Global
+
Digital
+
Sustainable
=
Success



White lettering on a dark-blue background:

NIVEA is one of the most well-known
and popular brands in skin care.

What is the future direction of the brand?

What is its potential for growth?

The NIVEA brand has existed since 1905. How important is NIVEA for Beiersdorf today?

Anna Grassano: NIVEA is exceptional in its significance. It represents our achievement of an iconic skin care brand that millions of people depend on every day. It is the most frequently chosen skin care brand worldwide and holds the top market position in 23 countries. And even with our company's many other successful brands, it remains our most important sales driver by far.

How has NIVEA performed in recent years?

Anna Grassano: NIVEA has performed very well in recent years and has demonstrated growth in all regions in which we are active. In addition, NIVEA has allowed us to significantly expand our market share, particularly in the skin care market – and most notably in the Face Care, Body Care, and Sun categories. Recently, one of our biggest achievements has been our breakthrough innovation NIVEA CELLULAR LUMINOUS630®, which targets the reduction of dark spots, and has enabled us to quickly establish a new segment in the mass market. Today, the NIVEA brand encompasses a broad product portfolio that meets a wide range of needs.

“

NIVEA is an iconic brand - and it is more popular than ever before around the world.

”

Anna Grassano,
Regional Vice President Marketing Europe



Where do you see further opportunities for growth?

Kerstin Bird: To begin with, we see growth potential in those countries where we do not yet hold leading positions. In particular, these include China, the USA and India. We also see great opportunities in providing solutions for the specific needs of people with melanin-rich skin. Furthermore, we want to strengthen our appeal among younger people. While we have identified their strong interest in skin care, compared to older people, they have a lower affinity for the NIVEA brand. We also want to grow through online sales and by expanding our digital marketing activities – for example, through precision marketing campaigns. And: We are confident that leading NIVEA more strongly as a global brand will be an important driver for our future growth.

What does that mean?

Kerstin Bird: The products under the NIVEA brand have been managed with a high level of individual responsibility in each of their markets. Our intention is to be more clear and consistent in our brand presence and offering going forward – and thereby continue to strengthen NIVEA as a global icon. This will be especially reflected in our innovations and campaigns. The approach here: Fewer, bigger, better. This means that we aim to create and market fewer new products and campaigns worldwide,

but to make them bigger and better. Not only will this strengthen the brand, but it will also improve our efficiency. We have already made the necessary adjustments in the marketing organization, integrating all innovations into one global pipeline process and extending part of our global teams to four continents. This has enabled us to more quickly identify and understand needs, trends and segment shifts.

Will this also change the products themselves?

Anna Grassano: Our products – including their packaging – are currently undergoing a major change process of their own. We want our products to not only care perfectly for the skin, but also to impact the environment as little as possible. That's why we are now actively working to update our formulas. In doing so, our focus is on ingredients that meet high sustainability standards without compromising their usual quality. In 2022, we made major progress with our NIVEA Soft range in particular. The insights we have gained here will help us to position the NIVEA brand as fully sustainable and thus future-proof in the coming years. •

“

We see many growth opportunities for NIVEA. We will tap into these by leading NIVEA even more as a global brand.

”

Kerstin Bird,
Vice President Brand Leadership
Unit Face & Lip



NIVEA SUN

No. 1 sun care brand worldwide²



NIVEA CELLULAR LUMINOUS630® ANTI-DARK SPOT

No. 1 anti-dark spot brand in Europe³

NIVEA Q10 ANTI-WRINKLE POWER

No. 1 anti-wrinkle brand worldwide⁴



²SOURCE: EUROMONITOR 2021, ³SOURCE: NIELSEN FACE CARE-SERUM CATEGORY EUROPE, VALUE SALES MAT FEB 2022, ⁴SOURCE: NIELSEN MAT MARCH 2022, BASED ON DEFINED "ANTI-WRINKLE" PRODUCTS, DATABASE EXCL. CHINA & US.



Growth by innovation

Creativity
+
Competence
+
Collaboration
=
Vision

From basic research to individual product adaptation: Every day, more than 1,500 employees at Beiersdorf work to develop new products and improve existing ones. They are connected through a global R&D network.



Launched in the USA in 2022, the Eucerin Sun range offers sun care with five different antioxidants and is tailored to different skin types and tones.



JOINT DEVELOPMENT

May 19, 2022 was a celebratory day at the Beiersdorf innovation centers in Florham Park (New Jersey, USA) and Hamburg (Germany). After years of extensive research and the joint development of formulas and active ingredients, this day marked the launch of the Eucerin Sun product line in the USA. It is the only dermatological sun care line in the American market that offers sun protection for all skin types - and addresses particular skin types with its specific products.

The special properties of Eucerin Sun are the result of a close partnership between dermatology experts in Hamburg and sun care specialists in Florham Park. By combining the different specialties, a product was created that sets new standards and addresses unfulfilled needs in the USA, the largest market for sun care products. In its first year, the new Eucerin Sun line already generated sales in the double-digit million range in America.

Global innovation network

To ensure that innovations like this are possible, Beiersdorf is committed to close collaboration and a global network: In the Consumer Business Segment, this network primarily comprises the three innovation centers in Hamburg (Germany), Florham Park, New Jersey (USA), and Shanghai (China). There are also development centers in Brazil, India and Japan.

Although the responsibilities of the innovation centers are essentially very similar, regional requirements in particular have resulted in the

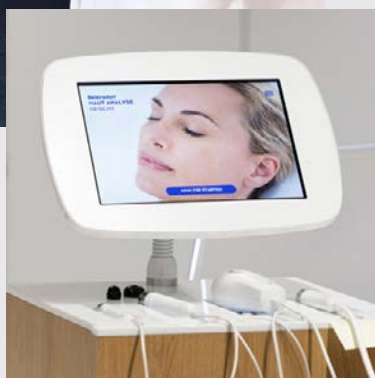




Dr. Heiner Max with Annette Gronau-Horn (left) and Dr. Adalberto Piacentini (right)

formation of different R&D focus areas at the centers. For example, the USA not only has an Excellence Center for sun care, it also has a team of specialists for non-prescription, over-the-counter preparations. As a result, the infrastructure of the innovation center in Florham Park, which opened in 2021, complies with the strict requirements for OTC products and offers optimal conditions for the development of products for the US market.

On the other hand, the focus of R&D activities in Shanghai is on premium skin care. This is because products for the prestige and masstige (prestige products for the mass market) segments are growing more and more popular in China each year. To that end, in addition to innovation activities for the Chinese market, a competence center for face premium products has been established at the Innovation Center.



“
In many markets, the products from Beiersdorf make it a forerunner in sustainability.”

”
**Dr. Heiner Max,
Functional Head
R&D Derma**

In-depth R&D dialogue

“These different focus areas provide yet another boost to the productivity of our R&D work,” says Dr. Heiner Max, Functional Head of R&D Derma. “On the one hand, we can gather the right experts at one location. And on the other hand, everyone can benefit from the in-depth dialogue on various findings. We call this reverse innovation: Insights gained at one innovation center often open up new perspectives in other regions of the world.”

This is especially true with regard to sustainability. Our objective: To achieve maximum benefit with the fewest possible and sustainable ingredients, and resource-conserving packaging. “In many markets, the products from Beiersdorf make it a forerunner in sustainability,” says Max. “Our global expertise and our high level of sustainability very often put us ahead of the competition. But we are still a long way from where we want to be.”

And the outlook is the same when it comes to innovation: Fewer, better, bigger. The goal is to have innovations that are fewer in number, yet groundbreaking in quality and established worldwide. To achieve this, Max counts on the superior expertise of the R&D innovation centers: “We are conducting cutting-edge research, particularly in the field of dermatology. By combining the research findings from our innovation centers, we will generate new approaches and insights. The development of the Eucerin Sun range for the US market demonstrates the possibilities that can emerge from the close collaboration between our global R&D teams.” ●



Growth by emerging markets

Idea
+
Investment
+
Courage
=
Potentials

Strong growth and many perspectives:
The markets for Beiersdorf in Latin America
have demonstrated dynamic growth for years.
This is especially true for Brazil and Mexico -
the region's two largest markets for
NIVEA and Eucerin.



STRONG DEMAND

"Consumers in Brazil are passionate about skin care and beauty," says Jorge Jimenez, Vice President Marketing / Digital Emerging Markets at Beiersdorf. "One market study summarizes the situation very accurately: In Brazil, taking care of your skin is closely associated with self-confidence and well-being. And this is why there is such strong demand for skin care products that meet this desire."

Focus on ingredients

The coronavirus crisis has reinforced this trend. An increasing number of people in Brazil place their trust in products that they expect to be highly effective. Consumers have become much more focussed on product ingredients and scrutinize their impact on the environment.

BEIERSDORF CONSUMER GROWTH IN LATIN AMERICA

+28.6%

Organic sales growth
(vs. 2021)

+41.1%

Growth in the face care segment
(vs. 2021)

+72%

Growth in e-commerce
(vs. 2021)

This explains why, in addition to products with a good price/performance ratio, premium and dermocosmetic brands and products with natural ingredients are gaining popularity.

“In Brazil, our NIVEA and Eucerin brands stand for high-quality trusted products as well as sustainability” Jimenez says. “With the launch of NIVEA LUMINOUS630®, we are able to help more consumers to reduce visibly dark spots and we have also strengthened our No.1 position in Face Care.”



Jorge Jimenez,
Vice President Marketing /
Digital Emerging Markets



Aldo Barrientos,
General Manager
North LATAM



Andreas Kiehl,
Vice President Finance
Emerging Markets

Record sales in Mexico

The forecasts for Mexico look even better: Markets here developed rapidly in 2022 - and market experts suggest that this growth will continue. “We have been able to consistently outperform the market,” says Aldo Barrientos, General Manager North LATAM at Beiersdorf. “Many of our iconic products, such as NIVEA Body Milk, posted record sales last year. And with its +100-year history, NIVEA Creme dominates the Mexican market with an almost 80% market share in the all-purpose cream segment.”

“We intend to systematically tap into the opportunities that arise for us in Latin America,” says Andreas Kiehl, Vice President Finance Emerging Markets at Beiersdorf. To this end, there will be a drive to strengthen brands, push innovations, and expand our presence at the point of sale. Online retail will also be intensified, since e-commerce has become much more important in Latin America - not least because of the coronavirus pandemic. “This is why we have significantly increased our investment in digital interactions and will focus even more extensively on intelligent online campaigns and precision marketing in the future,” says Kiehl. ●



Growth by people

Diversity + Inclusion = Chance



Why is diversity & inclusion so important?
And why does it have to be managed?
For Misel Ahom, one thing is certain:
Diversity & Inclusion (D&I) is a critical
success factor - and it is essential to ensure
continued growth at Beiersdorf.





Why is diversity in its workforce so important to Beiersdorf?

Misel Ahom: Our experience shows that having employees with different perspectives, experience, and skill sets boosts our creativity and innovative strength. Their diverse problem-solving approaches and improved decision-making capabilities lead to a more engaged and motivated workforce. This is supported by a growing body of research that advocates the business case for D&I. For example, a 2018 study by McKinsey found that companies which are in the top quartile for ethnic and cultural diversity are 33% more likely to have higher-than-average profitability. Similarly, a 2019 report by Deloitte found that organizations with a more diverse board of directors have higher returns on equity and sales compared to those with a less diverse board. In today's global and rapidly changing business environment, D&I is essential for staying ahead and adapting to new challenges. At Beiersdorf, we are convinced that D&I enables us as an organization to be more competitive, innovative, agile, and flexible in this increasingly volatile world.

How else can Beiersdorf improve in terms of D&I?

Misel Ahom: Our goal is to build a leadership and employee base that reflects the diversity of our consumers and the communities in which we operate, one which embraces differences and stands for inclusion. However, none of the aforementioned benefits of diversity can be leveraged unless we also embed a culture of inclusion and respect. We are therefore striving to become the company of choice for diverse global talent, by encouraging a truly inclusive 'we' culture in which everyone feels a sense of belonging and has equitable opportunities to succeed.

It is important to remind ourselves that generally-speaking 'talent is distributed equally, but opportunity is not'. But talent and potential do not differ according to gender, nationality, ethnicity, religion or belief, disability, age, sexual orientation or identity. Hence, it is up to us to ensure that we are very focused when it comes to gaining access to a broader talent pool, becoming the employer of choice, and staying ahead of our competition. In short: We want to be the honeypot for diverse talent!

How is Beiersdorf approaching D&I on a corporate level?

Misel Ahom: D&I is a key pillar within our overall corporate strategy at Beiersdorf and it is fully endorsed by top management. Since January 2021, when I became Global Director for D&I, we have had a team of three people solely dedicated to driving the D&I agenda within Beiersdorf. This has enabled us to create a



“

We want to be the honeypot for diverse talent.

”

Misel Ahom,
Global Diversity & Inclusion
Director

strategic roadmap, to set clear and measurable goals for diversity and inclusion, and to regularly track progress towards these goals. We also work hard to establish the mindset within the organization that D&I is not only an HR topic, but also a business topic that is relevant for the whole organization, due to the benefits it entails from both a people and a business perspective. With CARE firmly anchored in our company culture, we are fortunate to have many passionate colleagues from different functions across different regions who are helping us to firmly embed D&I into Beiersdorf.



42% of our managers

have lived
and worked
abroad for at least
three years.

Gender distribution by level (in %)

	Men	Women
Executive Board	62	38
First management level	69	31
Second management level	52	48

Gender distribution by region (in %)

	Men	Women
Germany	50	50
Europe (excl. Germany)	38	62
North America	37	63
Latin America	46	54
Africa/Asia/Australia	50	50
Worldwide	46	54

COMMUNITIES AS A CULTURE GENERATOR

They are called 'BeYou', 'Working Parents' and 'Mental Health at Beiersdorf'. Or 'BEN' (Black Employee Network), 'AEN' (Asian Employee Network) and 'L.E.N.' (Latin+ Employee Network). As different as their names may be, they all pursue the same goal: Supporting the diverse needs of employees and thus promoting diversity, inclusion, and belonging at Beiersdorf.

These networks, also known as Employee Resource Groups ('ERGs'), have been formed independently by passionate employees at Beiersdorf USA and Beiersdorf Canada.

"The ERGs are supported by the company, as they promote cultural awareness, provide mutual support, and highlight perspectives for professional development," says Monique Forrest, Head of North America Legal Affairs at Beiersdorf. "That's because in these networks, employees share their experiences as members of a particular population group, voice areas of opportunities, and develop suggestions and activities to make improvements."

These communities are a great platform to network with fellow colleagues, spark innovative ideas and come together culturally. They also allow colleagues to create a safe space to share and learn. "The ERGs evolve depending on the needs and goals of their members," says Monique Forrest.



Monique Forrest,
Head of North America
Legal Affairs and
initiator of Black
Employee Network

Which initiatives are making the greatest impact?

Misel Ahom: We have launched so many initiatives that it is difficult to say! But it is great to see that 3 out of the top 5 Beiersdorf strengths identified by our Teampulse employee engagement survey are D&I related and significantly ahead of benchmark. This shows that our D&I initiatives are having a tangible impact on our Beiersdorf employees. And our employees' experience is critical when it comes to moving the needle on diversity & inclusion, as we firmly believe that we are stronger together. This is why Beiersdorf actively supports our fantastic employee-led grassroots communities. These communities represent the voices of our employees across different spectrums to ensure they feel more supported, connected and included. To

encourage women in their careers, the Women in Leadership Convention initiative and the '#Sisterhood-isPower' community were established. To raise awareness around LGBTIQ+ topics the community 'Be You @Beiersdorf' was established in 2019. And the 'New Generation 50+', 'WEnited' and 'DAD.icated' networks bring together communities engaged in the topics of age, internationality and working fathers. All of these networks sponsor numerous high-impact and effective initiatives and activities.

What is the importance of the many partnerships that Beiersdorf supports as part of its D&I activities?

Misel Ahom: Partnering with external organizations, including other leading companies, networks and NGOs,

helps us to collectively advance our D&I agenda and enables us to more powerfully shape the impact of D&I both within and outside Beiersdorf. For example, being a member of the networks LEAD and BeyondGender-Agenda, which are both actively driving D&I, gives us a platform where we can exchange, share best practices, and partner with like-minded individuals and organizations that share similar ambitions. This ensures that we do not reinvent the wheel, but instead focus on where we can have the biggest collective impact. All members are working towards a common goal, contributing different perspectives and levels of expertise and experience. Bringing these together provides a strong catalyst for change. ●



25.9
Africa/Asia/
Australia

17.6
Americas

**Share of
Group
employees
by region
(in %)**

56.5
Europe

14
20-29 years old

30
30-39 years old

23
40-49 years old

**Age structure
Consumer
Business Segment
Germany
(in %)**

1
≤ 19 years old

8
≥ 60 years old

24
50-59 years old

Worldwide,
Beiersdorf employs
people from

102
countries



Growth by digitalization

Personalization
+
Experience
+
Data
=
Loyalty



Consumers' lives have become digital, and marketing and sales have been revolutionized in the process. Digital platforms and e-commerce are the new TV and supermarket in our digital age.



Thorsten Schapmann, Global Media Director (left) and Axel Adida, Chief Digital Officer

CHANGED CONSUMER BEHAVIOR

"Consumers have digitized their media consumption patterns enormously in recent years," says Axel Adida, Chief Digital Officer at Beiersdorf. "Digital platforms are increasingly part of their daily lives: search engines, social networks and gaming. In the USA, for example, consumers under the age of 65 already use digital media more frequently than traditional television. On average, social network users now spend 30 minutes a day on each major platform, such as Facebook, Instagram, YouTube or TikTok. And major social networks attract multibillion consumer audiences globally."

A similar digitization trend is evident in shopping: E-commerce has grown significantly to become a beauty and skin care destination, which is expected to continue its dynamic development in the coming years. "O+O+O" (Online, Offline, Omnichannel) is the new normal: Not only is online retail a channel in its own right, but it also complements classic offline retail, as consumers search before they buy. Here, omnichannel propositions have been widely adopted, such as click and collect, whereby consumers order online and pick up in-store.

Digital platforms, with their powerful algorithms, favor content that is most relevant to consumers' needs and wants. This is why Beiersdorf has relied on precision marketing: Sending the right message, to the



“

Consumers have digitized their media consumption patterns enormously in recent years. Digital platforms are increasingly part of their daily lives: Namely, Search engines, social networks and gaming.

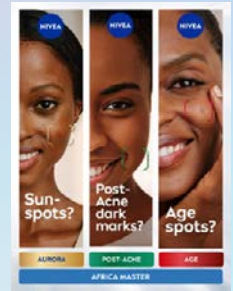
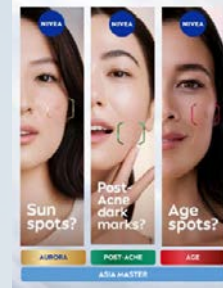
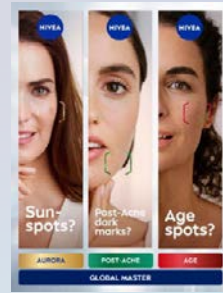
”

Axel Adida,
Chief Digital Officer

right people, at the right place and time. Beiersdorf’s campaign for the NIVEA LUMINOUS630® Anti-Dark Spot range exemplifies how digital channels enable greater relevance. Very different groups of people experience dark spots, for very different reasons: “We therefore develop different approaches for each target group and address the particular concerns of consumers in our precision marketing campaigns: From sun-induced dark spots, age spots, and pimple marks, to dark circles and hormone-related spots,” says Thorsten Schapmann, Global Media Director at Beiersdorf.

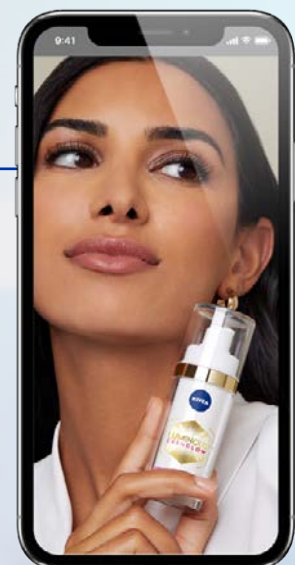
And because these consumers also vary widely in their communication behavior, the messages and tonality in our campaigns also vary, as do the means and media of communication.

DATA



SPECIFIC AND TARGETED APPROACH

Dark spots can be attributed to a wide range of factors. The most common of these include sun exposure, hormones and age. Therefore, attention is being drawn to the NIVEA LUMINOUS630® Anti-Dark Spot range with a precision marketing approach. This enables different groups of consumers and their particular needs to be specifically addressed.



PERSONALIZATION



"The key is to identify the composition of the different audiences and to address them as specifically as possible," Schapmann says. "And powerful digital technologies are crucial for this. By constantly testing new ideas and innovative advancements to optimize our approaches, we can give our consumers as many compelling customer experiences as possible."

Effective information and education campaigns

The information and education campaigns developed by Beiersdorf also utilize the benefits of precision marketing: "NIVEA is the No. 1 sun protection brand in Europe," says Schapmann. "So we not only have



“

By constantly testing new ideas and innovative advancements to optimize our approaches, we can give our consumers as many compelling customer experiences as possible.

”

**Thorsten Schapmann,
Global Media Director**

CAREFREE IN THE SUN

Beiersdorf has also been working with various cancer support organizations for years, to educate people about the harmful effects of the sun and proper skin protection. And it has been shown that the more accurately individual life situations are portrayed in these campaigns, the greater their visibility. This is why Beiersdorf also uses the precision marketing approach for information and education campaigns.

the know-how, but it is also important for us to educate people about skin and sun protection. To this end, we have collaborations in several European countries, for example with cancer support organizations, to educate people about how to protect themselves from harmful sun exposure.” In order to reach as many people as possible with an emotional and high-impact message, our campaigns are tailored to the different lifestyles, preferences and needs of each target group and presented in their preferred media. A family on vacation at the beach will therefore receive different communication content and formats than those who enjoy hiking, jogging, biking or skiing.

Growth through digital marketing

As the key figures obtained by Beiersdorf for various markets and regions clearly illustrate, precision marketing campaigns are many times more effective than conventional campaigns. In addition, the complete digitalization of communications makes it possible to measure the effects of campaigns in detail and to constantly optimize them in terms of cost and benefit. “We can very clearly demonstrate that precision marketing has played an important role in helping us to expand our market share in recent years and to manage our budget even more effectively,” says Schapmann. “As a result, we will make even more thorough and extensive use of digital marketing technologies in the future – and this will allow us to more precisely address the wants and needs of our consumers around the world.” ●





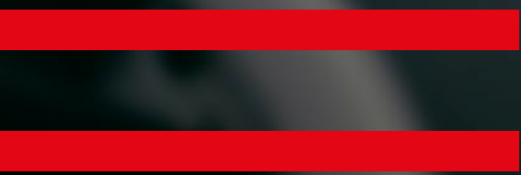
Growth by technology

Innovation + Reliability



tesa has been a leading global partner to the automotive industry for many years. The innovative adhesive solutions from tesa are not only exceptionally versatile, but they also help the industry to shape the mobility of the future.

SOLUTION



TRUE ALL-ROUNDERS

Adhesive tapes from tesa are true all-rounders: At home or in the office, their primary job is to fasten and hang, seal and insulate, repair and renovate. However, industry presents completely different requirements: There, adhesive tapes have to ensure that heavy components are bonded for decades, they need to conduct or shield from electricity, act as shock absorbers, aid light and heat management, be flame-retardant, be removable with no residue, and much more.

Ideas for the car of tomorrow

This explains why tesa creates around 100 new adhesive solutions every year - many of them for the automotive industry, which is rapidly advancing with new applications, particularly in the e-mobility segment. And this is because adhesive solutions are often lighter and cheaper than other fastening options. They also meet the highest standards in terms of appearance, safety and flexibility.

The team works with many international automotive manufacturers and their suppliers. There are now around 1,000 different adhesive solutions from tesa for industrial applications in the automotive sector on the market. And that number is steadily growing, since their many advantages help to turn concepts for the mobility of the future into a reality.

More freedom for displays and touchscreens

One example of this is in the increasing number of infotainment and assistance systems in cars: Acrylic foams from the tesa® ACX^{plus} range do more than eliminate the need for mechanical connections when mounting displays and touchscreens. They can also compensate for manufacturing tolerances of individual components and securely bond a wide variety of materials. And, despite their strong and durable adhesive strength, they can be easily removed, allowing electronic instrument panels to be replaced and recycled.

To ensure that the image quality of displays and touchscreens is not impaired, tesa has also developed optically clear adhesive tapes especially for the automotive industry: With these tapes, individual layers of a display device can be permanently and securely bonded without affecting brilliance and brightness. Integrated curved displays can also be easily adhered.



GLUED AND ASSEMBLED

A fully automated assembly line for battery packs gives the automotive industry everything it needs from a single source.

With the tesa® ACX^{plus} 76730 Box Seal, tesa adds a new flexible adhesive application that securely and completely seals battery packs, and enables touch-ups and removal of parts.

NO LIMITS TO DESIGN AND LAYOUT

Adhesive solutions from tesa eliminate the need for mechanical connections when mounting displays and touchscreens. The optically clear adhesive tapes also allow multiple layers of a display device to be bonded without affecting brilliance and brightness.



“
tesa has been a leading provider of adhesive solutions to the electronics industry for more than 15 years. We are building on this expertise to develop cutting-edge products for the automotive market in the field of displays and sensors, such as removable adhesive tapes that enable the repair and recycling of components, enabling our customers achieve greater sustainability. In addition, we see great potential and business growth in e-mobility: It opens up many exciting prospects for tesa.

”
David Caro, Corporate
Vice President
Automotive at tesa

Battery packs: fully automated assembly

Innovative adhesive solutions are also increasingly used in battery manufacturing – for assembly, insulation, thermal management, and protection. In cooperation with other partners, tesa recently launched a fully automated assembly line for battery packs, the tesa® ACX^{plus} 76730 Box Seal. This solution gives automotive manufacturers everything they need for bonding and assembling battery packs from a single source.

Thanks to its adaptability and flexibility, the adhesive solution developed by tesa can be applied to both battery packs with lids and battery packs mounted directly on the vehicle underbody. tesa® ACX^{plus} 76730 Box Seal achieves 100% sealing, requires no curing time, and enables easy-to-use, automated application. In addition, the innovative product allows the battery pack lid to be removed for touch-ups and enables easier recycling of battery systems.

Tapes that protect from corrosion

tesa has also developed a forward-looking solution for the automotive industry with the tesa® EfficienSeal automatic application unit. This is a fully automatic solution that uses adhesive pads to seal holes in the vehicle body. The holes required for the painting process are often still closed manually with plastic plugs to protect the vehicle body from corrosion.

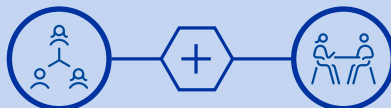
Not only does the system developed by tesa make this a much faster process, it also uses robots to position the adhesive pads with millimeter precision, sealing the holes completely and permanently. This prevents unhealthy and monotonous steps and significantly reduces the risk of missing or incorrectly inserted plugs. Another major advantage is that adhesive pads are much lighter than plastic plugs and thereby contribute to a lower overall vehicle weight.

All-rounders with a great future

The rise in e-mobility opens up a wide range of opportunities and prospects for tesa. This calls for new technologies and materials that do more than reduce a vehicle's weight and attach parts and components quickly, efficiently, and permanently. They also need to meet the new requirements resulting from an electric drive, such as bonding battery cells, fireproof lining battery packs, or insulating electronic components. Adhesive solutions can do all this and much more. Their status as all-rounders means that their importance in the automotive industry will continue to grow in the coming years. •

OUR MANAGEMENT TEAM





Leadership + Teamwork = Growth

Standing (from left to right):

Patrick Rasquinet
Pharmacy & Selective

Nicola D. Lafrentz
Human Resources

Grita Loeb sack
NIVEA

Harald Emberger
VP Supply Chain,
Quality Management

Ramon A. Mirt
Emerging Markets

Sitting (from left to right):

Oswald Barckhahn
Europe, USA & Canada

Vincent Warnery
CEO

Astrid Hermann
Finance, tesa

Dr. Gitta Neufang
VP Research &
Development

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 brand, which is also known under the name Elastoplast, Beiersdorf also has a global presence in the field of plasters and wound care. Renowned brands such as Aquaphor, Coppertone, Chantecaille, Labello, 8x4, arix, 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
美寿

tesa



- p. 42 Letter from the Chairman
- p. 45 Beiersdorf's Shares and Investor Relations
- p. 48 Report by the Supervisory Board

TO THE SHAREHOLDERS



Dear Shareholders, dear Readers,

The 2022 fiscal year was an excellent year for our company with a remarkable result: For the first time in at least two decades, Beiersdorf delivered double-digit organic sales growth. In fact, we even managed to grow more strongly in Consumer and tesa, our two business segments, than we had expected at the beginning of the fiscal year. Our outstanding performance is a clear indication that our C.A.R.E.+ strategy is working and that our brands remain as strong and relevant as ever, even in volatile times.

We are very proud of this excellent outcome and the profitable growth we have achieved, seeing as 2022 was also a challenging year in many respects. It was marked by the war in Ukraine, geopolitical upheaval, high inflation, and dramatic cost increases as well as numerous bottlenecks in the supply chain. It was a year full of uncertainty and multiple crises that presented us with major challenges in almost all parts of the company. Despite these adverse conditions, we were able to hold our own extremely well with our leading international brands such as NIVEA, Eucerin, La Prairie, Hansaplast, and tesa. We saw rising demand in all regions and were even able to expand our market share significantly.



Vincent Warnery, Chairman of the Executive Board

Profitable Growth: Significant Increase in Sales and Earnings

As a result, our Group sales climbed by 15.4% nominally to €8,799 million (previous year: €7,627 million) and by 10.2% organically. The operating result (EBIT), excluding special factors, increased from €993 million in 2021 to €1,158 million, resulting in the EBIT margin improving to 13.2% (previous year: 13.0%). Our positive business development in 2022 can also be seen in the performance of our share price in 2022. With growth of 18.6%, we outperformed both our national and international competitors.

The Consumer Business Segment generated strong sales revenue of €7,131 million in 2022 (previous year: €6,129 million). This represents a nominal increase of 16.3% and an organic increase of 10.5%. All regions and brands contributed to the double-digit growth. I am thrilled to announce that our Derma business with Eucerin and Aquaphor achieved a milestone with nominal sales revenue of over one billion euros for the first time. With organic sales growth of 23.9%, nominal sales rose to €1,026 million

(previous year: €790 million). This record-breaking accomplishment demonstrates the strength of our Derma business and the genuine value it provides to our consumers. The EBIT excluding special factors for the Consumer Business Segment climbed from €740 million to €880 million in 2022, resulting in an EBIT margin of 12.3% (previous year: 12.1%).

Following an already successful 2021 fiscal year, tesa again achieved strong sales revenue growth of €1,668 million in 2022 (previous year: €1,498 million) despite a difficult global market environment. This represents a nominal increase of 11.3% and an organic increase of 8.8%. 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 a considerable increase in sales. Electronics and automotive in particular continued to show clearly positive sales trends. The EBIT excluding special factors for the tesa Business Segment increased to a total of €278 million (previous year: €253 million), resulting in an EBIT margin of 16.7% (previous year: 16.9%).

Outperforming the Industry

In 2022, we put a great deal of effort into realizing our sustainability goals as part of our CARE BEYOND SKIN sustainability agenda. That is why we are proud and delighted to have been awarded a triple-A rating by the renowned nonprofit organization CDP – a remarkable achievement in our sustainability journey! Out of over 15,000 companies, we are one of only 13 companies worldwide to have triple-A scores for target setting, performance, and transparency in climate change, deforestation, and water security. We have made great efforts around the globe over the past years to drive the transformation of our business. CDP's triple-A rating is a tribute to our efforts to become a leader in our industry for environmental sustainability, not only in setting ambitious targets but also in taking action and being transparent.

We are also pushing ahead with our digital transformation. Our investments in recent years are paying off, especially in our e-commerce business. Over the past fiscal year, we have seen significant growth of 17% in e-commerce, positioning us among the top performers in our industry. This growth is particularly noteworthy as it continues to outpace the growth of offline sales, with e-commerce growing nearly twice as fast. This trend highlights the growing importance of e-commerce for our company and our continued success in the digital marketplace.

Strengthening Our Market Positions

In 2022, after years of successful collaboration, we acquired a majority stake in S-Biomedic, a life science company and frontrunner in the field of skin microbiome research. With this acquisition, we are strengthening our expertise in the field of acne treatment and increasing our innovative strength in line with our C.A.R.E.+ strategy. We are excited to join forces in the dynamic and promising field of skin microbiome research. We tapped further growth potential by launching Eucerin Sun products in the United States, the world's largest sun care market. Furthermore, we significantly expanded our portfolio in the prestige cosmetics segment and strengthened our market positions in the United States, China, and Korea substantially by acquiring Chantecaille Beaute Inc. in the United States. We believe the brand has great potential and wish to grow Chantecaille into a leading premium beauty care company.

As previously announced, we introduced a new operating model for our core brand NIVEA that has already proven successful in marketing our Derma, Health Care, and Luxury brands. We intend to develop and implement campaigns that are fewer, but better and bigger for our many products that are part of the NIVEA brand. The goal is to bring greater clarity and consistency to our messaging and brand identities. We initiated this approach last year and are committed to implementing it at full speed this year.

Focusing on Further Long-Term Growth

2023 marks a special year for Beiersdorf's home as we will be moving into our new Group headquarters in Hamburg. We are creating the Beiersdorf Campus at this location, a working environment that is forward-looking while simultaneously reflecting the unique and rich history of our company and brands. With its sustainable and timeless architecture, the new campus lays the foundation for further growth and also places the focus on the well-being of our employees.

The well-being of our employees is extremely important to us, not least because the past few years in particular – years marked by much uncertainty and crisis – have revealed just how passionate and loyal our employees are in their efforts and undertakings. We are extremely grateful to them for this exceptional level of dedication and for their high degree of flexibility. We are proud to be able to work with such motivated and skilled people.

We would also like to thank you, our shareholders, for your trust, your loyalty, and your critical support.

Even though fiscal 2023 will continue to be dominated by a great deal of market upheaval and uncertainty, I am convinced of our ability to continue driving profitable growth and delivering value to our stakeholders and consumers. Our strong performance of 2022 has set the foundation for an exciting future, and I am eager to see what the next year will bring.

Sincerely,



Vincent Warnery

Chairman of the Executive Board

Beiersdorf's Shares and Investor Relations

In 2022, the capital markets were dominated by inflation and the interest rate policy of the central banks. While at the beginning of the year, expectations had been for an economic recovery as life returned to normal after the pandemic, the Russia-Ukraine conflict very quickly overshadowed these positive developments. The war triggered shortages and price rises in the commodity markets, which had already been trading at a high level, and especially the energy sector. Signs of recession mounted both in Europe, which was highly dependent on the Russian energy sector, and in the United States, and the inflation rate rose significantly in the second half of the year. To tackle this development, the central banks shifted away from their low interest rate policy and hiked rates sharply in the United States and Europe. In this process, further rate hikes were already signaled for 2023.

In many parts of the world, the pandemic played a dominant role again in 2022. The Chinese economy, for example, was hit hard, as the strict implementation of the zero-Covid policy led to abrupt, large-scale lockdowns that temporarily imposed considerable restrictions on both goods production and public freedom. Toward the end of the year, the Chinese government distanced itself from its previous policy, and a stabilization of the economic situation in the current year is anticipated.

Oil and gas prices in 2022 reflected developments on the commodity markets: both commodities saw their prices rise significantly as a result of the Russian invasion. Particularly in Europe, gas prices hit historic highs, with deliveries from Russia to the European Union coming to a standstill. The situation on the oil and gas markets eased somewhat toward the end of the year and prices began to fall, though they remained at a high level. The development of the US dollar against the euro also reflected the difficult situation in Europe. While the euro was still the significantly stronger currency at the start of the year, the situation reversed in mid-2022. After reaching parity at the end of the first half of the year, the US dollar continued to appreciate further and was worth more than the euro during the fall. It was Europe and the euro that then benefited most from the slight easing on the energy markets toward the end of the year.

Beiersdorf's shares defied this difficult market environment and outperformed the market on the back of strong operating results. Early in the year, the share price fell like the market as a whole to a temporary low shortly after the Russian invasion began. However, consumers' desire to return to normality after the pandemic was strong, and demand rose significantly in mobility and tourism categories such as deodorants and lip and sun care. In addition, Beiersdorf's higher investments in the face care area increasingly paid off and lifted demand over the course of the year. Higher sales, market share, and profitability subsequently led to an upgraded outlook for the year in the quarterly and half-year publications. Beiersdorf's share price rose to just under €100 at mid-2022 and closed the year at €107.20. This was 18.6% higher than the year-end closing price for 2021 and gave us a top ranking compared with our competitors and the DAX40.

The strong shares performance during 2022 also meant that Beiersdorf AG returned to the DAX in June and established its presence in the middle of the index.

In the reporting year, the Annual General Meeting of Beiersdorf AG took place in a virtual format for the third time at the Group's headquarters in Hamburg. For the first time in our corporate history, this event was not only accessible to shareholders but available for the general public to watch. Around 500 viewers participated in this way in the meeting on April 14, 2022.

Capital market communication was clearly focused on macroeconomic developments: It covered the implications of the Russia-Ukraine conflict, higher commodity prices, and concerns about recession, as well as topics such as the regional impacts of the pandemic. 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.

In 2022, Beiersdorf held its first Capital Markets Day, inviting numerous analysts and investors to Hamburg to better get to know the Beiersdorf management team. As well as detailed strategic insights at brand level, the Executive Board also presented the medium-term outlook with profitable growth in the Consumer Business Segment. Analysts and investors could also discover how Beiersdorf's new management is successfully implementing the C.A.R.E.+ strategy and driving transformation in the company.

Around 25 financial analysts published regular research notes on Beiersdorf in the reporting year. The number of buy recommendations rose constantly over the course of 2022. 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

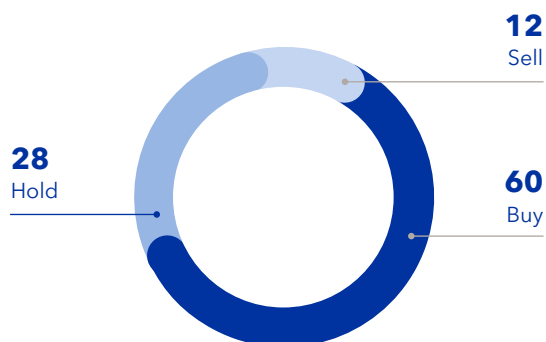
www.beiersdorf.com/shares

For more information on Investor Relations please visit

www.beiersdorf.com/investors

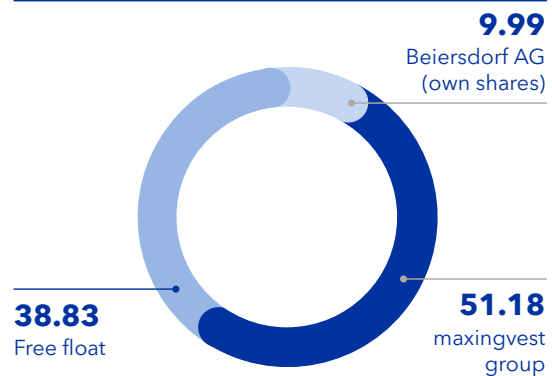
Analyst recommendations

As of Dec. 31, 2022



Shareholder structure

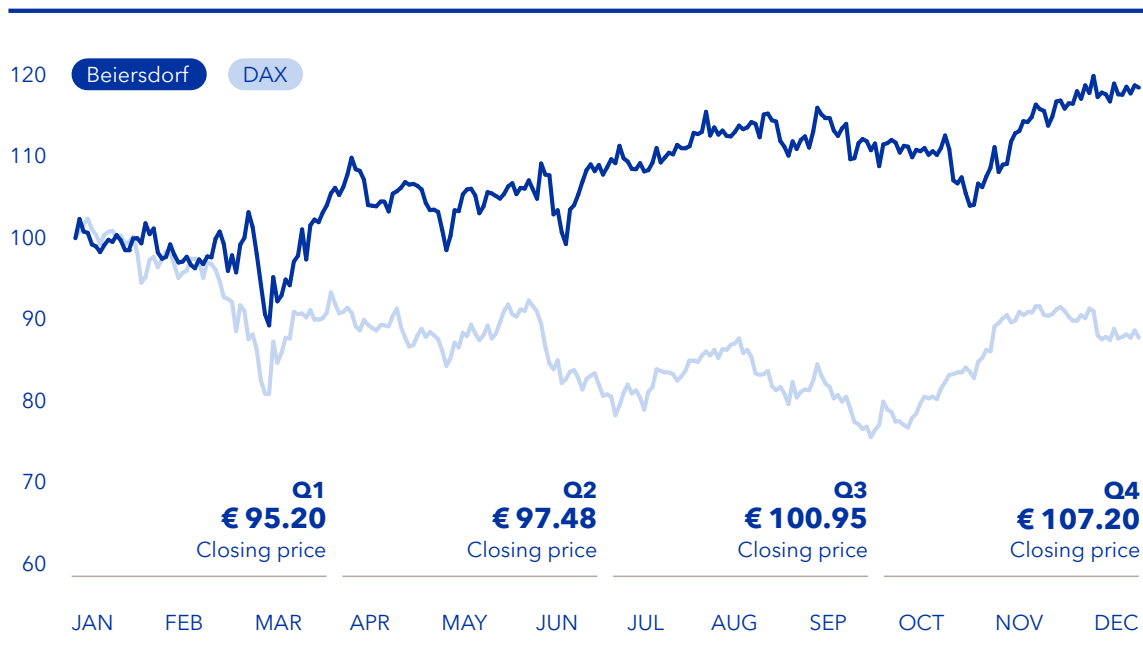
As of Dec. 31, 2022 (in %)



Source: Beiersdorf AG

Beiersdorf's share price performance 2022

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



Key figures - Shares

		2021	2022
Earnings per share as of Dec. 31	(in €)	2.81	3.33
Market capitalization as of Dec. 31	(in € million)	22,776	27,014
Closing price as of Dec. 31	(in €)	90.38	107.20
Closing high for the year	(in €)	106.95	108.50
Closing low for the year	(in €)	81.90	80.64

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. Meetings were held face-to-face and via video and conference calls. Some members participated in face-to-face meetings by video or telephone.

The participation rate in meetings was 94.4% for the full Board, 95.8% for the Presiding Committee, 97.7% for the Audit Committee, 100% for the Finance Committee, and 77.8% for the Personnel Committee. The participation rates for the individual members who did not participate in every meeting were as follows: 5/6 full Board meetings for Hong Chow, Wolfgang Herz, Dr. Dr. Christine Martel, and Kirstin Weiland; 5/6 Presiding Committee meetings for Wolfgang Herz; 8/9 Audit Committee meetings for Dr. Dr. Christine Martel; and 1/3 Personnel Committee meetings for Reinhard Pöllath and Kirstin Weiland. There were no indications of any conflicts of interest relating to Executive Board or Supervisory Board members. Martin Hansson stepped down from his post effective July 31, 2022. The court appointed Uta Kemmerich-Keil as his successor.

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. A secure digital platform is available for drafts, documents, and comments.

At the beginning of 2023, the Supervisory Board began planning another efficiency audit to be conducted during the course of the year.

Full Supervisory Board

The Supervisory Board met six times (three face-to-face meetings and three video/conference calls). In two cases, the Supervisory Board adopted written resolutions. The meetings regularly addressed strategic orientation, business developments, interim financial statements, compliance, Executive Board matters, and significant individual transactions. Proposals for decision 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 Executive Board matters, strategic orientation, and investment projects. The meetings at the end of the year concentrated on planning for the following year, investment projects, and strategic orientation.

On **February 4, 2022**, the Supervisory Board discussed the achievement of the Executive Board targets for fiscal year 2021 and set the total remuneration for Executive Board members. After intensive discussion, it also approved the newly prepared remuneration report for 2021.

On **February 22, 2022**, the Supervisory Board had an in-depth discussion on the development of the business and market shares. The Executive Board gave a detailed presentation of the business

segments and regions. It reported at length on its strategy for expanding digital marketing and e-commerce in the coming years and on the development and integration of the Chantecaille business, which was acquired in early February. 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 the 2021 fiscal year. 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 2021. After an explanation of the changes versus the previous virtual meetings, it approved the agenda and proposals for decision for the online Annual General Meeting on April 14, 2022.

On **April 14, 2022**, the Supervisory Board first discussed the content and processes of the Annual General Meeting, prior to that meeting's commencement. The Executive Board and management then gave a detailed presentation about the new China strategy. When its meeting resumed after the Annual General Meeting, the Supervisory Board looked at current business developments. The Executive Board gave a detailed presentation on the development of sales and market share in various product categories and brands. The Supervisory Board also discussed current challenges due to the continuing COVID-19 pandemic and in the supply chain. It decided on the audit engagement to be issued in accordance with the resolution of the Annual General Meeting.

On **April 28, 2022**, Nicola Lafrentz was appointed as an Executive Board member effective May 1, 2022. The Supervisory Board also discussed the precautions being taken by the company around current risks relating to energy and other factors.

On **September 2, 2022**, the Supervisory Board discussed business developments using reports on selected topics from the Executive Board's areas of responsibility. The discussion focused on the key financial figures, the success of Thiamidol, and the development of the sun care business. The tesa SE Executive Board also reported on business performance. In addition, the Supervisory Board looked at the development of smaller brands and a report on sustainability. It adopted resolutions on investment projects, the successor to Mr. Hansson in the post of Deputy Chairman and member of multiple committees, and the audit engagement for the 2022 non-financial report.

On **December 2, 2022**, the Supervisory Board discussed the Group's business performance up to the end of October 2022 using the key financial figures and development of market share by region, brand, and category, as well as looking ahead to the 2022 annual financial statements. The Executive Board also reported on individual aspects of the C.A.R.E.+ strategy and on the strategy for digitalization and e-commerce. The Supervisory Board approved the corporate planning for 2023, adopted the Declaration of Compliance with the German Corporate Governance Code for fiscal year 2022, set the targets and the target total remuneration for the members of the Executive Board for fiscal year 2023 and confirmed its appropriateness. Finally, the Supervisory Board approved the holding of another virtual Annual General Meeting in 2023.

In **February 2023**, the Supervisory Board discussed the achievement of the targets set for the Executive Board for the 2022 fiscal year, determined the total remuneration, and substantiated annual targets. It approved the annual and consolidated financial statements, along with the associated reports, and approved the proposals for decision for the Annual General Meeting on April 13, 2023.

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 and Nomination Committee** did not meet in fiscal year 2022.

The **Presiding Committee** (six meetings, of which one was face-to-face and five were by video or conference call) discussed business performance, Executive Board remuneration, and other Executive Board matters along with individual important transactions and investment plans. It prepared and followed up on the meetings of the full Supervisory Board.

The **Audit Committee** (nine meetings, of which four were face-to-face and five 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 2022, 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, the upcoming invitation to tender for auditing services, and the scope of non-audit services provided by the auditor.

The **Finance Committee** (five meetings, of which three were face-to-face and two by video or conference call) addressed, in particular, investments and the investment strategy. It received regular reports on the investment projects. Other topics were compliance, crisis management, and the *Lieferkettensorgfaltspflichtengesetz* (German Supply Chain Due Diligence Act). In one case, the Finance Committee adopted a resolution by written procedure.

The **Personnel Committee** (three meetings, of which two were face-to-face and one was by video or conference call) discussed the long-term planning of appointments to positions in and beneath the Executive Board. It welcomed measures on diversity and inclusion and heard comprehensive reports at each meeting on the progress achieved, based on key performance indicators. Other focus areas were new work environments and the preparation of the qualification matrix on the skills and expertise of the Supervisory Board, which is required under the German Corporate Governance Code.

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 **2022 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 *Aktienengesetz* (German Stock Corporation Act, *AktG*)) required due to the majority interest held by maxingvest ag, 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 2022 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 21, 2023, 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, 2022; 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.

The Supervisory Board would like to thank everyone who made 2022 a successful year for Beiersdorf. Employees and business partners impressed Beiersdorf's discerning consumers with hard work and dependability, and above all with innovation and sustainability in skin care and adhesives. The support and constructive criticism of its consumers continues to future-proof Beiersdorf for all shareholders, even amid the ongoing challenges.

Hamburg, February 21, 2023

For the Supervisory Board



Reinhard Pöllath

Chairman



p. 54 FOUNDATION OF THE GROUP

- p. 54 Business and Strategy
- p. 60 Research and Development
- p. 72 People at Beiersdorf
- p. 87 Sustainability

p. 88 NON-FINANCIAL STATEMENT

p. 137 ECONOMIC REPORT

- p. 137 Economic Environment
- p. 140 Results of Operations
- p. 150 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. 164 Report on Expected Developments

p. 167 OTHER DISCLOSURES

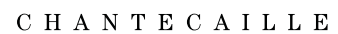
- p. 167 Corporate Governance Statement
- p. 184 Report by the Executive Board on Dealings among Group Companies
- p. 184 Disclosures relating to Takeover Law
- p. 187 Report on Gender Equality and Equal Pay



COMBINED MANAGEMENT REPORT

C.A.R.E.+

COMPETITIVE + SUSTAINABLE + GROWTH



STRENGTHEN OUR BRANDS BY ENRICHING THEIR PURPOSE

GROWTH DRIVERS



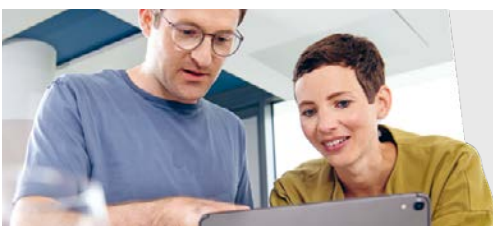
FAST FORWARD
DIGITAL TRANSFORMATION



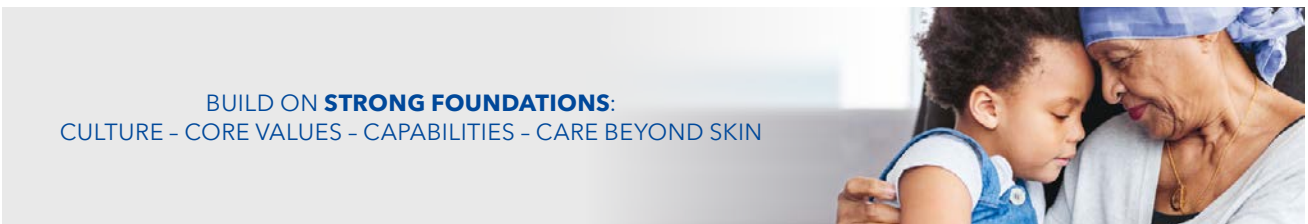
WIN WITH
SKIN CARE



UNLOCK
WHITE SPOT POTENTIAL



FUEL THE GROWTH THROUGH
INCREASED PRODUCTIVITY



BUILD ON **STRONG FOUNDATIONS:**
CULTURE - CORE VALUES - CAPABILITIES - CARE BEYOND SKIN

Foundation of the Group

Business and Strategy

With a strong, global brand portfolio, Beiersdorf has developed into one of the world's leading companies in the consumer goods industry over the past 140 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 market-leading positions and 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 strong 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 skin care since 1882. This is our core competency - and we want to deliver added value for our consumers in this area and 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:

- Strengthen our brands by enriching their purpose
- 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 achieved major steps in implementing our C.A.R.E.+ strategy in the reporting year. Below, we briefly introduce the most important progress.

Strengthen our brands with purpose

Brand purpose has become increasingly important in recent years, as today's consumers are interested in more than just product performance. They want to know what a brand stands for and what it is committed to. Our iconic NIVEA, Eucerin, and Hansaplast brands have already been living and communicating their brand purposes for several years now. NIVEA stands for "Care for Human Touch to Inspire Togetherness." With the purpose "WE BELIEVE IN THE LIFE-CHANGING POWER OF DERMATOLOGICAL SKINCARE", we express that Eucerin is committed to sustainably improving people's quality of life - with dermocosmetic solutions for very individual skin problems.

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

Our Hansaplast brand, which celebrated its 100th anniversary in 2022, promises consumers, “We’ve got you covered. For a life uninterrupted.”

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. Our e-commerce business is constantly growing with every year. We also want to engage more strategically with our consumers and fulfill their individual wishes. This means being with them in the digital spaces they already use and sending the right message at the right time. We again invested in digital approaches on a large scale in the reporting year, particularly on our social media channels, and stepped up personalized communication with consumers using precision marketing, including through partnerships with influencers and providers of digital technologies such as MikMak, Google, and Amazon. This way, we want to be close to our target groups, build trust, and improve the effectiveness of our marketing activities.

In addition to our marketing activities and investments in the e-commerce business, we implemented a series of initiatives in 2022 to further accelerate the digital transformation within Beiersdorf. These also form part of our “Digital Fast Forward” strategic program – our vision for 2025 to digitalize our business and improve our consumers’ lives in a lasting way. Examples of these initiatives include our use of artificial intelligence (AI), for example in the rapid development of effective, sustainable, and safe formulas, and our large-scale digital skin research study SKINLY. These topics are presented in more detail in the “Research and Development” section. Digitalization is increasingly finding its way into other areas, too. Examples are provided in the “People at Beiersdorf” section under “Digital transformation.” To accelerate the digital transformation as a whole, we are also committed to investing in our employees’ digital skills. We offer employees a range of ways to keep pace with the rapid changes in technology.

Win with skin care

Our strategic focus “Win with skin care” is another essential element of our success. We want to bring key innovations with genuine added value to the market by developing fewer but bigger and better innovations and implementing global campaigns. This means that, in future, innovations and campaigns will generally take place in all markets relevant for us. In the reporting year, we also began taking NIVEA, our world-leading skin care brand, to the next level. We aim to make NIVEA an even more global, digital, and sustainable brand that excites our consumers all around the world. A good example of the NIVEA potential is the LUMINOUS630® Anti-Dark Spot face care range introduced in 2020, which has since become a global success story and growth driver.

Further progress on our “Win with skin care” strategic objective in the reporting year came from our sustainability commitment. By enhancing existing, particularly popular products, we have made the skin care routines of millions of people around the world more sustainable and achieved a contribution to climate protection. For example, we have improved the composition of our classic NIVEA Soft to reduce the formula-based carbon footprint by up to 40% (compared to the previous formula). Additionally, we bring the product to market with a vegan (without animal derived ingredients), 98% biodegradable (according to OECD or equivalent methods) formula. In addition, we balanced the remaining emissions through certified climate protection projects, thereby “climate-neutralizing”² the product. We have also achieved an improved environmental performance by relaunching the packaging for NIVEA shower care products. The range, which has an improved formula since 2021, is now available in a lightweight bottle made from at least 96% recycled plastic and 20% less material than before. This has enabled a 32% reduction in packaging-related CO₂ emissions. Beiersdorf is playing a leading role in the sector in terms of its target setting, performance, and transparency on climate change, forests, and water security. At the end of the reporting year, the non-profit organization

² More information on www.nivea.com/climate.

Carbon Disclosure Project (CDP) awarded Beiersdorf a top score and, as one of only 13 companies worldwide, a place on its "Triple-A list."

We want to win with skin care while also unlocking growth potential. The acquisition of Chantecaille Beaute Inc. in February 2022 has brought us a step closer to this goal. We see Chantecaille as an ideal addition to Beiersdorf's premium skin care range. Whereas La Prairie is positioned as a luxury brand, the globally represented Chantecaille brand serves consumers looking for prestige cosmetics and is therefore aimed at a wider target group.

With the acquisition of S-Biomedic, a life sciences company, which is active in the field of skin microbiome research, Beiersdorf also strengthened its expertise in the field of acne treatment in the reporting year. Further information can be found in the chapter "Research and Development."

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 "white spots" – markets and business areas where we are not yet present or would like to further expand our presence. In 2022, for example, we entered the world's largest sun care market, the United States, with Eucerin Sun products. With our Chantecaille brand, we want to further accelerate our growth in the prestige cosmetics segment on the North American and Asian markets – and here especially in China.

With the recent launch of La Prairie on the Chinese online platform JD.com, we were also able to tap further growth potential for our e-commerce business in this strategically important market. For several years now, we have been operating with our core brands on China's largest cross-border platform TMall, from Alibaba. Both JD.com and TMall offer us great potential for substantial growth in China.

Both our global production and logistics network and our innovation network form an important basis for future growth potential. The ultra-modern innovation center in New Jersey, USA, which opened in the reporting year, is our first global center of excellence for sun care products outside Hamburg. By developing Eucerin Sun products specially tailored to US regulations and sharpening the Coppertone range, the innovation center will contribute to the growth of our business in this region. We anticipate similar growth impetus in China from the innovation center we opened in Shanghai in 2020.

Fuel the growth through increased productivity

We firmly believe that investment is a prerequisite for growth and innovation. At the same time, we strive to constantly improve our Group's efficiency through strict cost discipline and a focused, lean organization. This is essential to fueling growth through increased productivity, one of the key pillars of our C.A.R.E.+ strategy.

Various measures taken in the reporting year helped us further increase the efficiency, agility, and resilience of our supply chain, allowing us to respond even better to the changing circumstances. At global level, we invested, for example, in expanding our production plants in Poland and Mexico. For us, new production lines and modern technology are the basis for future growth. We are investing almost €200 million to expand our production site in Poland. After completion of the expansion in Mexico in 2024, Beiersdorf Manufacturing Mexico (BMM) will be one of Beiersdorf's three largest production sites.

We have invested heavily in Leipzig, too, in order to create a future-proof, ultra-modern supply chain infrastructure for Central Europe. Almost €300 million are going into the construction of our new production plant, which is due to begin operation in 2023. Up to 450 million cosmetics products will roll off the production line at the 32,000 m² plant every year, including deodorants and shaving

foams for the entire European market and for export further afield. There will be scope to expand capacity further in future depending on market and business development. In close proximity to the new plant, a state-of-the-art hub for the European supply chain network is being created by 2027 with an investment volume of over €200 million. We are striving for the highest sustainability standards in all production buildings. The aim for the new production plants and extensions is to achieve gold certification under the widely recognized rating system for sustainable buildings, LEED (Leadership in Energy and Environmental Design).

We also achieved an important climate protection milestone in January 2022 with our Berlin plant, Beiersdorf Manufacturing Berlin (BMB). Since the start of the reporting year, this has been the first plant in Beiersdorf's production network to achieve virtually climate-neutral operation in terms of Scope 1 and 2 emissions. To enable this, it has switched from natural gas, a fossil fuel, to biomethane. Only parts of the vehicle fleet and the emergency power supply (1%) continue to run on fossil fuels. These residual emissions are offset using high-quality CO₂ certificates.

Building on our strong foundations:

Culture – Core Values – Capabilities – Care Beyond Skin³

Our employees are our most important capital. They make a decisive contribution to our commercial success and noticeably shape our unique corporate culture with its qualities such as openness, trust, honesty, and respect. This culture is underpinned by our Core Values of Care, Simplicity, Courage, and Trust. These values ensure that we act as a team and support each other – always with the aim of fulfilling our consumers' needs and wishes to the best of our ability and meeting 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. By acting in a way that recognizes our social responsibility, for example with emergency aid in crisis situations or through the diverse initiatives of our sustainability agenda, we aim to bring this purpose to life. Detailed information about our sustainability agenda can be found in the Non-financial Statement.

We initiated a change in our corporate culture in the reporting year with the "Behavior Activation Journey," in order to integrate behaviors into our day-to-day work that play an important role in our success. Under the banner "Speak Up," we at Beiersdorf want to promote a culture in which employees have the courage to question things and to form and openly share their own opinions. "Prioritization" is about setting the right priorities that will better enable us to implement fewer yet bigger and better innovations in the future. "Mental health" is also one of the main drivers behind this focal point, as setting the right priorities is intended to reduce employees' workload and encourage them to better set and respect their personal boundaries. More details on this can be found in the "People at Beiersdorf" chapter under "Leadership."

Beiersdorf has also been driving the transformation to the new world of work for several years now. This, too, is part of a comprehensive cultural shift designed to make both the company and its employees fit for the challenges of the future. From hybrid or flexible working to modern workplaces, Beiersdorf is committed to actively shaping the future world of work. And we are bringing our employees with us on this journey. We invest continuously in training our workforce in the firm belief that the skills and expertise of our employees are essential to our sustainable growth and long-term success. We are becoming a learning organization with our global learning strategy, which encourages self-directed, lifelong learning by all, preparing everyone for the working world of the future. Further information can be found in the "People at Beiersdorf" chapter.

³ This section of the Combined Management Report is not subject to audit requirements.

tesa

tesa SE (referred to in the following as “tesa”) is one of the world’s leading manufacturers of self-adhesive products and system solutions for industrial customers and 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 61 tesa affiliates (previous year: 61), employs 4,982 people and operates in more than 100 countries.

In fiscal year 2022, tesa sold tesa Labtec GmbH, Germany. In addition, tesa ME FZE, Dubai, has been launched in the United Arab Emirates. The number of affiliates thus remains unchanged.

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 Singapore are among tesa’s largest and most strategically important single companies. tesa has production facilities in Europe (Germany and Italy), the Americas (USA), and Asia (China). A further site is being built in Vietnam. The company headquarters, which include the research and technology center, are located in Norderstedt, near Hamburg.

Industry

In the Industry division, tesa supplies specialized 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 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 online 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, which can be obtained 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 growth⁴ 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."

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.

⁴ For the definition of organic sales growth refer to Significant Accounting Policies ("Notes to the Segment Reporting").

Research and Development

Research and development is particularly important for an innovation-driven company like Beiersdorf. It is not just the key to our success but part of our corporate DNA.

Trend-setting technologies, sustainable concepts, and digitalization opportunities are essential to Beiersdorf, and we continuously embrace and encourage them. We regularly evaluate our research and development program and define clear focus areas for each business segment:

- In the Consumer Business Segment, Beiersdorf develops innovative, high-quality skin care products. We use these to respond to our consumers' wishes, taking into account regional characteristics and important topics such as sustainability.
- 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-conserving production processes are always at the forefront of our work, in addition to being able to respond flexibly to current demands and market trends - always with the aim of making the workflows of our customers around the globe even better and more environmentally friendly.

As of December 31, 2022, 1,591 people were employed in research and development at Beiersdorf worldwide (previous year: 1,530). Of this total, 1,007 (previous year: 978) worked in the Consumer Business Segment and 584 (previous year: 552) 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 €291 million, up 8.3% on the previous year (€268 million). In the Consumer Business Segment, Beiersdorf invested €216 million (+6.8%) and in the tesa Business Segment €75 million (+12.9%) in research and development over the past year.

Consumer

Excellence in Skin Care Research

Beiersdorf has always excelled in skin research. It drives our strength in innovation and boosts our competitiveness. By deciphering the complex processes of the skin, developing effective active ingredients, and making use of the latest technologies, we are always developing new innovations and products that clearly align with consumers' wishes. We want to create skin care products that touch people's lives all around the world.

Our intensive, application-oriented research not only helps us continuously expand our deep understanding of the human skin - it opens up many opportunities in the highly dynamic field of skin biology and, consequently, is an important focus of our work. In the reporting year, we focused on the following areas of research among others:

- A significant part of our research work for almost 40 years has been developing modern, **non-animal-based methods to assess safety**. We use these to provide evidence of the safety of our ingredients and products. As in the past years, in fiscal year 2022, we continued our intensive collaboration with the worldwide community of safety scientists - especially the Long Range Science Strategy (LRSS) Consortium of Cosmetics Europe, whose program came to an end halfway through the reporting year. As a founding member of the new body International Collaboration on Cosmetics Safety (ICCS), we work with other companies, associations, and NGOs with the goal of promoting 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 to further develop innovation work in the modern era of animal-free research. In our view, the Next Generation Risk Assessment (NGRA) is exposure-led and hypothesis-driven and is based on combining data from *in silico*, *in chemico*, and *in vitro* methods (the new approach methodologies – NAM). Toxicokinetics, with the application of the ADME methods (absorption, distribution, metabolism and elimination), plays an important role for us in enabling a reliable risk assessment. The ADME methods examine how active ingredients enter the body and in what quantities they are found in different body areas. A large number of ADME tools are being developed and used alongside PBPK (physiologically based pharmacokinetic) modeling, forming an important component of next-generation risk assessment. In a presentation at the ESTIV Congress 2022 (Congress of the European Society of Toxicology In Vitro), we highlighted the essential role of modern ADME methods as the next generation of safety assessment, for example for UV filters and preservative agents. We also discussed the use of ADME methods, especially metabolism and PBPK modeling, for assessing the body's potential internal threshold of toxicological concern (iTTC).

- **Protection against sun-related skin damage** is a major research focus for Beiersdorf. Our skin scientists research the sun's impact on the skin and use the findings to develop pioneering solutions and products for sun-related skin indications. We continued this work in the reporting year. One example of our research activities in this area was a unique cosmetic sun care product that a research team developed specially for a girl with the rare photosensitivity disease EPP (erythropoietic protoporphyria). In this condition, caused by a rare gene defect, the blue light in sunlight causes the formation of free radicals in the skin – a chemical process associated with severe pain. Previous research findings on high-energy visible light showed that the girl needed cosmetic sun protection containing special light-diffusing pigments. These prevent light from penetrating the skin. The protection specially developed by the Beiersdorf researchers enable the girl to come into contact with sunlight for short periods. It cannot cure the disease but helps to improve her quality of life. The cosmetic sunscreen was especially developed for the girl and her individual skin needs, and thus is not part of the Beiersdorf product portfolio or available for sale. We have also achieved progress in our collaboration with the ALT-SPF consortium, which aims to establish sun protection tests that are less invasive, more reliable, and more precise. Various partners, including Beiersdorf, have provided their own samples, which have been blinded by an independent institute and are currently being tested by various laboratories, including our own in Hamburg and New Jersey. The complete test results will be available in the course of 2023.
- In the field of skin research, we continued our work on our patented active ingredient against hyperpigmentation, **Thiamidol**, during the reporting year. We released the results in another scientific publication. Working with the Department of Dermatology at the Côte d'Azur University in Nice, France, we conducted a randomized, double-blind, controlled clinical study on participants with a darker complexion. This tested the efficacy and tolerability of a skin care regimen with Thiamidol over 24 weeks compared with a vehicle control. We performed this long-term study in Mauritius due to the hot, tropical weather conditions there. A continuous improvement in hyperpigmentation spots on the face was observed throughout the entire duration of the study. The results show that the treatment is highly effective and well tolerated even under demanding climatic conditions for cosmetics.
- Our scientists also continued our research on the **coenzyme Q10**. Their efforts helped us achieve important new findings on this coenzyme, which occurs naturally in the body, and its role in the skin aging process. In cooperation with scientists from the Hamburg-based research center DESY (Deutsches Elektronen-Synchrotron), the University of Hamburg, and the Fraunhofer Institute for Applied Polymer Research (IAP), we succeeded in the reporting year in visualizing for the first time the cellular uptake of the coenzyme Q10 and its pathway within the skin cells. We were thus able to

provide visual evidence that Q10 is absorbed by every single cell. The key element of this research breakthrough was the use of the XRF method (X-ray fluorescence spectroscopy). This is based on the principle of X-ray fluorescence analysis – an imaging method from materials analysis that is generally used to examine solid samples and reveal what is hidden within them. The findings offer considerable potential for further scientific applications in global Q10 research, for example in cancer therapy, and beyond Q10 skin research. Given its importance, the research was evaluated by independent scientists and published in a renowned journal in order to make it accessible to other research groups. In May 2022, Beiersdorf also welcomed renowned international Q10 researchers to the skin research center in Hamburg as part of the 10th Conference of the International Coenzyme Q10 Association (ICQA). Here, they discussed new findings on topics such as Q10 biosynthesis, aging and metabolism, skin care, and dietary supplements, and underscored the continued importance of Q10 research.

- In 2022, we again stepped up our work in **microbiome research**, which examines the complex communities of microorganisms (e.g. bacteria) in ecosystems such as the skin. We continue to play an important role in this field. In cooperation with the universities in Hamburg and with Aarhus University in Denmark, we succeeded in exploring the complex ecosystem even more closely in order to develop new cosmetic approaches and formulas that work in harmony with the skin's natural processes. In the course of this work, we have developed a new methodology that we patented in the reporting year and are using successfully. This allows scientists to more precisely examine selected bacterial strains – always keeping in mind that the composition and balance of all the microbes living on the skin is pivotal to our skin health. In particular, the researchers gained new insights into the relationship between staphylococci and cutibacteria. These two types of bacteria interact with each other and coexist peacefully in a healthy skin microbiome. If the microbiome becomes unbalanced, this can trigger skin disorders such as acne or eczemas. The results will help us develop new microbiome-based care products, particularly for acne sufferers. We published the main findings of our research work in the reporting year in three academic publications. In addition, at the end of the fiscal year, we announced the acquisition of the Belgian life sciences company S-Biomedic. The company, in which we already invested in 2018 as part of our corporate venture activities, is considered a pioneer in the field of skin microbiome research. S-Biomedic will continue to be managed as a standalone entity under Beiersdorf's existing microbiome program. It will complement the Group's own research activities in this field and therefore strengthen our innovative capacity.

We use **global patents** to protect our intellectual property and the results of our intensive research activities. At the end of the reporting year, our global patent portfolio included some 1,500 active patents (previous year: approximately 1,800). Worldwide, we filed around 50 new patent applications during the reporting year (previous year: 64). As of December 31, 2022, approximately 600 patents were in the ongoing grant procedure (previous year: 900).

Transformation of the F&E organization

We restructured the F&E organization effective June 1 of the reporting year. With the new structure, we want to make the organization fit for the future and respond even better to changing circumstances and consumer expectations as part of the company-wide transformation process. The aim is to focus on fewer innovations but achieve more impact with them (FEWER, BIGGER, BETTER) and bring them to market faster. The move is also designed to enable people to work together in a more integrated way, to learn from each other, and make greater use of synergy effects – between the headquarters, innovation centers, and development laboratories as well as other functions within the organization. The model is built on four pillars: Breakthrough Innovations, Grow the Core, One Global R&D, and Sustainability. The new organizational model follows the three-part strategy Explore, Enable, Exploit. Explore teams work on the early stages of developing innovations – they bring together consumers' wishes with our expertise in skin. Enabling teams are task with easing the transition from idea to product by developing new methods and testing the efficacy of our products. Exploit teams concentrate on product relaunches or additions to the product portfolio for our core

innovations such as Q10. Their role is also to take breakthrough innovations such as Thiamidol or W630 and ready them for the market. This involves efficiently guiding them through the Integrated Innovation Management (IIM) process.

Collaboration promotes innovative strength

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 innovative strength and speed up development of skin care for the future. A large number of research institutes, universities, start-ups, independent scientists, and suppliers belonged to our global collaboration network in the reporting year.

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

In addition to this network, Beiersdorf has also had a seat on the Foundation Council of the DESY research center in Hamburg since mid-2022. This not only gives us valuable insights into the latest interdisciplinary, wide-ranging research projects of the DESY research center and partner research institutes - it also allows us to continue to help shape the creation of start-up innovation centers in Hamburg.

In June 2022, staff from the F&E start-up scouting team initiated the Joint Corporate Start-up Pitch Day on Sustainability together with our long-standing partner and 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. Fifteen start-ups from various countries were chosen from more than 100 applicants to present their technologies and business models in detail at the event and to jointly evaluate opportunities for partnership. The companies chosen work primarily in sustainable biotechnology, green chemistry, sustainable packaging, and digital solutions.

We also agreed a special partnership in 2022 with the South Korean supplier COSMECCA KOREA. The South Korean cosmetics industry is considered highly innovative. "K Beauty" is the source of numerous product trends that later find their way into the skin care routines of many Europeans. COSMECCA's aim is to set trends by reflecting consumers' needs and collaborating with global partners. The joint launch of a Eucerin product in the East Asian market is an early example of this strong teamwork.

Strong research network

Beiersdorf's research and development has a global presence. Our global research network strengthens our business and makes a substantial contribution to our success. The largest site in our global research and development network is our skin research center in Hamburg, Germany, where we employed 738 (previous year: 741) researchers and developers as of December 31, 2022. Here, we essentially carry out important application-oriented research. This research is helping us to better understand the skin's own (metabolic) processes and, based on this knowledge, to develop new products that meet people's needs - for example with new active ingredients or with the aid of new technologies, such as artificial intelligence. The new "Early Innovation" department we created in 2021 is also helping us to boost our innovative strength and increase public recognition of Beiersdorf as a leading innovator in skin care. The 19-member department (previous year: 16 employees) aims to drive a cross-brand, cross-category long-term innovation roadmap with strong innovation stories. The team acts as a catalyst between all the specialist disciplines that are involved in the innovation

process. One specific measure in the reporting year was the holding of the first Innovation Fair, an internal event focused on current innovation projects that promotes inspiration, dialogue, and strategic discussion.

Since product quality, safety, and compatibility have top priority for Beiersdorf, newly developed products are tested thoroughly by external experts and in Beiersdorf's own test center within the skin research center before being launched on the market. In the reporting period, in Hamburg alone, we carried out 350 studies with 8,000 participants (previous year: 330 studies with 8,500 participants). Externally, in 2022, we conducted another 1,320 studies with 32,000 participants (previous year: 1,300 studies with 33,500 participants).

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

Our **innovation center in Shanghai, China**, which opened in July 2020 and is the second largest site in our research network at 7,500 m², set three strategic priorities for 2022: digitalization, a faster pace in development, and sustainability. In digitalization, the aim was to integrate artificial intelligence and automation into our work processes, for example with the introduction of the new NIVEA MEN Oil Control range of products. Use of AI and a computer simulation tool minimized risks in the design phase and enabled faster, smoother development and introduction of the packaging. Procuring the world's first desktop injection molding machine for a packaging prototyping lab enabled us to speed up the creation of prototypes using 3D printing within the lab. Using artificial intelligence allows us to better predict long-term stability and considerably reduce the number of test batches required. Our innovation center in Shanghai also recorded another success in 2022 with the introduction of the first 100% food safe PCR HDPE bottles in the NIVEA MEN Oil Control range and of 100% food safe PCR PET bottles for the launch of the NIVEA MEN Sensitive Pro shaving foam. Sustainability is growing in importance for consumers in northeast Asia, too. By implementing the global Beiersdorf sustainability agenda and reducing the use of PCR materials by more than 1,100% compared with 2021, Beiersdorf is meeting the needs of many consumers in Asia.

Further new product launches developed specially for the Asian market in the reporting year can be found in the "Product highlights" section.

Our ultra-modern **innovation center in Florham Park, New Jersey, USA**, continued its intensive clinical research in 2022 along with the development of local product innovations for the NIVEA, Eucerin, Aquaphor, and Coppertone brands for the North American market. Among other features, the site has a special sensor technology laboratory for increased interaction with consumers and works closely together with the development laboratory in Hamburg, Germany, in the area of sun-screen innovations. Eucerin Sun expanded into the United States in the reporting year with a total of seven sun care products. This is the largest sun care market in the world. With its range of sun care products that cater to individual skin indications and are also good to the skin, Beiersdorf has filled a "white spot" in the North American market. Sun protection products are subject to special regulations in the USA, which meant it was not possible to simply replicate the existing global Eucerin Sun products. Our researchers at the innovation center in New Jersey developed new formulas based on five anti-oxidants and other ingredients. With these, we not only comply with the legal requirements but also want to meet the needs of the consumers. Further information on product innovations at the Copper-tone and Aquaphor brands can be found in the section "Product highlights."

Digitalization and Artificial Intelligence

Topics such as artificial intelligence (AI) and digitalization are becoming increasingly important in the field of skin research. Beiersdorf was among those driving research activities and progress in these areas in recent months, as indicated by the examples above. In 2022, we continued our AI-based global skin study SKINLY. 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 by means of digital tools - a special measurement device (including a moisture sensor and three different light sources) and a complementary app - and send details about their individual skin properties, in other words, skin age, wrinkle depth, skin tone, complexion, and impurities, as well as information about sleep, nutrition, special skin features, menstrual cycle, and climatic conditions, up to twice per day. The results help us to better understand our consumers and their skin as well as the impact of external factors. With machine learning based on artificial intelligence, the unique ecosystem created for the study learns something new with every measurement.

More than 16,000 consumers aged between 18 and 80+ from various countries have already taken part since the end of 2019. Over 600 million data points and more than 80 million high-quality skin images have been measured and generated. 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.

During the reporting year, we also used artificial intelligence to develop and optimize formulas. The AI technology and platform provided by our partner Uncountable enabled us to process complex data volumes faster and, as a consequence, to identify new, more sustainable formulas more efficiently. In addition to this, we began using a formulation robot to develop formulas in the reporting year. This allows us to efficiently study process parameters on a small scale to give our formulas a more sustainable upscaling process. Automation and artificial intelligence are equally important when it comes to researching and developing future efficacy tests on test subjects. This has been shown by our collaboration with the Technical University of Applied Sciences Wildau, which began during the reporting year. Together, we developed a robotics system for automated in vivo measurements to obtain a greater quality and quantity of data. The first feasibility studies have already taken place successfully.

We see enormous potential in artificial intelligence and will therefore continue to utilize its benefits for us in the future and, hence, expand digitalization in research.

R&D sustainability pledge¹

Continuous development of innovative, high quality skin care products over the last 140 years is what has made us one of the world's leading skin care companies. Our claim has always been to continuously bring new innovations to market that offer our consumers added value and best fulfill their needs. One aspect that has become increasingly important to consumers in recent years is the environmental compatibility of our products. This applies equally to product formulas and packaging, both of which we optimize each year, as a matter of conviction, in line with the four sustainability principles: "avoid, reduce, reuse, recycle." That means, for example, that we use ingredients with lower emissions, reduce volumes of materials or waste, integrate recycled materials, and use alternatives to petroleum-based plastics. In this context, we formulated our own claim in our R&D sustainability pledge in 2021. Accordingly, we want to achieve maximum product effect with as few ingredients as possible and, wherever feasible, use sustainable, biodegradable and/or renewable raw materials and packaging. Many of our product highlights demonstrate the progress we are achieving here. These include the new, more climate-friendly NIVEA Soft formula we introduced to the market in the reporting year. The relaunch of the new NIVEA shower care range in 2022 was

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

another important step on the way to more climate-friendly products. The products are introduced in more detail in the section "Product highlights."

In relation to our product packaging, we announced our Plastic Pledge 2025 back in 2019. With this pledge, we plan to increase the share of recycled material in our European plastic packaging to 30% by 2025 and to use recycled materials and a reduction in packaging weight to cut the consumption of new petroleum-based plastic by 50%. Boosting the circular economy is also a top priority for us and is specifically supported. The circular economy involves repeatedly reusing materials without consuming extra new resources. In all our sustainability efforts, we are working with partners throughout the value chain to achieve significant change and drive the transformation forward. We are also involved in various cross-industry bodies, for example to further improve plastics sorting and define a plastic standard for the use of recycled plastic.

A specific example in the packaging context is the "Design4Circularity" initiative in partnership with Clariant, Siegwirk, and Borealis. This aims to bring together different specialist knowledge so as to jointly develop consumer packaging based on 100% post-consumer recycle (PCR) for cosmetics applications and to create a new industrial standard for genuine recycled packaging. The initiative recently presented its first result: a colorless polyolefin bottle with 100% PCR content, full body-sleeved in a printed deinkable shrink sleeve. All the materials for the NIVEA prototype are technically fully recyclable and can be recovered and used for the same high-value application.

To tap into further new potential for sustainable innovations and the circular economy, Beiersdorf also invested in two venture capital funds for the first time in the reporting year. The partnerships with Emerald Technology Ventures and Revent give us access to many promising founders and innovative start-ups that are creating environmentally friendly technologies and sustainable business models. Emerald Technology Ventures, for example, pre-evaluates start-ups, whom we can then cooperate with and invest in directly. All the start-ups belonging to this fund bring a wealth of global experience that complements our own expertise. We see great potential in both investments to boost our open innovation activities in relation to packaging and the sustainable transformation. This will make an important contribution to achieving our ambitious sustainability goals.

Product highlights²

The development of skin care innovations is our core competency and an important building block for our long-term business success. Our well-stocked innovation pipeline is based on our strong culture of innovation, which has always been a part of research and development at Beiersdorf. By continuously introducing innovative skin care products, we also aim to respond to the needs and wishes of our consumers as closely as possible and offer them added value. We do not limit our search for innovations to cosmetic formulas - a significant part of our work also involves developing innovative, sustainable product packaging and taking into account the increasing digitalization in the industry.

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

- The new **NIVEA CELLULAR Expert Lift range** is based on a highly effective combination of pure bakuchiol, which in vitro tests show, works like a collagen booster, and two different types of hyaluronic acid. The products define contours, firm the skin, and soften even deep wrinkles - for a toned appearance. The new range comprises **NIVEA CELLULAR Expert Lift Anti-Age Day Cream SPF 30**, **NIVEA CELLULAR Expert Lift Anti-Age Night Cream**, and the **NIVEA CELLULAR Expert Lift Sculpting Facial Sheet Mask**.
- We also strengthened the **NIVEA Essentials Face Care range** in the reporting year with 19 revised products. The day products - which come with a choice of sun protection factor 15 or 30 - and

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

night products all come with the NIVEA Moisture Care Complex, which is in many countries trademarked. They deliver long-lasting moisture, and the formulas are vegan, meaning they contain no animal-derived ingredients. Special attention was paid to environmental compatibility: In line with our sustainability agenda, the formulas are free from microplastics and use exclusively biodegradable polymers. In addition, the tubes are 89% and the jars and boxes 100% recyclable.

- The new **NIVEA Derma Skin Clear face cleansing range** cleanses and improves the condition of blemished skin. The vegan-friendly, mild formulas contain no-animal derived ingredients, use a highly effective combination of salicylic acid and niacinamide in the daytime product and salicylic acid, niacinamide, and glycolic acid in the overnight product. This acid complex with exfoliating properties supports the skin's natural renewal process to significantly reduce and prevent the reappearance of skin blemishes. The effective new range comprises the **NIVEA Derma Skin Clear Wash Gel**, **NIVEA Derma Skin Clear Toner**, **NIVEA Derma Skin Clear Anti-Blemish Scrub**, and **NIVEA Derma Skin Clear Chemical Exfoliator**.
- With the new **NIVEA SUN LUMINOUS630® Dark Spot Control Fluid SPF 50**, we added another UV Face product variant to our sun care range in 2022. The formula with the ingredient LUMINOUS630® is particularly effective against sun-induced dark spots and offers immediate protection against short- and long-term skin damage from UVA/UVB rays and from sun-induced premature skin aging. The sun cream's light, non-greasy texture refreshes the skin and leaves a smooth skin feeling.
- We also improved the sustainability of our bestselling **NIVEA Soft** in the reporting year. The product is now based on an enhanced, more sustainable formula. Enriched with vitamin E and 100% natural jojoba oil, it provides even better skin hydration. The new product contains 95% natural ingredients. The formula is vegan (contains no-animal derived ingredients) and 98% biodegradable (according to OECD or equivalent methods). The carbon footprint of NIVEA Soft has been reduced by up to 40% in terms of ingredients compared to the previous formula. The moisturizing cream is suitable for all skin types as a face cream, foundation, and all-body product. It gives the skin a healthy, radiant appearance.
- The relaunch of the new **NIVEA shower gel range** in 2022 was another important step on the way to more climate-friendly products: The new formulas with vitamins and oils protect the skin, are free from microplastics, and 99% biodegradable (according to OECD or equivalent methods). The bottles (excluding cap and label) are made from at least 96% recycled plastic and are up to 26% lighter than before, cutting packaging-related CO₂ emissions by 32%. The products are now 100% climate-neutralized and make a positive contribution to our Climate Care mission as part of our CARE BEYOND SKIN sustainability agenda. More information can be found at www.nivea.com/sustainability.
- With the new **NIVEA Deo Sticks**, we established another sustainable innovation in the market during the reporting year. With the help of a new, patented technology, we have been able to use emulsion technology for a solid anti-transpirant stick. This enables us to market silicone-free deodorant sticks with an overall smaller carbon footprint. In addition to the new formula, the new sticks come in a more lightweight, modern packaging that uses 23%/ml less material.
- In June 2022, we launched the **NIVEA MEN "Climate Care Moisturizer"**, an innovative, climate-neutralized³ product that makes us the first skin-care manufacturer to obtain and use an ingredient from recycled carbon dioxide: cosmetic ethanol. As a key ingredient, ethanol contributes to a refreshing skin feeling. In addition, the formula is skin-soothing and moisturizes the skin.
- Following the successful launch of the **Eucerin DERMOPURE Triple Effect Serum** on the market for post-acne marks in 2021, we relaunched further products with our patented

³ www.nivea.co.uk/about-us/climate-neutrality

anti-pigment ingredient Thiamidol: Our product range **Eucerin Hyaluron-Filler + Elasticity** and **Eucerin Anti-Pigment Skin Perfecting Serum**. Our relaunched range **Eucerin Hyaluron-Filler + Elasticity** softens deep wrinkles and age spots and improves the skin's elasticity and radiance. The innovative blend of both high and low molecular hyaluronic acid visibly plumps deep wrinkles from within, while the powerful combination of arctiin and creatine (collagen-elastin complex) stimulates collagen production and increases skin elasticity. The inclusion of Thiamidol visibly softens age spots after just two weeks. The **Eucerin Anti-Pigment Skin Perfecting Serum** moisturizes the skin with a combination of hyaluronic acid and glycerin. The patented ingredient Thiamidol visibly reduces dark spots and helps prevent their recurrence - for an even, radiant complexion.

- We launched a total of three sun care innovations with a tint effect in 2022 to add to the Eucerin Sun range. The **Eucerin Oil Control Tinted Face Sun Gel-Creme SPF 50+** protects oily and acne-prone skin from sun-related damage and offers 12-hour oil and shine control plus color pigments for an even skin tone. Enriched with hyaluronic acid, the formula of the new **Eucerin Photoaging Control Tinted Face Sun Gel-Creme SPF 50+** helps to reduce the first signs of skin aging caused by HEVIS, while the color pigments promote a unified complexion. With the new **Eucerin Pigment Control Tinted Face Sun Gel-Creme SPF 50+**, we also launched a high-quality facial sunscreen for all skin types during the reporting year. The formula helps to effectively reduce sun-related hyperpigmentation and, with regular use, prevent its recurrence. With this product, too, the color pigments promote an even skin tone. All three products combine UVA/UVB filters for very high UV protection as well as licochalcone A to neutralize the free radicals caused by UV and high-energy visible light.
- With **GREEN & PROTECT**, we introduced the first climate-neutralized⁴ plaster to the product range under the brands Hansaplast, Elastoplast and CURITAS. All key aspects of the GREEN & PROTECT plasters in terms of sustainability were optimized, combining it with their well-known product performance and reliable wound protection. The wound pad and backing are made from naturally derived fibers and, just as the release liner, from wood types taken from FSC®-certified forests only. Additionally, the plaster packaging is unbleached, 93% recycled and has the lowest weight possible for the material used.
- Under our luxury brand **La Prairie**, we launched the new **White Caviar Essence Extraordinaire** in 2022, a transformative gel-to-water essence. The silky, opalescent lotion glides on to begin its exceptional work. It instantly hydrates for a smoother, more reflective surface and provides a refreshing sensation. Enriched with encapsulated Lumidose™, the extraordinary illuminating molecule, it targets age spots and dullness making the skin feel more hydrated and plumped.
- Another new launch was the **La Prairie Pure Gold Radiance Nocturnal Balm** with the exclusive Pure Gold Diffusion System™, a rich balm that supports the skin's nighttime regeneration process and provides the skin with energy to restore its luminosity. The Pure Gold Diffusion System™ delivers a three-peak action sequence to the skin. First comes the immediate deposition of gold on the skin's surface to offer instant radiance. An intense infusion of replenishing ingredients follows. Finally, a steady release of the replenishing ingredients linked to the gold particles deposited on the skin's surface completes the sequence. Overnight, the skin is optimally cared for and pampered.
- The third innovation from **La Prairie** is the launch of the **Skin Caviar Harmony L'Extrait**. The packaging of Skin Caviar Harmony L'Extrait follows the codes of the Bauhaus movement. A cobalt blue glass vial encapsulates the formula deep within. Upon application, micro-fluidic beads delicately melt into a surrounding gel, transforming into a light extract. Facial contours appear resculpted and skin appears lifted in the long-term with continued use.

⁴ www.beiersdorf.com/newsroom/press-releases/all-press-releases/2022/02/08-beiersdorf-strengthens-climate-engagement

- The **Sheer Glow Rose Face Tint** from **Chantecaille®** combines skin care with make-up. The combination brings together the best of both worlds: a high-quality formula including plant-based anti-aging ingredients and peptides, which supply the skin with moisture while the rose tint creates a gentle shimmering glow. The product can also be mixed with a moisturizing cream or foundation for a subtle rosy blush.

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

- The new **NIVEA Radiant & Beauty product range** was specially developed for consumers with melanin-rich skin and has been tested on this skin type. The products are the result of extensive studies with around 9,000 participants in Sub-Saharan Africa and in Brazil. The formulas contain five vitamins and various oils.
- Reflecting the trend for premium products on the Chinese market, May 2022 saw the release of the **NIVEA Pro Sensitive Amino Acid face cleansing gel**, the first premium face care range. The product is available in either a pump dispenser or tube and comes with an appealing packaging and mild formula.
- Also developed for the Chinese market was the new **Doukou** body care range, which went on sale in July of the reporting year. Its packaging, product colors, and digital add-ons cater to the young Asian target group. The products reached the number two spot in the Tmall sales charts within four weeks of going on sale.
- Eucerin launched its first Asia-exclusive product in the reporting year with the **Eucerin Even Radiance range**. The range is tailored to the strong regional demand for skin-brightening products and the resulting care needs. Alongside moisturizing creams, it includes an eye cream, a sheet mask, and ampoules.
- The **Eucerin Sun products** introduced on the US market were another product highlight of the reporting year. A total of seven sun products arrived on the market in the first quarter. They included two dermocosmetic sun protection products for the face – for oily and acne-prone skin or for anti-aging – and five whole-body products – with options for dry or sensitive skin. Five anti-oxidants, the special 5 AOX Shield complex, and other special ingredients defend against free radicals and make the skin feel healthy.
- With the **Aquaphor Healing Balm Sticks**, we launched another (OTC) innovation on the US market in the reporting year: The products come in a choice of baby or adult version and provide effective skin protection for healing and immediate relief from irritation in a practical, easy-to-apply stick. We developed the balm formula with our strategic partner Weckerle. The new Weckerle production center in California was audited and put into operation as part of the project and is now available for new ODM projects with a US focus.

tesa

Product and technology development⁵

Tapes replace screws and welding

As in previous reporting years, tesa further expanded the technologies for structural bonding in 2022. This could replace even high-strength joining methods such as screws, rivets, and welding.

tesa developed further new products that cure at low temperatures. These are particularly advantageous for electronic devices. Major customers of tesa could be supplied with new prototypes whose curing mechanisms are precisely tailored to the specific manufacturing processes. The technology is

⁵ This section of the Combined Management Report is not subject to audit requirements.

particularly well proven for joining components to make mobile phone cases, where it provides ideal protection for the sensitive electronic components and reduces the surface area needed for adhesion.

Sustainable product and technology concepts

Technology development has been consistently aligned with the sustainability strategy (see tesa sustainability report⁶), resulting in a multitude of new products with excellent sustainability.

For the distribution business, tesa has developed prototypes of new bio-based adhesive tapes for packaging. This technology was recently even transferred to superior masking tapes that have both a bio-based carrier and adhesive. For the mobile devices segment, which is technically challenging for adhesives, product solutions whose individual components are made entirely from post-consumer recycled polyester were developed. These also contain largely bio-based carbon. The tapes perform to the same high level as our petroleum-based products. Further projects have been launched to replace petroleum-based components in adhesive tapes. At the tesa Hamburg site, a manufacturing process for adhesive mass polymers using bio-based materials was implemented. These will make a major contribution on the way to climate-neutral production.

To enable tesa customers to manufacture recyclable products, new technology concepts for separating adhesives were developed so that the individual components can be reused when required. First customers were provided with prototypes of the various technologies in the electronics business, and some designs have already been used in product development projects. The technology portfolio is also set to be expanded to cover new applications. The first feasibility studies have been initiated to test further technologies for separating an adhesive bond, and patent applications have already been submitted. The first prototypes have also been developed for the automotive sector. These were well received by global innovation leaders and met the high demands of automotive vehicles for temperature resistance, bonding strength, and longevity.

Further development of solvent-free technologies

tesa continued to develop solvent-free coating technologies in 2022 and consistently aligned their development goals with the sustainability strategy. The ability to use our technology for extrusion of adhesive masses was extended to thinner coatings, which were previously the preserve of solvent coating technology. In future, this will enable us to serve new markets and applications with solvent-free products. By replicating the processes in data-based models, quantitative proof of the positive impact on the energy balance could be obtained. These models will also make it possible to simulate future products.

The technology of water-based adhesive masses to replace solvent systems has also been further enhanced and transferred to new areas of use. These include complex masking applications, new prototypes for cable bandaging, and, in particular, the isolation of battery cells. tesa reduced the carbon footprint of an adhesive mass by 80% by working with external partners to use new bio-based materials.

Technologies for displays and glazing

During the reporting period, tesa supplied major customers with numerous new prototypes for foldable and rollable displays for future generations of mobile phones. These highly flexible display tapes have a precisely configured mechanical behavior to withstand the complex movements and stresses in the devices.

tesa has also developed new prototypes that have performed well in tests by global automotive manufacturers. Integrating multiple functions such as light and heat management also meets the demands on the latest generation of displays, which need to work reliably despite rapid and dramatic changes in the vehicle's environment.

⁶ www.tesa.com/en/about-tesa/sustainability/sustainability-report

Digitalization

Global innovation leaders in the automotive and electronics industries are increasingly digitalizing their development processes. This also requires the provision of digital data for the adhesive solutions used. tesa therefore drove further digitalization of product and technology development during the reporting period. For example, digital twins for many products were created. These enable tesa customers themselves to directly simulate the mechanical behavior of the adhesive in their specific application under different temperature conditions and stresses. This cuts development time and minimizes material consumption, while also allowing the products' performance to be improved.

To streamline, accelerate, and refine internal tasks for developing formulations and processes, digitalization was also used, to meet customer-specific requirements even better. This involves the use of artificial intelligence and simulation.

Developments for the energy transition

A new focus of our product and technology development is on solutions for the energy transition. This relates to fuel cells, energy savings, and e-mobility, for example. For the manufacture of modern fuel cells, functional films were developed that enable the fuel cells to be assembled particularly quickly and efficiently. This development was also transferred to pilot-scale production, enabling us to supply customers with prototypes. A first prototype of a multilayer film was recently successfully tested for retrofitting windowpanes. The films allow the amount of light and heat that a window lets through to be controlled at the push of a button, thereby reducing room heating in summer and cutting the energy consumption of air conditioning systems.

For e-mobility, tesa developed new technologies and prototypes that allow particularly efficient and secure bonding and protection of battery components. For the different requirements of global innovation leaders in the automotive sector. Examples included reversible adhesion for lids on battery housings and high-strength bonding of the battery cells themselves.

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

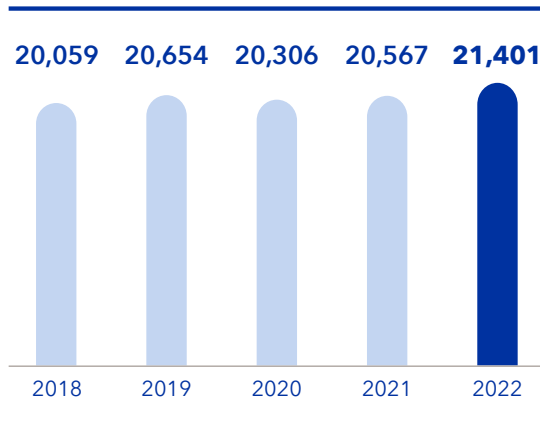
People at Beiersdorf¹

Beiersdorf's business success is largely based on our employees' dedication and professional expertise. It is thanks to them that our brands and products are appreciated and purchased all over the world. At the same time, we offer our employees an attractive working environment and the opportunity to develop both personally and professionally, to showcase their individual talents, and to systematically acquire skills for the future.

As of December 31, 2022, Beiersdorf had a total of 21,401 employees worldwide, an increase of 4.1% compared with the previous year (20,567). Of this total 6,676 (previous year: 6,593) were employed in Germany, corresponding to a share of 31% (previous year: 32%). A total of 16,419 people worked in the Consumer Business Segment (previous year: 15,740) and 4,982 at tesa (previous year: 4,827).

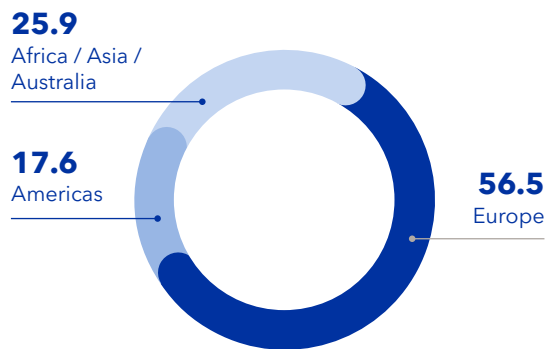
Group Employees

as of Dec. 31, 2022



Group Employees by Region

(in %)



Consumer

Working in the new reality - Human Resources in 2022

The demands that HR departments have to meet are becoming increasingly complex. They need to juggle a variety of topics at the same time while simultaneously helping shape the digital transformation. The increasing demand for skilled workers and the war for talent pose further challenges, and the hybrid, modern working environment requires a high degree of flexibility and openness to new ideas. In recent years, our HR department has adapted to the changing conditions, particularly in the wake of the coronavirus pandemic, and we are convinced that a culture of mutual trust, openness to agile forms of collaboration, and a willingness to embrace continuous development and digitalization lay a solid foundation that enables us to keep pace with change and provide employees with the best possible support during the process of change. Investing in the future of HR work, as we are systematically doing within the scope of our C.A.R.E.+ strategy, helps us align our HR work with the requirements of the future and further improve our workplace culture. We believe the top priorities here are topics such as the learning organization, new work, digitalization, and strategies to promote diversity and inclusion (D&I).

Corporate culture

Our employees value Beiersdorf's unique corporate culture, which is based on openness, trust, and an appreciation for cultural diversity and internationalism. We also foster a working environment that

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

values teamwork and mutual respect. We believe it is important to strengthen the emotional bond between people and the company and to support employees at all levels in ensuring that they are always able to cope with the increasingly complex working environment. Our global employee survey “teampulse” has once again revealed the high level of identification with our purpose Care Beyond Skin, and the belief in our four core values: Care, Simplicity, Courage, and Trust. At the same time, we initiated a change in our corporate culture in the reporting year with the “Behavior Activation Journey,” in order to integrate behaviors into our day-to-day work that play an important role in our success. For more information, please refer to the “Leadership” section.

Attractive employer and engagement

Employee engagement is one of our top priorities, and in this age of working from home and hybrid work, this is truer than ever. 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. The aim of these surveys is to promote ongoing dialogue between managers and their teams, address improvement measures, and give employees the opportunity to actively help shape their future working environment.

In the fourth quarter of the reporting year, we once again conducted our well-known “teampulse” engagement survey worldwide. It gives us a quick and straightforward way of directly “taking the pulse” and focusing our attention on issues that are important to our employees around the world. To ensure that the results can be compared with those of the previous year, the survey is based on the same core questions. This year, we added some new questions to take global trends as well as feedback from last year into account. They covered the topics of leadership, strategy and transformation, and culture and purpose, but also “softer” aspects such as diversity and inclusion (D&I), employees’ inner drive, and resilience and wellbeing. As in the previous year, a total of 89% of employees responded to our “teampulse” survey. This once again demonstrates our employees’ strong desire to share feedback. Confirming the results of previous years, the Beiersdorf culture, meaningful work, and the belief in our four Core Values (Care, Simplicity, Courage, and Trust) again met with a high level of approval at the respective affiliates in this reporting year. In addition, the results indicate that our global D&I activities are perceived as credible, for example through the majority of participants indicating that the company’s management visibly demonstrates its commitment to diversity. In addition to the answers in the standardized questionnaire, the management team also received more than 22,200 comments with detailed feedback. This feedback serves as a basis for the respective teams worldwide to enter into dialogue and jointly shape the future working environment at Beiersdorf. The feedback from the survey is discussed year after year in order to subsequently develop and implement ideas and measures at the team level. In addition, survey results that reveal a consistent need for improvements internationally will serve as a basis for initiating changes and measures at the global level as well.

Participation in decision-making and company success

Participation in decision-making and company success as well as transparency and engaging in a dialogue as equals are key factors essential to successfully creating a positive corporate culture at Beiersdorf and are intended to increase our attractiveness as an employer. In addition, the increasing share of employees in hybrid working arrangements at Beiersdorf is further accelerating the use of digital solutions in internal communication. Digital and hybrid town hall meetings and works assemblies, as well as numerous online events with opportunities for dialogue, were once again among the traditional measures used to get all employees around the world engaged and involved in the reporting year. The aim is to strengthen the bond between management and staff and above all the bond between the employees themselves, and to promote a sense of team spirit.

The close involvement of employee representatives is also part of our corporate culture. Working with them in a constructive atmosphere of trust enables us to make and implement important and sometimes difficult decisions together. This was true once again in fiscal year 2022. The European Dialogue, which brings together Beiersdorf's employee representatives from across Europe, continued its work in 2022.

Another aspect of participation relates to the issue of flexible working locations, which, since December 1, 2020, has been governed by a collective agreement for Beiersdorf AG, Beiersdorf Customer Supply GmbH, and Beiersdorf Shared Services GmbH. More on this topic, which is also relevant to the management of employees, can be found in the following "Leadership" section.

Employee participation in the Campus project (the new building for the Group headquarters in Hamburg) also continued in 2022. Virtual tours and on-site visits enabled staff to see the progress for themselves in small groups. The regularly held Campus Kickstarter Sessions helped interested employees learn about tools to establish a (hybrid) team culture or improve their collaboration and share ideas about the Campus project.

Participation is also the aim of numerous diversity and inclusion activities, which are described at the end of this section. These include the Beiersdorf gender parity ambition and our D&I strategy for more diversity in management positions.

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. During the reporting year, we already began to work on further refining our understanding of leadership. In 2023, we want to introduce our new "Leadership Commitment" as a pilot project in this context. In preparation for this, we already conducted numerous interviews with managers during the past year. The global rollout of the "Leadership Commitment" is planned for 2024.

To support change processes at Beiersdorf, we want to integrate behaviors into our day-to-day workplace culture that are important to our success. That is why, in October of the reporting year, we launched a "Behavior Activation Journey" - a program designed to help all employees worldwide change their behavior. Through the "Speak Up" lever, we want to foster a culture in which employees feel comfortable having their own opinions, expressing them openly, and questioning things. In this way, we aim to leverage the potential of different perspectives among our workforce. Since the beginning of November, activities have focused on activating the "Speak Up" lever. Starting in the first quarter of 2023, we will also focus on a second important lever: "Prioritization." To instill these behaviors in all employees worldwide, managers worldwide were offered interactive training sessions. It is the responsibility of managers to bring about a fundamental cultural change, to exemplify the right behaviors, and to serve as role models. A comprehensive activation toolkit and customized e-learning sessions for employees are supposed to help bringing the Behavior Activation Journey to life.

Beiersdorf has been relying on what is known as the "Development & Potential Process" since 2021 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. This approach is intended to identify talented individuals with leadership potential at an early stage, giving them the opportunity to quickly gain relevant experience and develop their personal skills. To identify an employee's potential, we employ 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 improving the quality of the process. By providing training to managers, we want to enhance their ability to correctly assess individual potential and implement appropriate development measures.

Our explicit goal is to fill the majority of management positions with talented people from within our own ranks. We prepare future managers for this new role through various measures and programs. In fiscal year 2022, 100% of positions at the first management level (previous year: 100%) and 89% at the second management level (previous year: 88%) were awarded to internal candidates.

To support change processes, we also established three new management programs at the beginning of the fiscal year. They all address the topic of leading/dealing with change and aim to prepare and train our leaders for changes. These include the Lead with Care & Courage program, which was geared toward level 1 and 2 managers, the Lead in Change program, which is aimed at all other managers, and the Base Camp training program, which is aimed at all employees who are taking on a management position for the first time. More than 300 managers worldwide took part in these three training programs. They complement our existing advanced training programs, which also include special management training courses that we make available via our COMPASS Learning online learning platform. Topics covered on this platform include leading virtual teams and resilience.

New working world and the normalcy of hybrid working arrangements

The coronavirus pandemic has accelerated the digital transformation of the workplace. It has also impacted the way we collaborate.

Hybrid working arrangements, i.e. alternating between working remotely and at the office, have become common practice in many areas at Beiersdorf. Beiersdorf has taken a clear position in this regard: we as a company also want to promote hybrid or flexible working arrangements in the future. At the same time, we want to adapt the office environment to today's world and create places where people can meet and work together in ever-changing formats. The basis for this is a collective agreement that we entered into back in 2020 for Beiersdorf AG, Beiersdorf Customer Supply GmbH, and Beiersdorf Shared Services. It grants employees the right to work from a flexible location for up to 40% of their individual planned working hours (since January 2023), provided that their job is suited to remote working. With a regular 60% of working time spent on campus, a conscious effort is made to ensure that the campus is the center of collaboration and togetherness for our employees.

In addition, we are continuously developing tailor-made solutions for modern teamwork at our more than 170 locations worldwide. The most significant example of this is the construction of our future Beiersdorf Campus in Hamburg, which is scheduled to open in summer 2023 after a delay caused by the coronavirus pandemic. We also pooled our resources in the reporting year to create spaces for piloting new, dynamic working environments at our site on Wiesinger Weg in Hamburg. The completely renovated spaces boast a modern look and features a desk-sharing model, state-of-the-art, hybrid technology, and various room modules that allow for a mix of collaboration and focused work. Similarly, we also opened a new research building in December of the reporting year. Covering a total

area of more than 10,000 square meters, it is designed to promote cross-functional exchange and facilitate modern, new forms of collaboration. In addition, we created modern, new working environments at our sites in Paris, Brussels, Montreal, New Jersey, Jakarta, and Mumbai in the reporting year that facilitate a new form of collaboration and provide employees with the right setting for a pleasant, modern working atmosphere. We have started preparing for the implementation of new working environments at our sites in Amsterdam and Sofia, and further locations are in the pipeline.

Digital transformation

To accelerate the transformation process at our company, we continued to push ahead with our future-focused "Digital Fast Forward" program during the reporting year. With this program, Beiersdorf aims to automate 20% of all business processes worldwide by 2025. In addition, this is intended to make us more responsive to the changes in consumer behavior brought about by digital media.

As in previous years, our HR activities also supported the digital transformation at various levels in the past fiscal year. Due to the growing flexibility of workplace choice worldwide, the share of hybrid working arrangements is noticeably increasing. Thanks to the support of targeted training measures, more than half of Beiersdorf's workforce now regularly works from outside the office. This is also clearly reflected in the changed communication processes within the company. Microsoft Teams played a central role in this regard in the past fiscal year. For example, Beiersdorf employees now send and receive more than 2.5 million chat messages a month, ensuring that communication between them remains smooth. Yammer has also recently become a well-established business network at Beiersdorf. More than 75% of the workforce actively uses the service on a regular basis to communicate with others or find information. This development shows the extent to which digital communication between employees worldwide has already become commonplace and a part of the "new normal."

In addition, Beiersdorf expanded further its digital transformation using the COMPASS human resources management system during the reporting year. Based on the standardized global master data module Employee Central that was introduced back in 2021, another module was added to the COMPASS system in the form of SimPay. This global salary management tool gives managers the ability to securely conduct global salary planning.

Many of our activities to promote young talent were also implemented digitally in the reporting year. These included, for example, the Virtual Open House Day, which has already been held several times and where Beiersdorf, Tchibo, and tesa jointly introduce themselves to young talent and offer insights into their companies and the various entry-level programs. In addition, we presented key topics that our company is currently focusing on to numerous students and young professionals in a total of five webinars, including sustainability, innovation, digitalization, and diversity & inclusion, as well as a session with our CEO Vincent Warnery, in which he introduced himself and his career path and answered around 200 questions bundled from the students.

Support for our employees

"Care" is a key component of Beiersdorf's corporate culture. Consequently, we implement various measures year after year to care for our employees in different ways. These include, for example, providing technical equipment as well as training courses to prepare the workforce optimally for the new world of work. We also kept our employees informed and up to date via our "Coronavirus Info Hub" and offered them free COVID-19 and flu vaccinations at the Hamburg site via our company medical team. 1,784 employees took advantage of the flu vaccine offer during the past fiscal year, and 2,620 employees the Corona vaccine offer.

Through our health management system, we also do our 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. This system comprises the three teams Medical, Wellbeing, and Social, which are consolidated under the common umbrella GOOD FOR ME. The services offered range from ergonomics consultations, psychological counseling sessions, exercise programs and presentations about health, to regular medical checkups and skin cancer screenings. Through our new "Leadership Meets Health" leadership training program, we provided important support in the area of "healthy leadership" in the reporting year. Through special mental health offerings, the GOOD FOR ME team has brought the topic of mental health to the forefront, thereby playing a key role in raising awareness of mental health and strengthening the culture of health within the company, particularly against the backdrop of hybrid work.

Training and further education

Our mission also includes creating employment prospects for young people. This is demonstrated by our range of vocational training opportunities and degree-integrated training programs as well as our global trainee program BEYOND BORDERS and the numerous internships we offer to students from all over the world. Beiersdorf offers vocational training in nine different occupations at its Hamburg site alone. At the end of 2022, we had 99 vocational trainees here (previous year: 104), and the retention rate for those who completed their training this year stood at 100% (previous year: 97%). We recruited a total of 34 vocational trainees (previous year: 32) in the reporting year, four of whom started their training under the new 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. A total of 16 young employees were enrolled in the global BEYOND BORDERS trainee program at the end of the reporting year (previous year: 16). Of this total, 11 trainees started in 2022 (previous year: 10).

Knowledge and learning

We are convinced that the skills and expertise of our employees play a crucial role in our sustainable growth and long-term success. 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

During the reporting year, we added new learning content to our COMPASS Learning online learning platform that we introduced in 2019, such as an e-learning program on the topic of sustainability, and also updated and expanded existing content. The majority of these offerings, which are tailored specifically to Beiersdorf, are developed by our Sales, Finance, Procurement, R&D, HR, Quality, and Planning professional academies. Due to the still noticeable impact of the coronavirus pandemic, we also made use of a virtual classroom in the reporting year. This online tool enabled us to implement numerous interactive workshops and training courses for all employees worldwide. In light of the new way we collaborate - the model of flexible working arrangements - we want to continue to offer more and more virtual training in the future.

In addition to our own offerings, we again offered our employees the ability to use LinkedIn Learning's virtual training content, where employees worldwide can choose from more than 15,000 online training courses and over 500,000 videos in different languages. Since Beiersdorf implemented LinkedIn Learning in 2020, employees have shown great interest in this training option, with almost 540,000 training videos watched in full and more than 19,000 courses completed by a total of more than 4,500 active users. Courses on new ways of working, the digital transformation, time management,

communication, Excel and PowerPoint, and strategic thinking are especially popular. Curated learning paths help our employees find the right training content on selected topics. For example, they link to training courses that focus on working in virtual and hybrid teams, digitalization, diversity and inclusion, and resilience. Our online-based Beiersdorf Learning Hub also brings these offerings together in a single location, making them easily accessible. The Learner Experience platform pilot project was tested in the reporting year. This is a global learning ecosystem that includes a learning infrastructure and tools to create instructional content for learners.

Since August 2022, we have also offered a new, external language learning program with standardized language and course offerings for employees through our partner KERN Training. The main reasons for choosing KERN Training as a full-service provider were the flexibility, the simple cost structure, and the fact that KERN Training offers a self-directed learning platform that can be used by employees free of charge.

Our Learning Program Germany, which has been in place for many years, is a flexible and open training offering for all employees in Germany. It includes both pre-curated content from LinkedIn Learning, which we use to promote self-directed learning, and instructor-led, virtual training. To support employees and teams in their transition from working completely from home to a hybrid working model, we offer an e-learning path on the topic of hybrid working.

Diversity & Inclusion

As a company that operates worldwide, we view the diversity of our workforce as both an opportunity and a key factor in our business success. We are convinced that people with different backgrounds bring different perspectives, experiences, and skills to the table and thus contribute to greater creativity, innovative strength, and customer focus. For this reason, we strive to build an organization that reflects the diversity of our global consumers, achieves gender parity at all management levels, and ensures that we foster a culture of inclusion where everyone can unlock their full potential and everyone enjoys equal opportunities. We raise awareness of this important issue among our employees at all levels through various dialogue formats, presentations, and training sessions. We want to highlight the positive contribution that diversity and equal opportunities can make to Beiersdorf and thus promote an understanding and appreciation of diversity within our company.

In order to enhance diversity and inclusion across Beiersdorf as a whole, in 2020 we created the position of Global Director Diversity & Inclusion (D&I), that reports directly to the Executive Board. Together with a small team, this individual leads and coordinates Group-wide D&I initiatives. A core cross-functional D&I team, consisting of members of senior management, and a global network of more than 100 D&I champions at our international subsidiaries are also driving progress in this area. In addition, the Diversity Committee of the Supervisory Board regularly reviews and supports various initiatives.

Through our diversity and inclusion agenda formulated in 2021, our global "D&I Roadmap," we aim to implement a holistic approach to address all aspects of diversity, reduce bias (including unconscious bias), and promote a diverse and inclusive corporate culture. On the basis of this roadmap, we continued to focus on the following three strategic priorities in fiscal 2022:

- Driving leadership diversity
- Fostering an inclusive culture
- Championing consumer representation

In each of these areas, we set important priorities in the reporting year and implemented a wide range of measures to foster an inclusive working environment. Examples of these activities are presented

in more detail in the following sections. At the same time, we have been working on refining this roadmap in recent months, and the new version was launched in December of the reporting year. With this global “D&I Roadmap 2.0,” we want to increase our attractiveness as an employer globally. To achieve this, we want to strengthen an inclusive culture of togetherness, expand diversity within our management team and our workforce, and achieve full gender parity at all levels of our management worldwide. Our aim is also to ensure that our diversity goes beyond the issue of gender. Our partnerships to better represent consumers, for example as part of our NIVEA D&I External Expert Panel, and the optimization of our global D&I operating model and governance are particularly important to us.

The Beiersdorf Gender Parity Ambition that we formulated in 2021 is of particular significance. This lays out our goal of achieving equal representation of women and men at management positions in the Consumer Business Segment below Executive Board level by 2025 at the latest. Further details on this ambitious initiative can be found in the “Focus dimension: Gender balance” section below.

In addition to our D&I strategy and our Beiersdorf Gender Parity Ambition, our D&I KPI dashboard, which was developed in the previous year and rolled out globally in the reporting year, helps increase data transparency. It makes changes transparent in the form of semiannual D&I KPI reports, enabling regions and functions to analyze the progress they have made in their D&I work and the remaining untapped potential on the basis of hard data. The aim is to help enshrine D&I ambitions and strengthen D&I governance on the basis of this data and in close collaboration with global, regional, and local stakeholders. The quarterly D&I Champion calls and D&I Council calls that we have established also help to achieve this. In addition to these measures, the Executive Committee is also evaluated on the basis of changes to the KPIs.

In order to expand the knowledge of our workforce around the topic of diversity and inclusion, we introduced a “Global D&I Knowledge Framework” in 2021. It encompasses various training programs for our employees and managers and is designed to help build a sustainable foundation of D&I knowledge within the organization and foster the desired inclusive culture. The offering includes, for example, D&I inclusive language training, which was added to the training catalog in the reporting year, along with other pilot programs. 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. Through the training courses “Successful on the Job,” which is aimed at female employees, and “Opportunities & Risks in Retirement,” which is designed for employees over the age of 60, the company continued to offer specific courses for these target audiences. Individual brands are also making efforts to be more proactive when it comes to D&I. NIVEA’s “D&I Compass” complements our brand’s communication guidelines. It defines how we want to be perceived worldwide and helps to appropriately address local communication challenges and avoid stereotypes and unconscious biases. After initial tips on how to use gender-neutral and inclusive language were shared in German and English in 2021, guidelines for the use of inclusive language were formulated across the company in the reporting year and are already being applied. We also analyzed the recruiting process again in the reporting year in order to identify existing biases and initiate necessary changes in the process.

Focus dimension: Cultural diversity and internationalism

An international workforce that embraces and accepts cultural diversity is a key measure of diversity for us as a company, and we promote it accordingly – because it is important to us that our workforce is representative of our diverse range of consumers around the world.

In the Consumer Business Segment, we employ people from different countries, cultures, and generations, of all gender identities, and with and without disabilities. Employees from 102 countries worked at Beiersdorf as of the end of the reporting year (previous year: 107). At the Group headquarters in

Hamburg, the proportion of international employees increased to 21.7% (previous year: 19.7%). Of our global managers in the top three levels of management, 42% had lived and worked outside of their home countries for at least three years (previous year: 41%).

Focus dimension: Gender balance

Alongside international and cultural diversity, gender – especially equal career opportunities for all genders – is a particular focus area for us. Our activities around International Women’s Day, which we present in more detail later in this section, and our annual Wo*Men in Leadership Convention, which is aimed at all employees worldwide and this time was held under the banner Forward: #StrongerTogether, are further ways in which we promote gender balance at our company. In addition, we have entered into a close partnership with the LEAD Network, the largest European network for diversity and inclusion in the FMCG and retail industry. Like Beiersdorf, the LEAD Network is committed to promoting gender equality and creating a diverse workforce in which all 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 already boasts around 240 employees, including CEO Vincent Warnery and our Executive Committee, as well as many managers and employees of all genders. Beiersdorf has also partnered with the Shape Talent organization, which also aims to improve gender equality and offers a range of results-driven solutions, including a program to empower women in the workforce.

In addition, in order to create an inclusive workplace and promote the goal of gender parity, we offer a wide range of flexible working arrangements and opportunities to facilitate a healthy work-life balance at Beiersdorf. 75% of our organizations offer flex time (previous year: 69%), 95% remote work or the ability to work from home (previous year: 98%), 48% part-time work (previous year: 54%), and 35% sabbaticals (previous year: 34%). In addition to individual part-time work, we continue to encourage job sharing. This is an arrangement in which two employees share a position in a job tandem. The job sharing model has been standard practice at our company for several years – including at the top management level since the reporting year (known as “top sharing”) or, via the already established joint leadership model, up to the middle management level. In addition, we have also gained experience with the “senior meets junior” model, where job sharing enables part-time study, knowledge transfer between generations, and/or a transition to partial retirement. The aim is to make even greater use of the potential of this working arrangement and to make it clear that it is not only a successful model for returning mothers, but is designed for all employees who want to use their labor in a more flexible manner. We also see it as an important tool for strategic HR work and development.

At the end of the reporting year, there were 42 job sharing tandems at Beiersdorf in Germany (previous year: 34). 22 tandems involve a management role – either part-time or full-time (previous year: 19). In addition to these options, we offer childcare for our employees in Hamburg through our company kindergarten “TroploKids”. With its 108 childcare spots and 28 teachers (as of December 31, 2022), this is one of the largest such kindergartens in Germany. In addition, we offer an online portal with information for all expectant parents, as well as two “parental leavers” programs, which we run in collaboration with the start-up MyCollective. One is aimed specifically at managers, while the other is open to all employees. 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 further training opportunities. The focus here is on providing the right tools to support their return to work in the best possible way. We also continued our partnership with the “conpadres” initiative (formerly VÄTER-NETZWERK) in the reporting year. Within the framework of this project, we want to better identify the need to take action on behalf of fathers and, at the same time, help interested fathers connect with each other.

Part-Time Employees by Region

(in %)

	2021	2022
Europe	12	12
Americas	1	1
Africa /Asia /Australia	1	1
	8	7

Gender Distribution by Region

	Male (in %)	Female (in %)	Employees (total)
Germany	50	50	4,193
Europe (excl. Germany)	38	62	4,612
North America	37	63	811
Latin America	46	54	2,409
Africa /Asia /Australia	50	50	4,394
Worldwide	46	54	16,419

Since the introduction of the German law on the equal participation of women and men in leadership positions (*FüPoG*) in 2015, Beiersdorf AG has been legally required to set targets for the proportion of women in management positions at the two management levels below the Executive Board. At the same time, companies are required to set deadlines for the achievement of these goals. For the period ending June 30, 2022, the targets were 35% for the proportion of women at the first management level below the Executive Board and 50% for the proportion of women at the second management level. At the end of the last target achievement period, the actual figure for the first management level was 32% (as of December 31, 2021: 31%), which means that Beiersdorf fell just short of its target, partly due to the low number of total positions at this level. In contrast, the company met its target for the second management level, with women holding 51% of all management positions at this level as of June 30, 2022 (as of December 31, 2021: 52%). Beiersdorf AG had also aimed to have women comprise 10% of the Executive Board by June 30, 2022. Women made up 38% (as of December 31, 2022) of the Board, meaning the company significantly exceeded this target. At the same time, Beiersdorf AG has thus met the requirement under *FüPoG II*, which has been in force since August 2021, for the Executive Board to include at least one woman and one man. The company also met the statutory minimum requirement of 30% women and 30% men on the Supervisory Board in the reporting year, with approximately 42% of the members (5 out of 12) being women (previous year: 33%). These figures mean that Beiersdorf is in compliance with the voluntary targets that it set for the Executive Board and the Supervisory Board in the context of its diversity policy (with a target of 30% women on the Executive Board and 33% on the Supervisory Board).

To continue complying with the statutory requirements in the future, Beiersdorf AG has continuously formulated targets for the proportion of women at the different management levels during the reporting year. As part of this process, the management levels were redefined in line with the current organizational structure. As a result, the following targets apply with respect to the proportion of women on the Executive Board and in management positions at the two management levels below the Executive Board:

- Executive Board: women hold at least 30% of seats on the Board (as of December 31, 2022: 38%)
- First management level: women hold at least 35% of the positions by December 31, 2026 (as of December 31, 2022: 31%)

- Second management level: women hold at least 50% of the positions by December 31, 2026 (as of December 31, 2022: 48%)

In addition, in order to increase the proportion of women in management positions at a global level, Beiersdorf also formulated a global target in 2018 for the proportion of female managers in the three highest management groups (MG 1 - 3). According to this, we wanted to have women hold 35% of all positions in management groups 1 - 3 by June 30, 2022. As of the aforementioned deadline, we had achieved this goal, with women holding 37% of all management positions across these groups (previous year: 34%). At the end of the reporting year, the proportion of women on the Board of Directors of La Prairie (excluding the CEO) stood at 50% (previous year: 43%). The proportion of women in top management stood at 64% at the end of the reporting year (previous year: 59%).

In line with our Gender Parity Ambition formulated in 2021, we aim to achieve gender parity across all management positions below the Executive Board (management groups 1 - 4) by 2025 at the latest. As of December 31, 2022, the proportion of women in management positions across all of these groups stood at 48%.

Generational diversity and inclusion of people with disabilities

Alongside internationalism, cultural diversity, and gender balance, we also promote effective collaboration between different generations at Beiersdorf. Our goal is to be 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 32% 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, 2022 was 42 (previous year: 42). To support our employees over 50, Beiersdorf AG offers internal training courses tailored to the needs of this group. One focus in this context is the learning initiative on digital topics offered through the support of Beiersdorf's affiliate Beiersdorf Shared Services GmbH. In addition, the "New Generation 50+" employee network is committed to questioning age as a career obstacle and to highlighting ways in which employees can advance in their careers regardless of their age. The community is also a partner of the cross-company meta-network "Generationen50PLUS", which was recognized as an "Innovative Network 2022" by Germany's Federal Labor Minister Hubertus Heil at the Innovation Day 2022 event organized by the Germany Federal Ministry of Labor and Social Affairs. Through this network, Beiersdorf initiates events together with OTTO and the "Demography Network" to promote the advancement of age-sensitive corporate cultures at other companies as well. During the reporting year, this included the first nationwide "Change Maker 50+", online conference, which took place on October 27, 2022, at the initiative of the "Generationen50PLUS" network. The network pursues the goal of promoting opportunities for professional development among employees aged 50 and over and increasing their societal standing.

Age Structure in the Consumer Business Segment Germany

(in %)

	2021	2022
≥ 60 years	8	8
50 - 59 years	24	24
40 - 49 years	22	23
30 - 39 years	30	30
20 - 29 years	15	14
≤ 19 years	1	1

As an employer, we are actively committed to the inclusion of people with disabilities. Our workforce includes various individuals with disabilities; in addition, we have been supporting the nationwide "Innoklusio" initiative since 2021. Its goal is to promote inclusion awareness at all 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. At the end of September, our inclusion team met with the creators of the "Innoklusio" model project to kick off the project together with key members of our company and define concrete ways of implementing the "inclusion revolution." "Working hand in hand instead of side by side" is the idea we are using to bring about a global mindset shift at our company and further improve the inclusion of people with disabilities. An internal exhibition will be held in fiscal 2023 to raise awareness of the issue among all employees.

In addition to these activities, we also hired a number of sheltered workshops to provide services in 2022. Beiersdorf's green spaces in Hamburg, for example, have been cared for by Elbe-Werkstätten, the largest sheltered workshop of its kind in Germany, for many years. In addition, we continued our partnership with the *Sozialhelden* initiative in the reporting year. Its team helped us with the preparations for the planned accessible Beiersdorf Campus again this year and provided advice on the accessibility of selected Beiersdorf products - to ensure that our brands meet the needs of people with disabilities even more effectively.

Diverse initiatives, activities, and partnerships

Beiersdorf conducted a wide variety of activities in the reporting year to further boost diversity and inclusion. Due to the outbreak of war in Ukraine, we did not communicate externally on the occasion of International Women's Day on March 8, but offered our employees various internal formats for sharing opinions and ideas as well as learning, all organized under the banner "#BreaktheBias", which the Executive Committee also participated in. The wide range of activities we carried out on International Women's Day were designed to draw attention to stereotypes and prejudices against women and girls and thus promote greater equality. Under the banner of "#NowMoreThanEver", we also initiated the "Global D&I Day" at Beiersdorf on May 31. The multifaceted program included keynotes, panel discussions, best practice sessions, and training seminars. In this context, all of our employees had the opportunity to learn more about how and why diversity and inclusion are practiced at Beiersdorf, either live in the auditorium in Hamburg or virtually via an online stream. Every employee was invited to actively participate in the discussion on the topic of D&I. In response to the question "Are you future ready?", experts discussed, together with the first leadership tandem from our ranks, the extent to which job sharing is a future model for leadership positions.

Beiersdorf was also active on the occasion of Pride Month, on Christopher Street Day 2022 in Hamburg, and beyond, demonstrating its commitment to tolerance and acceptance. We drew attention both internally as well as externally to Beiersdorf's multifaceted activities in support of the LGBTIQ+² community. In the reporting year, this included the launch of our partnership with the Hamburg-based non-profit initiative WELCOMING OUT, for example. The initiative aims to alleviate fears of coming out among members of the LGBTIQ+ community and communicate the important message to them that they are welcomed just as they are. To this end, the initiative specifically targets heterosexual cisgender people and educates them about the importance of allyship. As one of the first PATRONS OF WELCOMING OUT, Beiersdorf is speaking out for respect, tolerance, and more togetherness. The NIVEA and Labello brands also once again showed their support for the pride movement in the reporting year. The brand sent a clear signal of acceptance with various campaigns and products that featured the slogan "NIVEA is for everyone." The Labello brand also showed its commitment to the LGBTIQ+ community with the Labello Pride Kiss Edition.

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

Through our partnership with the Generation Rainbow initiative on Pride Day Germany, July 7, 2022, we also underscored our commitment to equality for the LGBTIQ+ community, especially in the workplace. One part of the initiative was the publication of the book *Generation Rainbow – So That Being Different Becomes Normal*. The book features rainbow role models who serve as guidance and inspiration to live LGBTIQ+ diversity more fully in the workplace. To complement this, we sent our own Beiersdorf truck to join the colorful parade on Christopher Street Day in Hamburg for the first time on August 6. More than 150 employees and allies were on hand that day, both on and next to the truck, and made a clear statement that everyone should “be proud in your own skin.” Participation in the march was organized and managed by the internal employee community “Be You @Beiersdorf”.

With the aim of further advancing gender equality at Beiersdorf, we also celebrated the 6th “Wo*Men in Leadership Convention” on November 3. Around 160 participants attended the event in person, and more than 3,000 employees tuned in to the livestream. They all experienced a mix of inspiration, upskilling, and discussions with internal and external role models under the banner “Forward: #StrongerTogether”. The common goal of all participants is to create a culture in which everyone enjoys the same opportunities and where talent and potential are the basis for following one’s own career path and achieving success. The packed agenda included keynotes, panel discussions, and masterclasses on leadership, as well as jam sessions where employees took over the global stage for ten minutes and spoke very personally. Members of the Executive Board and senior management answered questions from interested employees in small group sessions and shared tips to help employees along their career paths.

Other activities and internal events were initiated by our numerous employee networks dedicated to various aspects of diversity. The “Be You @Beiersdorf” community established back in 2019, which aims to raise awareness of LGBTIQ+ issues and create an even more inclusive environment for all LGBTIQ+ people, has the backing of CEO Vincent Warnery, who personally serves as a “Be You @ Beiersdorf” ambassador. The community supported all of the company’s activities surrounding Pride Month in the reporting year. For International Lesbian Visibility Day in April, the team behind “Be You” also debuted a new format called “Closet Talk”, which features inspiring people of all genders. As part of a presentation entitled “Why coming out as a queer woman is good business!”, three queer women spoke about their experiences and encouraged LGBTIQ+ members to come out as well. In the second installment of the event series, the theme was “Bi+: the invisible dimension.” The network already has 230 members worldwide and is supported by numerous allies, i.e. people who show solidarity with the LGBTIQ+ community.

In addition to the “Be You @Beiersdorf” employee network, other employee communities also initiated their own individual activities during the reporting year. The grassroots community #SisterhoodisPower, founded in 2020 to help women empower each other on their career paths, continued its digital #PowerTalk series in the reporting year, which features inspiring women sharing their stories and thoughts on leadership, as well as their personal tips. In addition, the initiative focused on its peer mentoring program #Grow2gether, which was launched the previous year. It is the first inclusive, company-wide mentoring program aimed at all employees worldwide and seeks to foster inspiring relationships based on trust and mutual respect that benefit both mentors and mentees. For International Women’s Day, the community also launched a postcard campaign inviting employees to send an e-card to their coworkers to celebrate this special day.

Other active employee communities include the “New Generation 50+” network, which initiated various learning sessions on the topic of digitalization in the reporting year, the employee community “WEnited”, which was newly established in 2021 and aims to promote exchange and cohesion among international coworkers with a buddy program and various events, and the fathers’ network “DAD. icated”, which was established in the reporting year and is a community of fathers, fathers-to-be, and allies who encourage others to make their own idea of life as a father a reality. In July of the reporting

year, the network established a regularly scheduled get-together. In addition, "DAD.icated" became a partner of the "conpadres" initiative, a cross-company network working with employers as partners to improve work-life balance from a father's perspective.

In addition to its many internal activities, Beiersdorf also supports cross-company dialogue within the framework of external partnerships. This includes, for example, our activities in support of the "BeyondGenderAgenda" (BGA) initiative launched in 2021, which aims to enshrine diversity, equity, and inclusion (D&I) in the DNA of public and medium-sized German companies and thus ensure that the German economy remains competitive over the long term. Beiersdorf is also a signatory to the "Diversity Charter" initiative, which aims to advance the recognition, appreciation, and inclusion of diversity across a variety of dimensions in the world of work. Other partnerships with a focus on gender equality include the LEAD Network (Leading Executives Advancing Diversity), which aims to attract, retain, and promote women in the consumer goods and retail sectors in Europe, and the MyCollective and conpadres programs, which focus on parental leave and fatherhood. To strengthen the LGBTIQ+ community, Beiersdorf has also partnered with the Hamburg-based WELCOMING OUT initiative, which aims to ease the fears of members of the LGBTIQ+ community around coming out and to set a clear signal in favor of acceptance. Through our partnership with "Queere Vernetzung", we support efforts to increase acceptance of gender and sexual diversity at Hamburg-based companies, and through the PROUT AT WORK Foundation, we support equal opportunities for LGBTIQ+ people in the workplace.

In order to include people with disabilities more strongly, we also work together with Innoklusio and Sozialhelden.

tesa

As one of the world's technology leaders in the field of technical adhesive tapes and adhesive system solutions, tesa has positioned itself as an attractive and sustainable employer. It is vital for the company to recruit highly qualified staff and retain them long-term as a prerequisite for maintaining tesa's positive performance.

Employee development

In 2022, tesa once again invested in training its staff and creating further attractive development opportunities for them. Taking account of the continuing global COVID-19 pandemic, further online learning offerings were added to the development opportunities in the reporting year. We offered development centers and other activities specially for our high potentials, and supported these individuals with tailor-made development measures.

Leadership culture

Managers' ability to offer employees a motivating work environment and encourage them to express their talents is key to tesa's business success and its attractiveness as an employer. That is why tesa began to design a new Management Development Program (MDP) back in 2019. The program aims to impart key management skills in areas such as strategy development, finance and controlling, and supply chain and HR management. The one-year program includes various remote modules and two in-person components. It started in May 2022 and is due to conclude in September 2023.

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 Key Competencies. 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.

The People Values campaign “Dare to create” in 2021 and 2022 brought all tesa employees closer to the six corporate values with the strong support of the Executive Board members. Workshops also took place at the senior executive level to even more strongly instill the People Values in everyday work. These core values of the company are: “Team up, Set the pace, Challenge yourself, Focus on your customers, Act responsibly”, and “Achieve & Improve”. The People Values are also reflected in the tools provided by HR, such as the tesa Performance Appraisal, which was conducted in this format for the first time in 2022. Employers and managers have integrated the Values into their day-to-day work and use them as a tool for providing guidance.

Knowledge transfer

The pandemic continued to present some challenges for the training and professional development of managers and employees during the reporting year. The global training programs could only sporadically be offered face to face in 2022 and were instead held in digital, virtual formats.

Apart from replacement of face-to-face formats by digital learning opportunities, tesa further customized use of the external digital platform LinkedIn Learning to tesa’s specific requirements and developed company-specific learning paths tailored to needs.

tesa is continuing to make use of e-learning formats for knowledge transfer. Current offerings include e-learning on topics such as compliance, occupational safety, sustainability, product and technology, sales, and the Supply Network. Employees can access all tesa’s professional development offerings at any time via a digital tesa Learning Hub.

In 2022, 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 acquire competencies in areas such as team development, change management, or coaching. The content of the management training series is focused on the challenges of the current tesa strategy and Leadership@tesa.

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. Under the new process, not only managers, but also all employees are urged to prepare for the appraisal using the questionnaire. Backed by this 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:

Occupational health management

For years now, employees at the tesa headquarters in Norderstedt have been offered an extensive health management scheme under the umbrella brand “It’s for you!”, with the focus on the issues of “working environment” (e.g. ergonomics advice), “balance” (e.g. massages), “exercise” (e.g. in-house gym), “diet,” and “prevention” (e.g. colorectal cancer screening).

During the coronavirus crisis, health management has successfully gone online: Just about all existing offerings are available in an adapted digital form (such as virtual active breaks, or online training in “healthy management at a distance”).

tesa Young Connection

The tesa Young Connection face-to-face events were able to take place again in 2022. They included a large annual event held over two days. The days began with workshops on tesa-specific topics such as employer branding and then focused on networking activities to foster cohesion and engagement among tesa's young talent.

tesa Women's Network

In 2022 tesa cooperated with Beiersdorf's new women's network #SisterhoodisPower. Regular online events were held throughout the year as part of this. Internal and external speakers held various keynotes on the subjects of career, family, resilience, and self-empowerment.

Back2Office

tesa invested heavily in IT and communications technology for hybrid working and modernized social spaces such as the canteen and coffee bar. These are inviting settings for meetings and creative collaboration. We are also testing our first desk-sharing concepts to enable even greater individual freedom in the choice of working location and to better reflect working in matrix structures.

Sustainability¹

Sustainability is firmly anchored in our corporate culture and is a core element of our decision-making and business processes. Sustainable action means avoiding pollution or damage to the environment, respecting human rights all along the value chain, and making a relevant social contribution. In 2022, another particularly challenging year, we were passionate and determined about transforming ourselves as a company and contributing to positive global change.

Since 2020, our CARE BEYOND SKIN Sustainability Agenda has been an integral part of our C.A.R.E.+ business strategy. We are driving our transformation all along the value chain - from innovative, sustainable product design to sustainable ingredients, efficient production in our factories, and the end of our products' life cycle. We are aware of our major responsibility as a global skin care company and want to make an active contribution to protecting the climate. That is why we have set ourselves one of the most ambitious reduction targets in the industry. Across the Group, we want to cut absolute Scope 1 and 2 CO₂ emissions by 30% by 2025 (base year: 2018) and absolute Scope 3 emissions by 10%. These targets have been approved by the Science Based Targets Initiative (SBTi) and are in line with scientists' calls to limit global warming to 1.5 degrees Celsius. In addition, with the "Business Ambition for 1.5° C," we have signed a voluntary long-term commitment to achieve net-zero emissions by 2050.

In 2022 we were awarded for our outstanding sustainability performance: We received a "Triple A" rating by global environmental non-profit Carbon Disclosure Project (CDP) for excellent scores for target setting, performance and transparency within the areas of climate change, forests and water security. This milestone demonstrates the progress made in recent years towards achieving our ambitious sustainability commitments.

Detailed information on our commitment to sustainability can be found below in our Non-financial Statement (NFS) and at www.beiersdorf.com/sustainability/reporting/downloads. 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 2022

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*).

Furthermore, both the Consumer and tesa Business Segments publish separate sustainability reports which provide further information on their respective sustainability activities and projects.

Application of international reporting frameworks

Due to the different materiality requirements set out in the 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 Global Reporting Initiative (GRI) Standards in its broader sustainability reporting and publishes a separate GRI index.

Both business segments are United Nations Global Compact (UNGC) members and report on their achievements and measures taken in the reporting period in order to implement the ten principles of the UNGC in the areas of human rights, working conditions, environmental protection, and anti-corruption. This Non-financial Statement systematically and comprehensively fulfills the UNGC Communication on Progress (CoP) requirements for the Beiersdorf Group.

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.


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 acquired businesses STOP THE WATER WHILE USING ME! (2020) and Chantecaille (2022) are managed as independent business units and are not included in the reported key figures due to their comparatively low sales volumes. 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. One exception are the CO₂ figures, the calculation of which has also included NIVEA-KAO¹.

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 Ernst & Young GmbH 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 The CO₂ data collected for NIVEA-KAO covers Scopes 1 and 2 and, under Scope 3, the areas of packaging and raw materials, and finished goods manufacturing from Category 1: Purchased Goods and Services, upstream transportation from Category 4.

NFS-Index

Statement to the combined non-financial Statement

Strategy			
Description of Business Model			
Material risks			
NFS-Aspect	Material topics Consumer		Material topics tesa
Environment	Climate protection	p. 92	Climate and energy p. 92
	Circular economy	p. 100	Product sustainability p. 104
	Sustainable land use	p. 105	Resource efficiency p. 107
	Water	p. 108	Water p. 108
Employees	Training and education	p. 111	Employee development p. 112
	Diversity and inclusion	p. 111	Diversity and equal opportunity p. 112
	Employer attractiveness	p. 111	
	Occupational health & safety	p. 113	Occupational health & safety p. 114
Society	Community engagement	p. 116	
Human Rights	Safeguarding human rights	p. 119	Safeguarding human rights p. 119
Compliance	Compliance & business ethics	p. 121	Prevention of anticompetitive behavior p. 122
Further matters	Product safety	p. 124	Product safety p. 126
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.

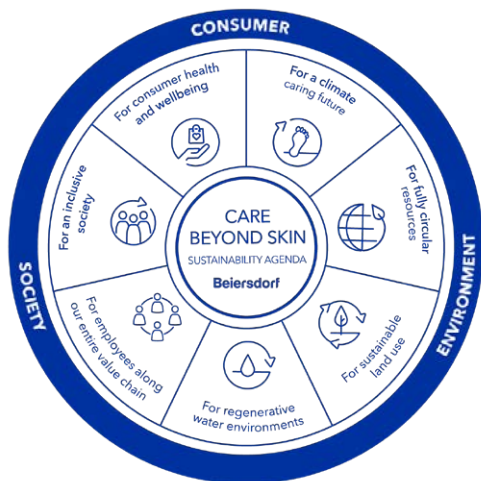
Our Group-wide Corporate Sustainability function is responsible for setting the strategic direction of our sustainability activities and regularly reports to the Executive Board on progress and the need for action. Since August 2022, this function has reported directly to the Chairman of the Executive 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, such as the Chief Sustainability Officer. The committee meets every two weeks and regularly discusses the topic of sustainability alongside other aspects. In addition, the Chief Sustainability Officer reports directly to the Chairman of the Executive Board of tesa.

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

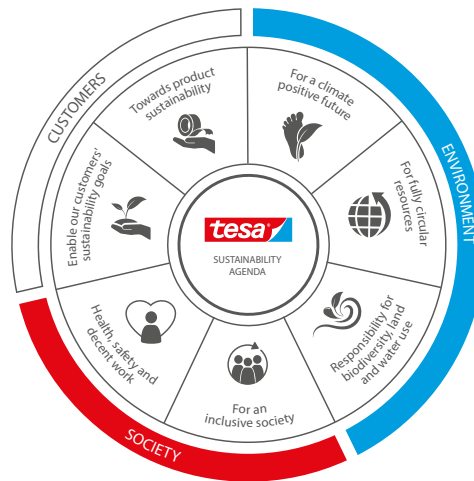
Sustainability Agenda CARE BEYOND SKIN

(Business Segment Consumer)



Sustainability Agenda

(Business Segment tesa)



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 (UNGC) and the Sustainable Development Goals (SDGs). Through the implementation of our sustainability agenda, we are contributing to 13 of the 17 SDGs.

During the reporting year, we worked to achieve further progress and move closer to our targets. To drive the issue of sustainability forward internally as well, we launched a special training and engagement program in 2022, our Corporate Sustainability Academy. Within this framework, we introduced an interactive e-learning course in September 2022, for example. This is available to all employees and is intended to familiarize them with our CARE BEYOND SKIN sustainability agenda.

tesa

At tesa, sustainability is firmly enshrined in the business strategy. During the reporting year, we revised the existing sustainability strategy and increased our previous level of ambition, such as through the adoption of new climate targets. Our ambition is now to use all our technological know-how and passion to develop more sustainable adhesive solutions and products.

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: Reduction of Emissions, Responsible Sourcing, Use of Recycled and Bio-based Materials, Circularity and Reduction of Waste, and Enable Sustainability at our Customers.

The sustainability agenda, which is based on the Ten Principles of the United Nations Global Compact (UNGC) and the Sustainable Development Goals (SDGs) of the United Nations, continues to be a cornerstone of the strategy. We also made slight adjustments to the agenda in 2022. 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. These include events and developments that have a negative impact on our business success as well as risks emanating from our own business activities, for example negative effects on the environment.

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. In 2022, for instance, we again identified inadequately disposed plastic packaging as a material risk. The 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. It is therefore classified as a significant risk according to the CSR-RUG. This risk can be seen in changing consumer behavior related to the use of certain materials. We counter these risks through our circular economy strategy, which includes the reduction of fossil-based plastics and the increased use of recycled materials.

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 2021, the Consumer Business Segment carried out an analysis of climate-related physical and transitory risks as well as opportunities in accordance with the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD), and produced a qualitative description of potential risks. Building on these results, during the reporting year we conducted a financial assessment of the physical risks identified and planned the appropriate measures; both were carried out as part of integrated risk management and the Supply Chain Department's resilience program. 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. This involves further refining strategies, reviewing progress toward climate goals, and advancing the implementation of climate action. 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 the reporting year that focus on individual product categories. The Sustainability Council is also responsible for monitoring the achievement of 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. These climate targets have been recognized by the Science Based Targets Initiative (SBTi) and correspond to the 1.5-degree scenario set out in the Paris 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.

During the reporting year, the tesa Business Segment revised its sustainability strategy and simultaneously tightened its climate targets. tesa is aiming for its production to be fully climate neutral by 2030. It also aims to reduce Scope 3 emissions by 20% by 2030 compared to the 2018 baseline.

Furthermore, both the Consumer and tesa Business Segments have signed a long-term voluntary commitment to achieve net zero emissions by 2050 at the latest. During the reporting year, we began working with external consulting firms to develop a net-zero strategy in line with the standard published by SBTi in 2021.

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 31% and at tesa by 27% compared with the 2018 baseline. This led to an overall reduction of absolute Scope 1 and Scope 2 emissions of 29%. The Consumer Business Segment reduced its absolute Scope 3 emissions² by 16% over the same period.

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 energy generation, e.g., electricity which we procure externally.

² Scope 3 emissions include the categories purchased goods and services, upstream transport taking into account biofuel certificates and logistics, and business travel.

We also already achieved our goal of sourcing 100% of our electricity from renewable energy sources at all tesa and Consumer office and production sites worldwide back in 2020³.

Climate metrics: Energy, Scope 1, and Scope 2 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 International Energy Agency (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). 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 from our NIVEA-KAO business in Japan in the calculation for Scopes 1 to 3 in accordance with the GHG Protocol's operational control approach. For Scope 3 emissions, the key figures were adjusted retroactively from 2018 onwards. For Scope 1 and 2 emissions, we use primary data from NIVEA-KAO; these are included in the 2022 key figures. However, the Scope 1 and 2 key figures for previous years were not adjusted accordingly.

Key Figures

	Business Area	2018 (Base year)	2020	2021	2022
Scope 1 emissions (t CO ₂ e)	Beiersdorf Group	98,980	93,057	99,693	90,349
	Consumer	43,341	38,929	41,320 ¹	39,497
	tesa	55,639	54,128	58,373	50,852
Scope 2 emissions (t CO ₂ e) ²	Beiersdorf Group	30,060	1,240	1,569	1,322
	Consumer	15,809	1,228	1,569	1,314
	tesa	14,251	12	0	8
Scope 1 and Scope 2 emissions (t CO ₂ e)	Beiersdorf Group	129,040	94,297	101,262	91,671
	Consumer	59,150	40,157	42,889	40,811
	tesa	69,890	54,140	58,373	50,860
Total energy consumption (GWh)	Beiersdorf Group	668	631	683	671
	Consumer	341	321	339	333
	tesa	327	310	344	338

¹ Retroactive adjustment of data due to data correction of Scope 1 emissions.

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

³ Beiersdorf purchases green electricity directly from energy suppliers or acquires "International Renewable Energy Certificates" (I-RECs), European Guarantees of Origin, or country-specific certificates when purchasing electricity.

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.

Since 2018, the tesa Business Segment has gathered data on material emissions throughout the value chain. In this process, we have identified raw materials, finished goods manufacturers, and product transportation as material Scope 3 categories. In the future, we intend to further expand our CO₂ monitoring for Scope 3 emissions.

Based on an input-output model, the Consumer Business Segment began by identifying the most relevant categories of Scope 3 emissions¹. 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 and warehousing services, 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.

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 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 implemented numerous analysis tools as part of our comprehensive digitalization activities in the field of sustainability. These allow us to evaluate and make projections for material KPIs during the year, such as Scope 3 emissions or key figures related to plastic packaging.

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 sectors³. These surveys collected 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 2022, the data we gathered in these surveys covered 86% of our outsourced finished goods production and 95% 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 and calculated by EcoTransIT. The emissions resulting from the transport of our products by

¹ All of the following statements regarding our Scope 3 emissions only apply to the mass market and the Consumer Business Segment's dermocosmetics business if not specified.

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 2021 to November 2022) differs from the reporting period.

sea freight are 77% of biogenic origin. We ensure this is the case through the purchase of fuel certificates based on the mass balance approach. This does not mean that the ships carrying our products are actually powered by biofuel, however, as this level of traceability is not currently available. Rather the aim is to increase the amount of biofuel used in the global maritime freight industry. Overall, Beiersdorf aims to be part of the transformation toward a greener 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 Deutscher Geschäftsreiseveranstalter, 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. The 2021 flight emissions of our German companies were offset in the reporting year 2022 retroactively, and we will do the same for our flight emissions in the upcoming reporting year. Compared to our 2018 baseline, our business travel emissions declined by 47%. This development can be attributed, among other things, to the continuing impact of the COVID-19 pandemic.

We calculate the included Scope 3 emissions from our investment NIVEA-KAO based on the results of life cycle assessments (LCAs) conducted in 2022 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.

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 assesses, among other aspects, our climate-related strategy and its effectiveness on a scale from A to D-. In 2022, we received a score of A and were therefore included on the CDP's "Climate Change A List."

Scope 3 GHG Emissions Consumer¹

(in t CO₂e)

	Areas	2018 (Base year)	2020	2021	2022
Category 1: Purchased goods and services ²	Packaging	446,579	398,885	402,718	370,734
	Raw materials	575,247	518,559	524,270	508,493
	Finished goods manufacturing	36,945	25,945	16,557	14,232
Category 4: Upstream transportation and distribution ³	Finished goods transport	135,418	130,117	130,906	129,751
	Warehousing	11,705	9,729	2,283	2,087
	Reduction through the purchase of biofuel certificates	–	–	-8,800	-10,600
Category 6: Business travel	Business travel	17,046	3,693	2,677	8,982
Total Scope 3 GHG emissions excl. certificates for biofuels		1,222,940	1,086,927	1,079,412	1,034,279
Total Scope 3 GHG emissions incl. certificates for biofuels		1,222,940	1,086,927	1,070,612	1,023,679

¹ The categories are defined by the GHG Protocol.

² The emissions data for packaging and raw materials for 2018, 2020, and 2021 have been adjusted due to updated master data and the inclusion of NIVEA-KAO. 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.

Transition towards climate neutralization

We have created a climate neutralization plan which will drive forward our transition to net zero emissions. Our "Climate Neutralization Framework" describes the entire neutralization process for our products and brands and was developed based on the principles and requirements of the internationally recognized standard PAS 2060. TÜV Rheinland Energy was engaged during the fiscal year to review the methodology and process to ensure 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 towards 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 aim 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 no longer being reliant on 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 will be used to generate cold water and heat the buildings. With the heat pump solution we strive to make the Argentona site our first carbon-neutral production facility in Spain in 2023, and at the same time Beiersdorf's first factory that does not rely on any fuel.

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 twelve of our production sites and office locations that cover part of our own electricity needs. In the reporting year, these systems generated 3,799 MWh of electricity 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. This includes our new Group headquarters and Research Center in Hamburg's Eimsbüttel district, scheduled for completion in 2023. In addition to the LEED standard, we aim to achieve the "WELL Building Standard" for this project, which will extend to over 100,000 square meters.

We are also striving to achieve carbon-neutral operations and the relevant sustainability certification for the planned hub in Leipzig. In addition to implementing energy-efficient processes, here we will also be greening the building's facades and roofs and installing solar panels.

In the case of existing facilities, we are also increasingly replacing fossil fuels – the Berlin site has become the first Beiersdorf facility to purchase only biomethane instead of natural gas as of 2022, cutting the site's GHG emissions by 99%. The biogas is produced in Denmark from organic waste and fed into the European gas grid¹. By purchasing biomethane instead of natural gas, the manufacture of our products at our production facility in Berlin has been climate neutral since the reporting year. Our new production site in Leipzig also uses biomethane instead of natural gas, and the aim is to operate the production plant as climate-neutral in Scope 1 and Scope 2.

Reducing emissions along the value chain

Cutting our Scope 3 emissions is a greater challenge than Scope 1 and Scope 2, 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 using 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. More on this can be found in the "Circular Economy" section.

However, the prevailing global crises resulted in supply bottlenecks, particularly for recycled aluminum, in previous years. We would now like to close this gap with low-carbon aluminum. To this end, we are in talks with our packaging suppliers in order to work towards the use of a greater percentage of renewable energy in their production systems.

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 carbon 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
- 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).

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

Finished goods manufacturing and third-party warehousing

A key driving force for the reduction of GHG emissions from our products and packaging is to switch over 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 2022, 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 from two other hubs in France and Italy. In addition, we are investigating possibilities for the use of other alternative fuels, such as the use of trucks powered by electricity or hydrogen. 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 then share this knowledge with our logistics providers worldwide.

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, 99 suppliers participated in the CDP survey. Because we view ourselves as an innovative Group, we also work with our suppliers on new concepts and strategies. In the reporting year, for example, an interdisciplinary team including members from Procurement and a supplier launched a care product with recycled carbon. For this particular ingredient, carbon is captured via the CCU (carbon capture utilization) process and processed into cosmetic ethanol.

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 their efforts, the aim is 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 are 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. Through these projects, we aim to offset remaining GHG emissions from selected products that have not yet been reduced.

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.

In addition to the environmental management system, the two largest production facilities with the highest GHG emissions (Hamburg and Offenburg) are certified to the ISO 50001:2018 standard. These two factories account for 65% of GHG emissions of all ISO 14001-certified sites. tesa's headquarters are also certified to ISO 50001, as it is the site with the largest workforce and has the largest research and development division. The energy management systems form the foundation for further increasing energy efficiency at the respective sites.

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 27% in absolute terms from 2018 to 2022; compared with the previous year, emissions thus fell by 12.8 percentage points. We achieved a reduction in specific emissions of 25% 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.

A further strategic approach for increasing energy efficiency is the use of energy- and resource-saving technologies. This includes generating our own energy efficiently. At several production sites, we utilize combined cooling, heat, and power (CCHP) or combined heat and power (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 plant at headquarters entirely through biogas certificates. In the reporting year, the sites in Hamburg, Offenburg, and Italy also used biogas certificates to cover the proportionate share of their CHP plant operations. The biogas is produced in England and fed into the European gas grid¹. 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, climate-friendly sources of energy. Overall, in 2022 we were able to produce over 50% of our electricity needs ourselves via energy-efficient CHP systems.

In the reporting period, we continued to work on expanding electricity production through the use of solar power. For example, the sites have initiated feasibility studies and initiated specific investments. For our headquarters, we opted for a rooftop solar power system measuring just under 760 m². The system, with an output of 260 kWp, is scheduled to enter operation in the first half of 2023. Further systems in China and Offenburg are to follow in the near future.

Circular Economy

Consumer

Our products are synonymous with high quality and effective skin care the world over. Our aim is to meet our own high quality standards and the increased sustainability requirements while maintaining consumer trust in our products. To us, this trust also includes the responsibility to

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

optimize the environmental compatibility of our products and to use resources responsibly in order to counteract negative environmental impacts.

The Executive Board is responsible for integrating product sustainability into our C.A.R.E.+ corporate strategy and at brand level. Since August 2022, the Corporate Sustainability Team has reported directly to the Chief Executive Officer. In addition, our Sustainability Council (see "Strategy" section) regularly aligns with senior management from Marketing and Research & Development and reports on ongoing projects and the status of target achievement, for example in the field of emissions reduction. We also leverage the expertise of various departments and external stakeholders such as suppliers and sustainability consulting firms 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 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 petroleum, a finite resource, which in many cases are 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 initiatives in this area measurable, we have set ourselves the following global packaging targets by 2025:

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

In 2022, we made the following progress toward our goals:

- 15% reduction in fossil-based virgin plastics in our packaging (2021: 9%).
- 10% recycled material in our plastic packaging (2021: 7%).

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 Foundation¹. In 2021, recyclability was calculated on the basis of plastic bottle weight.

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

As announced in 2021, this reporting year we introduced "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.

Both goals, Design for Recycling and global recyclability, were extended in the 2022 reporting year not only to plastic packaging, but to all packaging types and materials used (plastic, metal, glass, and paper).

Global recyclability and Design for Recycling are evaluated digitally based on the methodology of an independent certification body. We then extrapolate the results of the analyses of individual packaging solutions to the portfolio as a whole.

As such, in the reporting year:

- 80% of all packaging was designed for recycling

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

- 67% of all packaging was considered globally recyclable

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. In order to track our progress more precisely and quickly, a comprehensive IT infrastructure project was initiated in the reporting year. As a result, data that was linked manually in the past can now be combined via a new user interface. Based on the historical availability of this data, these changes have resulted in an adjustment to the baseline year for the nonbiodegradable polymers target.

In this context, we aim to discontinue the production of Eucerin-brand cosmetic products containing microplastics by the end of 2023 by reformulating corresponding formulations.

That is why we are reporting on metrics that quantify the environmental impact and reflect the transformational status of our product formulas. For the year 2022, we can report the following progress in this regard:

- In terms of raw material volume, we reduced the use of microplastics by 76% between 2018 and 2022.
- At the end of the reporting year, 11 Eucerin formulations still contained microplastics. These are currently being updated and are also expected to be microplastic-free by the end of 2023.

With regard to the NIVEA brand, we already successfully discontinued the production of cosmetics containing microplastics at the end of the 2021 reporting year.

We also aim to use only biodegradable polymers in our European product formulations by the end of 2025. A polymer is a molecule consisting of many repeating subunits and is widely used in cosmetics. Biodegradability refers to the ability of molecules to be degraded by the action of microorganisms such as bacteria or fungi, thus preventing environmental pollution.

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.

By gradually eliminating the use of nonbiodegradable polymers, we are pursuing the goal of reducing effects on the environment. We evaluate all raw materials with regard to their biodegradability. For this evaluation, we apply Annex XIII of the REACH Regulation and the corresponding guidance on information requirements (section R.11), which also contains the persistence criteria. These criteria describe the nonbiodegradable properties of a molecule over a specific period. The Annex and the guidelines on information requirements are used to identify polymers that are not biodegradable and are therefore to be avoided in 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. As part of our continuous, individual raw material assessments, we obtained new evidence for numerous polymers in the reporting year confirming their biodegradability. As a result, we excluded these raw materials from the target achievement calculations. In addition, our assessment has also led to a more nuanced view of the silicones dimethicone and cyclomethicone. Since their classification as nonbiodegradable polymers is still scientifically disputed at present, they are reported separately for the reporting year.

We have already been able to reduce the use of nonbiodegradable polymers by 63% in our European product formulations compared to the 2018 baseline. This means that we reduced their share by a further 12 percentage points compared with the previous year. We were able to reduce the use of silicones by 23% compared to the 2018 baseline.

In addition, our goal is to increase the use of raw materials from renewable sources that are not derived from fossil sources, while at the same time enabling more sustainable sourcing. In this way, we aim to prevent negative environmental impacts caused by increased demand for certain raw materials (see the "Sustainable land use" section).

Partnerships in the field of product sustainability

To reduce the amount of climate-damaging carbon dioxide in our atmosphere, we are breaking new ground - in its new Climate Care moisturizer, NIVEA MEN uses ethanol obtained from recycled CO₂ from the company Lanzatech. In the carbon capture and utilization process, carbon is first collected and fed into a bioreactor. It is then fermented and subsequently processed into cosmetic ethanol and ultimately incorporated into skin care products.

Beiersdorf joined the EcoBeauty Score Consortium in early 2022. The goal of this initiative of more than 60 cosmetics and body care companies and associations is to create an easy-to-understand, globally applicable standard that promotes more sustainable consumption of cosmetics and skin care products. The initiative aims to use a points system to track the environmental impact of various products in a standardized way and communicate this information in a transparent manner to consumers - so that they can immediately see whether products are environmentally sustainable. The score is designed to take into account aspects such as packaging, formula composition, and environmental impact during the utilization phase.

Beyond that, we are supporters of the Ellen MacArthur Foundation (EMA). The EMA is committed to accelerating the transformation to a global circular economy and building a renewable 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.

In order to support new ideas relating to the circular economy beyond the influence of its direct business activities, Beiersdorf is a founding investor in the Emerald Technology Ventures Fund. The goal of this fund is to drive the development of advanced materials and industrial technologies to make packaging more sustainable throughout its life cycle. The venture capital firm Emerald Technology Ventures brings start-ups and experienced companies together for this purpose.

In addition, we are also investors in the venture capital fund Revent. This fund supports early-stage startups across Europe that want to use technology to drive systemic change - particularly in the fields of climate, food technology, health, and economic empowerment.

Product Sustainability

tesa

Innovative solutions for greater sustainability

With our innovative product solutions, we strive to offer our customers technological progress combined with an active contribution to sustainability. To this end, we are increasingly using recycled and bio-based raw materials in 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. In addition to product development, our understanding of product sustainability also includes the utilization phase by 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. During the reporting year, we revised the assessment methodology and adapted it to reflect the strategic action areas included in our sustainability strategy. All new development projects must undergo the assessment. We use the results to further manage our development portfolio.

We have already been offering adhesive rollers, adhesive films, packing tape, glue sticks, and correction rollers, among other products, under the tesa ecoLogo sub-brand since 2010. These are made predominantly from recycled or bio-based materials; the packaging used for these products is also predominantly recycled. This product line is also manufactured without the use of any solvents.

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 in turn 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 focus here is on removable adhesive bonds.

In addition, we are currently conducting a number of analyses, in particular to determine the carbon footprint of our products. To this end, we set up a database during the reporting period in which all major raw materials and packaging solutions are linked to primary or secondary emission factors. We also regularly discuss this topic with our suppliers to improve the accuracy of our calculations through primary data. We use the compiled data primarily for internal management and reporting purposes.

We use the results of our analyses to identify relevant emission sources throughout the value chain and to be able to reduce our emissions in a targeted manner through suitable measures. Alongside this, we are working to further standardize our methodology and produce more advanced life cycle analyses (LCAs) that integrate additional environmental impacts such as acidification or eutrophication. We also plan to further reduce our use of solvents in production.

Our understanding of product sustainability goes further, however. Whether in the industrial, electronics, or wind and solar power sectors, selected products can help our customers operate efficiently and drive the adoption and expanded use of sustainable technologies. For example, our adhesive solutions can help save resources and energy as well as make it possible to repair or recycle products. In this way, our customers can reduce the amount of waste they produce and cut their GHG emissions.

Paper products that contribute to sustainability

Since we use large quantities of paper for our products and their packaging, we also pay attention to sustainability in this respect and increasingly source paper certified by the Forest Stewardship Council® (FSC® C148769). tesa SE was FSC®-certified in 2019 and successfully passed its annual monitoring audit in 2022. Our production sites in Offenburg, Suzhou, Concagno, and Hamburg are also FSC®-certified. During the reporting year, we also launched new products with our own certification, such as the paper adhesive tape tesapack® PAPER ULTRA-STRONG ecoLogo®. Looking ahead to the future, we are striving to obtain certification for further sites and to develop more FSC®-certified products.

Optimized packaging

We aim to make our packaging more sustainable, above and beyond the usual optimization measures. We currently believe paper and plastics offer the greatest potential in this regard. By 2025, we aim to use 50% less virgin fossil-based plastic in our packaging (compared to the 2018 baseline). In this context, we have already made good progress in 2022: We switched all blister caps at our Offenburg facility from non-recycled PET to recycled PET (post-consumer recycled PET, i.e., PCR-PET). In addition, we reduced the thickness of the film, resulting in material savings of 20%. For fiber-based packaging materials such as paper and cardboard, we aim to achieve a share of 80% FSC® certifications by 2025.

Sustainable land use

Consumer

Sustainable cultivation of raw materials

Natural raw materials are a key element in the development of our product formulations. We work hard to avoid environmental pollution or damage caused either by our sourcing or the use of these raw materials. Our goal is therefore to source our main renewable raw materials such as palm (kernel) oil derivatives, soy, and paper from more sustainable sources by 2025. We also want to procure these main raw materials from deforestation-free sources by 2025. To support this objective, "Sustainable Land Use" is firmly anchored in our Sustainability Agenda as a focus field. When it comes to palm-based raw materials and paper-based packaging, we have had sustainability programs in place for many years. Similar programs for soy are currently under development.

Within Beiersdorf we cooperate with colleagues from various specialist departments including Procurement, Research & Development (R&D), Quality and Supply Chain to implement our programs for sustainably certified raw materials and packaging worldwide. In addition, 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 obtained 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 35,000 tons in 2022.

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 sunflower¹.

¹ FONAP <https://www.forumpalmoel.org/home>.

This makes the cultivation of palm oil attractive, but at the same time usually 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 "Sustainable Palm Policy" guide our worldwide commitment toward achieving more sustainable raw materials procurement while also improving the working conditions of local farmers, for instance. To achieve our goals, we pursue various approaches:

Sustainable certification

We have achieved our goal of using 100% sustainably certified palm (kernel) oil and its derivatives by the end of 2020². This means that we only use palm-based raw materials from sustainable sources in our products according to the mass-balance model established by the Roundtable on Sustainable Palm Oil (RSPO).

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.

Our goal is to procure our palm (kernel) oil derivatives from deforestation-free sources by 2025.

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 smallholder farmers over the long term and to protect the environment. Our goal is to support these farmers and their cooperatives in transitioning to sustainable oil palm cultivation without further deforestation that can improve both their income and living conditions.

For example, since mid-2018 we have been collaborating with the World Wide Fund for Nature (WWF) on a project in West Kalimantan, Indonesia. Here we are supporting a total of three villages with a population of around 4,500 inhabitants, including 240 smallholder farmers. We completed the first phase of the project in the 2022 reporting year, and have extended it by further four years. The next step is to certify the smallholder farmers according to the RSPO standard by 2026.

We have also been implementing a sustainable landscape project in Sabah, Malaysia together with the WWF and our supplier Evonik since 2020. The goal of this project is to make the production of

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

palm oil more sustainable and to halt deforestation. The goal here is to have small and medium-sized farmers growing palm oil on a total area of 20,000 hectares of land certified according to the RSPO standard by 2025.

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.

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 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. Our aim is to support a total of 10,000 shea collectors there over the next five years. For example, we are supporting them in Ghana and Burkina Faso and training them in the areas of health, occupational safety, product quality, and business know-how. So far, more than 4,000 women have participated in the training seminars. In this process, shea collectors learn, for example, how to build more energy-efficient cookstoves using local materials such as termite sand to pretreat the shea kernels. They can also use these more economical stoves to cook for themselves. Up until now, the women have mostly used simple three-stone stoves fueled by firewood, which are two and a half times less efficient. The new stoves can reduce the need for firewood and the associated 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 desertification.

Paper

We use paper or cardboard for many of our product packaging solutions. We also want to procure this natural resource from sustainable sources. To this end, we established a Sustainable Paper and Cardboard Policy in 2018 with the goal of using 100% recycled or sustainably certified paper and cardboard materials that meet the FSC® standard worldwide by the end of 2020. This goal has been partially achieved, for example in the case of primary packaging materials. Since the end of 2020, we have been sourcing 100% of our folding cartons, which we use, for example, as outer packaging for facial creams, as well as all blister cards we use - such as the cardboard packaging parts for lip balm sticks - and all enclosed information leaflets from FSC®-certified material. We were unfortunately unable to achieve our target for other forms of paper packaging, such as shipping cartons and other sales materials, in all regions by the end of 2020; in these cases, we remain committed to switching to FSC®-certified or recycled paper.

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. For example, during the reporting period we introduced a new recycling process for release liners at our Hamburg site. This allows us to recycle around 15 tons of carrier material per 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 2022, 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 both within and across departments. They serve 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. In 2022, we implemented 15 projects targeting resource efficiency. These projects resulted in savings of € 286,000.

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. Many regions are particularly affected by drought and in parallel, clean drinking water resources are becoming scarcer worldwide. 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 how wastewater is managed. 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. Consumer received an A rating for the information provided in the water security questionnaire in the reporting year, and tesa received a C rating, each on a scale from A to D. In the coming year, we would like to work more intensively on further improving and maintaining these ratings, respectively.

Consumer

The Consumer Business Segment uses water in a broad variety of ways. On the one hand, it is needed to manufacture our products and it is a core ingredient in our product formulations. On the other hand, water is used by our consumers when they apply our products. For this reason, we are fully committed to using this precious resource in a responsible manner and to systematically and consistently promoting the sustainable use of water.

Most of the water we use is consumed by our production sites. Beiersdorf is committed to continuously minimizing water consumption in its production processes. Our aim is to reduce consumption per manufactured product by 25% by 2025 (compared to the 2018 baseline). There are experts at each site who are implementing specific measures in line with our global ambition to reduce water consumption. Our Sustainability In Manufacturing (SIM) initiative is driving this forward and has assumed responsibility for coordinating efforts at the individual facilities. In doing so, it takes a bottom-up approach. Progress is monitored and reported to the Sustainability Council on a quarterly basis. This is how we want to ensure that we are on the right track.

In 2022, water consumption per manufactured product remained at the same level as 2018 (base year). In comparison to the previous year, this represents a reduction of 8%.

In addition, we want to go one step further and approach the topic of water from a holistic perspective. To this end, we are cooperating with WWF as part of a long-term, strategic partnership to improve water management within our company and our value chain.

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

The importance of sustainable water management is also incorporated into plans to expand our production sites - through our global SIM initiative, we are working intensively to integrate innovative ideas into our production processes. Here we are focused on developing increasingly effective solutions to reduce water loss, determine water consumption at relevant production sites, and implement innovative approaches to treating wastewater so that it can be reused in production processes.

We rely on state-of-the-art equipment and advanced technologies, especially for high-consumption cleaning processes. Any wastewater that is produced is treated using efficient technical processes - usually in the company's own treatment plants - and then used for cooling, irrigation, or sanitation, for example. These measures are frequently implemented at our production sites as part of their LEED certification (see "Climate action" section). Even seemingly small improvements such as modernizing sanitary facilities or systematically measuring consumption in production areas 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.

We also regularly conduct reviews at our production sites to identify potential ways to optimize water consumption and wastewater treatment.

New water roadmap

In 2022, the Consumer Business Segment developed a new roadmap for its water management. The SIM initiative is responsible for implementing the corresponding global targets and measures at the individual production centers. The water roadmap is based on four pillars under which we have already implemented or launched the following measures in 2022:

1. Continuous improvement and maximum operational performance

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 continuously look for and test new (digital) approaches to reducing water consumption in cleaning processes, supported by specialist institutes and testing equipment at our factories, where such novel approaches are tested

2. Process optimization

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. We also constantly reassess our own standards and specifications and have, for example, revised our specifications for water quality in order to reduce losses in water treatment (such as during the softening of water)

3. New water treatment technologies

In addition, we are introducing new water treatment technologies, for example via high-recovery reverse osmosis - we are currently testing a program with enhanced cleaning technology at our facility in India; this has the potential to reduce water consumption by up to 28%

4. Exploring circular water management

We are currently conducting a study to transform the water systems at our facilities in line with the closed-loop principle in order to maximize the recovery and reuse of water in production centers. Initial projections show that the savings potential can be as high as 70%, depending on the location and the measured variables

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 withdraw water mainly from the public drinking-water supply and from groundwater. Water is reused several times in our cooling cycles. Most of the water used is discharged as wastewater into the sewage system or as surface water.

We want to reduce risks to water sources resulting from our production process as much as possible, which is why we take preventive measures against conceivable accidents. 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. We have emergency plans in place to determine the exact course of action in the event of a leakage 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 play a key role in the sustainable development of our company. Their expertise, skills, and commitment ensure that we remain competitive and innovative. Our goal is to create an attractive, inclusive workplace that recognizes the individual performance and actively promotes the potential of a diverse workforce.

Consumer

Training and education

The changes in our working world require an agile and dynamic approach to work and thus a high degree of flexibility and willingness to learn. This makes it all the more important to foster our employees' personal strengths and invest in their long-term development. To this end, we offer comprehensive training and development opportunities that also support lifelong learning.

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

Employer attractiveness

We want to be an attractive employer for our employees and offer them a safe, attractive, and inclusive working environment where everyone feels they belong and has the same opportunities to succeed and do their best work. We believe that this includes open dialogue across all levels in the spirit of participation and involvement, the achievement of jointly set goals, and a responsible management culture. It is particularly important to us that our employees form an emotional bond with our company, so we regularly review this using global employee surveys.

Further information on the results of these surveys can be found in the "People at Beiersdorf" section of the Combined Management Report.

Diversity and inclusion

We are convinced that a diverse workforce enriches our teamwork enormously. This is because different perspectives and experiences not only make us more innovative, they also boost our competitiveness, make us more creative, and help us to better understand and take into account the needs of our consumers. Diversity and inclusion are thus not only actively promoted but form a core component of our business strategy.

The global D&I roadmap formulated in 2021 and further refined in the reporting year supports us in creating a culture rooted in diversity and inclusion. It encompasses a number of strategic priorities that are presented in more detail in the "People at Beiersdorf" section of the Combined Management Report. This section also contains the relevant key figures, such as the percentage of women in management positions and the number of management vacancies filled internally.

tesa

Training and education

Competition for employees with scientific and technical backgrounds is constantly on the rise within our industry. The advance of digitalization and internationalization is also changing work requirements and methods. We are meeting these challenges with comprehensive education and further training programs, as highly qualified, committed, and performance-oriented employees represent a decisive competitive advantage for tesa. In addition, a wide range of training and development opportunities help to ensure that high potentials enjoy working for us long term.

The tesa Group offers its own training at its production facilities in Hamburg and Offenburg; we are also planning to roll out such a training program for tesa SE's corporate headquarters beginning in 2023. The focus here is on technical professions, for example chemicals technician, electronics technician for industrial engineering, industrial mechanic, machine and plant operator, and mechatronics technician. In addition, we offer cooperative degree programs and vocational training programs in business-related fields, such as plastics and elastomer technology, electrical engineering, and IT systems integration.

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, 79% of the trainees who completed their training in 2022 were retained, while in Offenburg the retention rate stood at 54%.

In order to identify and fully tap our employees' potential, we offer them a wide range of professional and personal development opportunities. 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. Since the start of the COVID-19 pandemic, we have expanded the number of online courses offered in order to provide employees with a variety of options, even when they are working from home. 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 3.1 percentage points to 8.7% between December 2020 and December 2022. 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 part of the health management program.

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 EVs 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 the two as a comprehensive, holistic, and preventive management task. Our strategic objective is therefore to reduce the number of accidents at work to zero and avoid work-related illnesses as well as undue physical and psychological stress factors. To achieve this goal, we 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 AFR sank in 2022 to 0.5 accidents per million hours worked. This represents a 45% reduction in AFR compared to the previous year. We are particularly pleased to report that 73% of our production centers operated completely accident-free throughout all of 2022. At tesa, the AFR of documented accidents resulting in at least one day of absence at ISO 14001 certified sites stood at 3.6 per million working hours worldwide in the reporting year (2021: 4.1).

COVID-19 pandemic

The risks to our employees still associated with the COVID-19 pandemic are integrated into our safety and health management activities. Our local teams continue to monitor the situation, comply with local legislation, and adapt protective measures whenever necessary.

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 Occupational Safety Department is responsible for managing safety at the workplace, but we also count on the cooperation of all employees at our sites.

Our occupational health and safety strategy applies worldwide. It encompasses our most important current 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 focus on reducing the main risks associated with slips, trips, falls, forklift operation, and machine operation. Within the framework of our behavior-based safety program, we encourage all employees to participate and provide feedback. We focus on ensuring that our employees make each other aware of both misconduct and exemplary safety implementation.

Management systems

In 2022, we further increased our global standards and focused on defining work methodologies for technological innovations such as collaborative robots (COBOTS). In addition, we expanded our requirements for key activities such as warehousing and forklift operations. This helps our managers integrate safety and health protection into day-to-day operations.

To ensure that we have a robust safety and health management system that enables continuous improvement, we conduct external audits every three years at each site; these are consistent with our internal Environmental and Safety Management Audit System (ESMAS) (see "Respect for human rights" section). EMSAS is based on the two internationally recognized standards ISO 14001 (environmental management systems) and ISO 45001 (occupational health and safety management systems).

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 2023 we will continue to focus on reducing the number of accidents related to the main risks in our operations, while simultaneously implementing new best practices and programs that are designed to lead to improvements in work permit procedures, machine safety, and the movement of materials.

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 policy replaces the Occupational Safety Guidelines that had previously been in effect.

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 through instruction and training at regular intervals. 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 that states that 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.

In 2022, the BG RCI (German Employers' Liability Insurance Association for Raw Materials and the Chemical Industry) audited the tesa sites in Hamburg and Offenburg and awarded them the "*Sicher mit System*" ("Systematically Safe") seal of approval. This marks another milestone for occupational health and safety at tesa. The seal of approval demonstrates that occupational health and safety has been systematically integrated into the respective site's management system.

We employ our own occupational safety specialists at all ISO 14001-certified sites. At the same time, we specifically promote international dialogue between these specialists. They discuss material occupational safety and health risks at annual in-person meetings or virtual conferences. 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 2022, 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.

During the reporting year, tesa Manufacturing Hamburg GmbH held an extensive occupational health and safety day. 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 2023, we will implement ISO 45001 certifications at the tesa SE Norderstedt and tesa Manufacturing Hamburg GmbH sites in accordance with our roadmap for the occupational health and safety management system.

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. These 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, Research & Development (R&D), Corporate Communications, and Medical Management. We have been evaluating the social projects we support worldwide on an annual basis since 2013. The project managers at our local affiliates collect all locally relevant data, which we consolidate in order to be able to analyze our activities globally. The results of the analysis serve as an important source of information for internal management, but also form an integral part of our sustainability reporting.

As we pursue a 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 want to make an important contribution towards a cohesive society.

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 disaster relief. Each brand also provides targeted support in areas that fit with its brand identity and area of expertise, while aligning with the social needs and concerns of the local communities.

We also involve our consumers in our brand engagement. For example, we provide them information on our social initiatives in a continuous and transparent manner via the corporate and brand websites, thereby raising public awareness of key social issues.

Engagement at corporate level

In 2022, we continued the COVID-19 aid program for which Beiersdorf Consumer had already initiated global partnerships in 2020. Through the program, we aim to particularly provide people in the epicenters of the pandemic and in regions and countries with weak public health systems and infrastructures with support appropriate to their situation.

Beyond emergency aid, within these partnerships Beiersdorf is committed to providing medium to long-term support for local people. Many countries are facing long-lasting socioeconomic impacts and challenges in the wake of the COVID-19 pandemic. Above all, girls and young women are affected by the pandemic and its consequences, due to their age and gender. During crises, for example, they are at increased risk of experiencing sexual violence, being married off against their will, and having to leave school permanently. Similarly, girls and young women are more likely to work in fields that put them at higher risk of contracting COVID-19, for example, in the (home) care and healthcare sectors. This is why empowering girls is a particular focus of our COVID-19 aid program.

To provide the most effective assistance possible, we work in Africa and Latin America with the international non-profit organizations Plan International and CARE, which have the expertise needed to implement projects and can rely on established and stable networks on the ground. They also have many years of experience in impact measurement.

In 2021, Beiersdorf set itself the goal of directly reaching more than 300,000 people by 2023 through its projects to empower girls. In this context, people who are directly reached by one or more project activities are referred to as direct beneficiaries.

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 it is possible to have a lasting impact on individuals - in this case, girls and young women.

In partnership with Plan International, Beiersdorf is working to strengthen girls' rights to access education and is helping prevent gender-based violence during the COVID-19 pandemic and beyond. For example, as part of the project in Ecuador, training sessions were held with 625 young people, more than half of whom were girls. The focus was on sexual and reproductive health and rights and gender-based violence. In total, the projects reached 19,944 people in Brazil, Ecuador, and Colombia during the reporting period¹ and 33,309 people in Kenya, Ghana, and Nigeria. The projects are designed to run for a total of two years each, starting from October 2020 (Latin America) and February 2021 (Africa). The duration of the projects in Latin America has been extended until the end of 2022 in order to be able to complete all activities.

In partnership with CARE, Beiersdorf has worked to ensure that particularly vulnerable groups in Africa, such as girls and young women, receive information about COVID-19 and access to appropriate healthcare. In addition, the objective of this two-year project is to mitigate the socio-economic consequences for these target groups and strengthen their livelihoods. Its geographical focus is Ethiopia, Kenya, Somalia, and Sudan. For example, 3,067 girls and women in Kenya (including 68 participants under the age of 18) participated in group training sessions on Village Savings and Loan Associations (VSLA) methodology during the reporting year. Amongst others, in these groups, they learn about financial processes such as loans and savings rates. This project, which is also designed to run for two years, reached a total of 120,583 people in the reporting period.

As of the end of 2022², Beiersdorf had already reached 231,798 of the more than 300,000 people it is targeting with its projects to empower girls.

In addition, Beiersdorf works closely with Ashoka, the world's largest network of social entrepreneurs, in its efforts to empower girls. October 2021 marked the launch of a one-year social innovation initiative. In 2022, together with Ashoka, Beiersdorf awarded grants to five leading female social entrepreneurs from the United Kingdom, Poland, Italy, Belgium, and Switzerland, whose projects are dedicated to the empowerment of girls and women. In addition, starting in January 2022, we provided assistance to help female European social entrepreneurs connect and network with the goal of strengthening gender equity. After the initiative was successfully completed during the reporting period, Ashoka and Beiersdorf are currently planning a second phase.

Together with the University of Cardiff, the company has also been conducting a three-year psychological study since 2021 that evaluates the impact of the COVID-19 pandemic and similar crises on the well-being of people with skin diseases. The study is examining, among other things, how negative

¹ The organizations' reporting period does not correspond to the calendar year, as they report on a different schedule. Their reporting periods are as follows: Plan International Latin America: July 1, 2021 - June 30, 2022, Plan International Africa: August 1, 2021 - July 31, 2022, CARE Africa: November 1, 2021 - October 31, 2022

² This only includes the figures that were received by December 31, 2022

impacts can be mitigated through the use of digital support tools. A research paper³ highlighting the findings to date was published in the reporting year. In addition, an interview process with affected individuals was launched in order to develop further conclusions that could be a beneficial role in the development of digital aids.

Due to the Russian invasion of Ukraine and the subsequent war, Beiersdorf provided two million euros in emergency aid to the German Red Cross and CARE Deutschland e.V. We have also set up a global donation platform with the United Nations Refugee Agency (UNHCR) for all our employees. UNHCR is using the funds primarily to establish and implement emergency relief activities for Ukrainian families who have fled the country. This includes, for example, the provision of shelter, clean drinking water and sanitation, and healthcare. In addition, our headquarter is also collaborating with the two charitable organizations *innatura* and *Hanseatic Help* by distributing targeted product donations. Beiersdorf donated products from NIVEA, 8X4, Hidrofugal, Eucerin, Aquaphor, and Hansaplast throughout Europe during the reporting period.

Engagement at brand level

The NIVEA and Eucerin brands continued to pursue their own global social missions locally in 2022.

NIVEA launched individual project activities during the reporting period. The goal is to stimulate human touch and more togetherness, thus improving the quality of life of people affected by loneliness – such as of premature babies, partially sighted individuals, and elderly people suffering from dementia. For example, NIVEA France cooperates with “Petits Frères des Pauvres,” an organization that combats the social isolation of older people. In the United Kingdom, the brand is working with UNICEF UK within the framework of the “Baby Friendly Initiative” to support premature baby units in selected hospitals. In the Philippines, NIVEA works with the organization Resources for the Blind Inc., which focuses on providing holistic care for partially sighted people. The goal of these “Human Touch” projects is to have a positive impact on the individual health and well-being of more than 150,000 people by 2025. Currently, the brand is reviewing the thematic focus of its social mission.

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.

In Germany, the brand is collaborating with the University Medical Center Hamburg Eppendorf and the German Psoriasis Association. This joint project has the long-term goal of ensuring that people with psoriasis are no longer stigmatized by society.

Eucerin aims to implement local social projects in at least 15 countries by 2023 in order to promote the quality of life of people with dermatological conditions and their social inclusion. As of 2022, projects have already been carried out in seven countries, although concrete activities will not begin in Canada until 2023.

The healthcare brands Hansaplast, Elastoplast, and CURITAS initiated a new global social mission in 2022 with a focus on first aid training for children – and the brands aim for at least 200,000 children to actively participate in trainings by 2025. In the reporting year, the local affiliates began to implement the mission locally. In this context, they focused on finding suitable partners and projects.

³ Hewitt, R. M., Ploszajski, M., Purcell, C., Pattinson, R., Jones, B., Wren, G. H., Hughes, O., Ridd, M. J., Thompson, A. R., & Bundy, C. (2022). A mixed methods systematic review of digital interventions to support the psychological health and well-being of people living with dermatological conditions. *Frontiers in Medicine*, 9. <https://doi.org/10.3389/fmed.2022.1024879>

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. This not only applies to our own sites and employees around the world, but also to all employees along the value chain. We do not tolerate any form of corruption, forced labor, child labor, or discrimination - neither at our own locations nor at any point in our supply 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 reevaluated the risk of human rights violations involving our employees and our supply chain in the reporting year. This was conducted as part of our annual risk management process. If minimum social standards are not met, it may affect the safety, health, and well-being of employees. As a result of Germany's Supply Chain Due Diligence Act coming into force, human rights violations can now result not only in considerable damage to our reputation, but also in substantial fines for companies. We are responding to this risk with, among other measures, a task force that is preparing the company's internal processes for the additional requirements imposed by the law. 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 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 focus on long-term relationships with business partners who commit to and align with our principles of sustainable, responsible corporate governance and explicitly promote these. 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. In this way, we want to ensure that our business partners live up to their social, environmental, and economic responsibilities - and ultimately manufacture high-quality products.

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 2022, 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. We also revised the CoC in the reporting year to meet the requirements of Germany's 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. These audits are aligned with the requirements of the Environmental Protection and Safety Management Audit Scheme (ESMAS), which are based on the internationally recognized ISO 14001 (environmental management systems) and ISO 45001 (occupational health and safety management systems) standards.

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 Hamburg and Berlin (Germany), Argentona (Spain), Sanand (India), Bangplee (Thailand), Malang (Indonesia), Shanghai (China), Itatiba (Brazil), Mexico City (Mexico) and Lagos (Nigeria) were audited in accordance with the ESMAS standard.

In addition to the ESMAS audits, our facilities in Germany (Hamburg and Berlin), Spain (Argentona and Tres Cantos), India, Indonesia, China, Brazil and Nigeria were audited in the reporting year in accordance with the standardized 4-pillar audit protocol of the Sedex Members Ethical Trade Audit (SMETA). All of the audits performed are valid for three years and are therefore repeated every three years.

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; it examines whether more in-depth screening and thus further measures beyond signing the CoC are required. Country-specific risks, the quantity of goods purchased, and the proximity of the respective goods or service companies to Beiersdorf's brands are risks that all play a role in the risk classification process. 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. By leveraging international collaboration platforms such as Sedex, EcoVadis, and AIM-PROGRESS, we can continuously improve our sustainability engagement right along the supply chain. In addition, we are currently restructuring the risk classification process. The goal is to integrate even more external insights, indices, and data sources and make our processes even more robust from 2023 onward.

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 Labor Organization (ILO), and the OECD Guidelines for Multinational Enterprises. We expect our suppliers to comply with our standards and to remedy any shortcomings. In this context, we are implementing our own auditing process. In light of Germany's new Supply Chain Due Diligence Act, we also expanded the CoCS in the reporting year and thus made the issue of human rights even more relevant. The new CoCS will be valid from 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 Purchasing Compliance Guideline (PCG), which also forms part of our Group-wide Compliance Manual. This policy contains binding rules of conduct for tesa's procurement activities and is reviewed and revised on an ongoing basis.

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 introduced a systematic assessment process for our approximately 10,000 suppliers. In this process, our Procurement and Sustainability Departments examine whether a more in-depth risk analysis of the suppliers is necessary. This supplier screening process is carried out once a year and as required, for example in the case of new suppliers. 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. Factors such as strategic relevance are also included, for example if the company is a supplier for an important raw material or a single-source supplier.

We have already been inviting direct suppliers to complete an assessment via the EcoVadis platform since 2020. Suppliers with a good 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. In the future, these invitations will be linked to risk factors in an even more targeted manner.

At the end of 2022, suppliers that are responsible for 54% (2021: 43%) of our direct purchasing volume had submitted EcoVadis assessments. In the coming years, our aim is to gradually increase this figure, with a goal of having sustainability assessments completed for a total of 80% of our direct purchasing volume by 2025. Furthermore, 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 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 compliance issue 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 departments are responsible for defining, developing, and monitoring the minimum standards for these programs, as well as an appropriate CMS in their respective organization.

In our regions and at our affiliates, we have established local compliance officers who are responsible for communicating all elements of the compliance programs to our employees and working to ensure that they are applied locally. The aim is to enshrine all elements of our compliance system in the regions and affiliates and to monitor and improve them on an ongoing basis. A special network of external attorneys specialized in antitrust issues is available to local companies. Practice-oriented training and consulting services as well as various guidelines form the core elements of our compliance programs:

- The antitrust guidelines provide clear directives on antitrust-compliant behavior, requirements for contact and the exchange of information with competitors, guidance for communication with customers, for example, with regard to sale prices, as well as fundamental dos and don'ts.
- The anti-corruption guidelines serve as a guide to dealing with 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 the principles of the European Union's General Data Protection Regulation (GDPR) are implemented for the lawful processing of data at our EU companies. 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. Taking a risk-oriented approach, we train an average of several thousand employees worldwide annually on corruption prevention as well as antitrust and data protection-compliant behavior. This training is delivered face-to-face or in an e-learning format and it serves to raise our employees' awareness of the topic and to show them where to obtain further support. In addition, Members of the Executive Board and Supervisory Board are regularly informed about relevant compliance matters. In the fiscal year 2022, the Consumer Business Segment achieved a total training participation rate of 97% and tesa of 99%. 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. This includes all employees and managers who may come into contact with the respective issues and requirements.

Our employees can find key guidance and information on the relevant compliance intranet pages. In addition, we use various communication channels such as the intranet and email to inform our workforce regularly about compliance topics and related new developments. Furthermore, we regularly exchange information with our local affiliates on generally relevant updates, emerging questions, or best-practice approaches, for example.

These ongoing communication and training measures help us institutionalize the compliance principles at our companies.

Detect

The analysis of compliance risks forms the basis of our compliance management system and our compliance programs. To this end, we regularly identify existing and future compliance risk areas in our business models and our geographical presence as part of a holistic compliance risk assessment. In addition, both Corporate Compliance departments support their management teams in identifying risks that go beyond their own organizational responsibility.

In a second step, these are then evaluated and prioritized. High-priority issues are analyzed for their specific risks in order to ensure that appropriate countermeasures exist or are taken. This is carried out both centrally and at the affiliates. The results are presented to the Executive Board and leveraged to continually adapt and improve our global and local compliance programs.

In order to operate in a fully compliant manner over the long term and maintain and further promote an open and trusting compliance and communication culture, it is essential that individual employees are personally committed to the issue. 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 has also been using this platform since this reporting period. Furthermore, external ombudspersons received confidential information on potential compliance violations on behalf of tesa until 31.10.2022.

The whistleblowing platforms are available not only to our own employees but also to customers, consumers, suppliers, and other external stakeholders for the purpose of reporting possible misconduct. Besides the above, we also provide internal options for reporting such as Corporate Compliance email addresses.

We have established processes to investigate and clarify any information received and ensure that appropriate measures are taken, 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. This department conducts regular audits of both Business Segments, of which compliance-relevant topics form an integral part. In addition, each Corporate Compliance Department regularly monitors compliance with centrally defined minimum standards, through on-site visits or queries about the implementation of measures, for instance.

React and improve

We closely monitor the effectiveness of our compliance management system by means of our regular Group-wide compliance reporting. 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. The affiliates are naturally required to inform the Corporate Compliance Department immediately about any material compliance incidents, including outside the regular reporting cycles, in order to be able to respond immediately.

We consider the continual and thorough development of our compliance management systems as an integral part of our activities. This is how we take internal adaptation requirements into account, as well as the dynamic changes in legal frameworks and economic conditions. In the reporting year, we developed formalized audit formats for this purpose in the Consumer Business Segment and carried them out at select affiliates. On the basis of the formats, we analyze the effectiveness of antitrust and data protection compliance and improve it on an ongoing basis. At tesa, we revised the data privacy guidelines, the whistleblowing guidelines, and the case management process. We also reviewed the status of local compliance implementation 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 in EU Cosmetics Regulation 1223/2009 for safety assessment, as well as the requirements of the SCCS Notes of Guidance in their 11th revision from 2021, which 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 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 product safety requirements; on the other hand, it also defines the specifications for correct product labeling and for providing information that ensures safe transportation and product handling.

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.

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 complies with these legal requirements and has also long since refrained from animal testing worldwide whenever local laws permitted it. 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 OECD (Organisation for Economic Co-operation and Development) and major regulatory bodies.

In collaboration with numerous partners and interest groups, we 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 Approach 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 so-called organ chips, which simulate the interaction of several organs.

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. As a result, we will also continue to advocate intensively for the development and successful use of alternatives to animal testing.

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 and the people who use them. We aim to continually make products that satisfy the highest quality and safety requirements.

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. Our core goal for product safety is to keep the number of product liability cases to zero. 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 Guideline 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 roles and responsibilities of the Product Safety & Conformity Representatives (PSCR). The tesa Product Safety Guidelines apply worldwide and our employees have access to the document via our intranet.

Product safety officers

Every production facility worldwide has a local Product Safety & Conformity Representative (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. For this purpose, it draws on various chemical databases, evaluates scientific findings, and reviews data on safety-relevant substance properties and the safe handling of substances and mixtures. As a rule, a safety data sheet is available for every product that includes comprehensive safety information – for example, on materials and substances, proper storage and correct handling, as well as 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, further or new measures are required - leading to 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.

The following information applies only to the environmental goals "climate change mitigation" and "climate change adaptation," as the EU Commission once again failed to publish any technical screening criteria for the other four environmental objectives in the reporting year.

Taxonomy Impact Analysis Procedure¹

To determine its overall taxonomy capability, Beiersdorf assembled a cross-functional team in spring 2021 consisting of employees from the tesa and Consumer Sustainability Departments, Group Accounting and Consolidation (Consumer), and Corporate Controlling (tesa). In addition, further departments including IT Controlling, Manufacturing Controlling, and Facility Management were brought on board in order to integrate their expertise on individual business activities.

Initially, the team identified the taxonomy-eligible activities at Beiersdorf by referencing the activity descriptions and the referenced NACE codes in Annexes 1 and 2 of the EU Taxonomy Climate Delegated Act on climate change mitigation and climate change adaptation. In this context, the team also made use of the "Taxonomy Compass" provided by the EU Commission. At the same time, the team analyzed the definitions of the OpEx, CapEx, and sales revenue figures set out in Annex 1 of the Climate Delegated Act relating to Article 8 of Regulation (EU) 2020/852 and collected the data for the respective benchmarks (denominator of the key figures) based on our financial controlling systems. This particularly involved identifying the relevant cost types relating to OpEx. For the activities identified as taxonomy eligible, approaches were then defined for estimating and gathering data on the corresponding OpEx, CapEx, and sales revenue.

¹ Given the ongoing, dynamic development of the formulations contained within the EU Taxonomy Regulation, 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

The following economic activities have been identified as taxonomy eligible:

Information and Communication

- Since the Consumer Business Segment operates a data center and provides these services to tesa, Activity 8.1 "Data processing, hosting, and related activities" was identified as relevant. Similarly, Activity 8.2. "Data-driven solutions for GHG emissions reductions" is relevant because we use GaBi and SoFi emissions management software and energy management systems.

Construction and Real Estate

- 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 we have vehicle-charging stations on our premises that are operated by a third party.
- 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 photovoltaic systems as well as measuring systems and energy-efficiency control units.
- We have classified the activities under 7.1 "Construction of new buildings" as not applicable to Beiersdorf. This is because the factory and office buildings we have had constructed on our behalf are not new buildings for the purpose of resale, but are used for our ongoing business operations.
- We have also classified Activity 7.7. "Acquisition and ownership of buildings" as not relevant, as we do not purchase the office buildings we use, but lease them on a medium-term or long-term basis.

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, since we use waste heat for internal heating processes. We have recorded other activities from this area, e.g., with respect to the production of renewable energy, under "Construction and Real Estate" in accordance with the EU Taxonomy Regulation.

Transport

- All of our transport activities are outsourced to service providers, meaning we do not conduct any taxonomy eligible activities in this area either. Only 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 taxonomy eligibility. For the tesa Business Segment, only the production of subcomponents for batteries is taxonomy eligible (Activity 3.4. "Production of batteries"). Sales revenue from other categories is not taxonomy eligible; for example, tesa does not manufacture plastics in primary form, but sources them from suppliers.

Turnover Analysis and Calculation

On the basis of our analysis, we have come to the conclusion that only economic activity 3.4. "Manufacture of batteries" at tesa should be included as taxonomy-eligible turnover in the turnover category. This sales revenue amounts to € 16.1 million and thus represents less than 0.2% of total consolidated sales revenue of € 8,798.6 million (see Notes to the Consolidated Financial Statements, Income Statement, Note 01).

CapEx Calculation

With respect to CapEx, we have identified the investments and long-term leases related to the activities identified as taxonomy eligible; these are reported for both business segments. In addition to the investments in intangible assets (€ 5.2 million; see Note 11 to the consolidated financial statements) and property, plant and equipment (€ 542.6 million; see Note 12 to the consolidated financial statements) reported in the annual report, the reference figure of € 617.8 million for CapEx also includes property, plant, and equipment with long-term rights of use ("right of use assets") amounting to € 70.0 million (see Note 12 to the consolidated financial statements). A total of 2.7% of this reference value (€ 617.8 million) was identified as taxonomy eligible.

OpEx Analysis and Calculation

The key financial figures for the full year 2022 from Beiersdorf's financial controlling systems were used as the basis for calculating the reference figure for OpEx (denominator). At the same time, detailed queries of the respective Controlling Functions were carried out to ensure data quality. The following were included in the reference value:

- R&D costs
- Costs in connection with short-term 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

To calculate the percentage shares of taxonomy-eligible items in the total reference value (numerator), data was gathered directly from our financial systems as far as possible. 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., personnel keys). A total of 4.2% of this reference value (€ 445.0 million) applies to the activities described above as taxonomy eligible.

Approach and Results of the Alignment Analysis

In addition to the impact analysis, as of 2022 reporting companies are also required to determine the taxonomy alignment of the identified taxonomy-eligible economic activities. This involves assessing whether an economic activity makes a significant contribution to at least one of the six environmental objectives ("substantial contribution" criterion), does not cause significant harm to any of the environmental objectives ("do no significant harm [DNSH]" criterion) and meets minimum social standards ("minimum safeguards" criterion).

The project team analyzed the technical screening criteria outlined in Annex 1 and 2 of the Delegated Act on climate change mitigation and adaptation supplementing Regulation (EU) 2020/852 and compared them to the activities identified above.

The majority of Beiersdorf's taxonomy-eligible activities are products and services purchased from suppliers and service providers. The assessment of the taxonomy alignment of these activities must therefore take place at the level of the partner company. To date, it has not been possible to obtain sufficient information on taxonomy alignment with the significant contribution criteria, the DNSH criteria, and the minimum safeguards criteria to report a taxonomy-aligned share of economic activities for fiscal year 2022.

With respect to Activity 3.4. "Manufacture of batteries", sufficient documentation of a climate risk analysis does not exist to date, meaning that this cannot be classified as taxonomy aligned either.

Beiersdorf will use the findings from the analyses it has performed to prepare and improve individual reporting processes of taxonomy-aligned activities for the coming reporting year.

Key figures EU Taxonomy Reporting

Key figures Turnover

1	2	3	4	Substantial contribution criteria						DNSH criteria (Do no Significant Harm)						17	Taxonomy-aligned proportion of Turnover year N	Taxonomy-aligned proportion of Turnover year N-1	20	21
				5	6	7	8	9	10	11	12	13	14	15	16		18	19		
Economic activities	Code	Absolute Turnover	Proportion of Turnover	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	2022	2021	Category (enabling activity)	Category (transitional activity)
A. TAXONOMY-ELIGIBLE ACTIVITIES		KEUR	%	%	%	%	%	%	%	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%	N/A	N/A	N/A	N/A								0%			
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																				
Manufacture of batteries	3.4	16,086	0.2%																	
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		16,086	0.2%																	
Total A1 + A2		16,086	0.2%														0%			
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
Turnover of Taxonomy non-eligible activities (B)		8,784,552	99.8%																	
Total A + B		8,798,608	100.0%																	

Key figures CapEx

1	2	3	4	Substantial contribution criteria						DNSH criteria (Do no Significant Harm)						17	Taxonomy-aligned proportion of CapEx year N	Taxonomy-aligned proportion of CapEx year N-1	20	21
				5	6	7	8	9	10	11	12	13	14	15	16		18	19		
Economic activities	Code	Absolute CapEx	Proportion of CapEx	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	2022	2021	Category (enabling activity)	Category (transitional activity)
		KEUR	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E	T
A.TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1. Environmentally sustainable activities (Taxonomy-aligned)																				
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0%	0%	0%	N/A	N/A	N/A	N/A								0%			
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																				
Installation, maintenance and repair of energy efficiency equipment		7.3	2,347	0.4%																
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings		7.5	1,523	0.2%																
Installation, maintenance and repair of renewable energy technologies		7.6	2,866	0.5%																
Production of heat/cool using waste heat		4.25	4,152	0.7%																

Key figures CapEx

(Fortsetzung)

Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	7.4	220	0.0%				
Data processing, hosting and related activities	8.1	5,469	0.9%				
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		16,576	2.7%				
Total A1 + A2		16,576	2.7%				0%
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES							
CapEx of Taxonomy-non-eligible activities(B)		601,194	97.3%				
Total A + B		617,770	100.0%				

Key figures OpEx

(Fortsetzung)

High-efficiency co-generation of heat/cool and power from fossil	4.30	511	0.1%				
Transport by motorbikes, passenger cars and light commercial vehicles	6.5	4,564	1.0%				
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	7.4	24	0.0%				
Data processing, hosting and related activities	8.1	8,738	2.0%				
Data-driven solutions for GHG emissions reductions	8.2	148	0.0%				
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		18,499	4.2%				
Total A1 + A2		18,499	4.2%				0%
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES							
OpEx of Taxonomy-non-eligible activities (B)		426,472	95.8%				
Total A + B		444,971	100.0%				

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

Consumer Business Segment	Unit	2021	2022
Environment			
GHG emissions (Scope 1 and Scope 2)	t CO ₂ e	42,889	40,811
GHG emissions (Scope 3) considering biofuel certificates	t CO ₂ e	1,070,612	1,023,679
GHG emissions (Scope 3) not considering biofuel certificates	t CO ₂ e	1,079,412	1,034,279
Absolute reduction GHG emissions (Scope 1 and Scope 2) vs. 2018	%	26	31
Absolute reduction GHG emissions (Scope 3) vs. 2018 ¹	%	12	16
Reduction of fossil-based virgin plastic vs. 2019 ²	%	9	15
Recycled material in plastic packaging ²	%	7	10
Reduction of nonbiodegradable polymers in European product formulas (based on raw material volume) vs. 2016 ²	%	52	63
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	%	45	76
Share of mass balance palm (kernel) oil and derivatives ²	%	100	100
FSC-certified paper in folding boxes ²	%	100	100
Employees			
Share of women management group 1 - 3	%	34	40
Share of internal recruitments management group 1	%	100	100
Share of internal recruitments management group 2	%	88	89
Accident frequency rate (AFR)	Accidents per 1 million working hours	1.0	0.5
Human Rights			
Coverage supplier risk screening	%	100	100
Coverage code of conduct	%	92	91
Compliance			
Participation rate compliance training	%	95	97
tesa Business Segment			
Environment			
GHG emissions (Scope 1 and Scope 2)	t CO ₂ e	58,373	50,860
Specific GHG emissions per metric ton of end product	t CO ₂ e	0.80	0.71
Electricity from renewable energy sources	%	52	66
Employees			
Accident frequency rate (AFR)	Accidents per 1 million working hours	4.1	3.6
Compliance			
Participation rate compliance training	%	98	99
Human rights			
Coverage direct spend from suppliers assessed by EcoVadis	%	43	54
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 Program

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

Environment			
GHG emissions (Scope 1 and Scope 2)	t CO ₂ e	6,267	5,956
Absolute reduction GHG-emissions (Scope 1 and Scope 2) vs. 2018	%	5	10
Employees			
Share of women in first management level	%	31	31
Share of women in second management level	%	52	48
Share of internal recruitments management group 1	%	100	N/A
Share of internal recruitments management group 2	%	86	100
Accident frequency rate (AFR)	Accidents per 1 million working hours	2.2	2.1
Compliance			
Participation rate compliance training	%	99	97

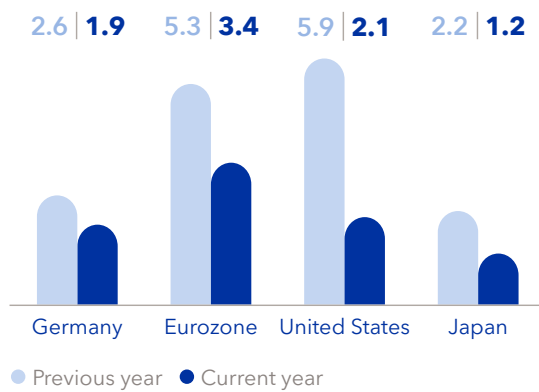
Economic Report

Economic Environment

General Economic Situation

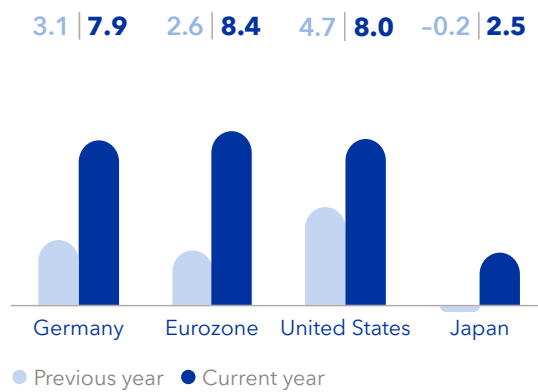
Gross Domestic Product¹

change versus previous year (in %)



Inflation Rate¹

change versus previous year (in %)



¹ Commerzbank Research

2022 was a turbulent year for the **global** economy. In particular, geopolitical and economic events created a volatile macroeconomy. While the easing of COVID-19 restrictions at the beginning of the year initially improved the economic situation, optimism quickly subsided again due to the Russian invasion of Ukraine. In summary, the year was marked by a stronger-than-expected economic downturn. This was caused by inflation reaching heights not seen for several decades and interacting with an imbalance of supply and demand. Central banks responded by tightening the monetary policy reins and hiking interest rates. Global inflation rises therefore slowed in the second half of the year, but this came at the price of a more difficult financing environment in many regions. In addition, shortages on labor markets, combined with a loss in purchasing power, put pressure on wage and salary structures. The supply chain problems continued to act as a brake on the global economy in 2022; however, the supply chain situation improved somewhat toward the end of the year.

The **European** economy was particularly affected by the impacts of the Ukraine war in 2022. In economic terms, the Russian invasion resulted in uncertainty around gas supplies and a dramatic rise in energy prices in the eurozone. The energy price situation was also linked to a dramatic rise in the inflation rate, which translated into higher consumer prices. This meant that European consumer spending was low. The service sector was particularly affected by consumer restraint. Industry in the eurozone was additionally hit by the continuing supply chain problems. In particular, a shortage of intermediate products hit the output of European industry. In response to the high rate of inflation, the European Central Bank (ECB) began to hike key interest rates starting from the middle of the year. The difficult financing environment began to make its mark in interest rate-sensitive markets such as real estate and resulted in falling property prices in the eurozone.

As part of the world economy, the **German** economy was also hit by numerous factors in 2022. Dramatic inflation rates, supply shortages, and uncertainty following the Russian invasion of Ukraine put the brakes on economic activity. While Germany's exports suffered, its import spending rose, driven

by expensive energy imports from abroad. However, the relief packages adopted by the German government largely offset the rising cost of imported energy, at least in mathematical terms. Higher interest rates to tackle inflation resulted in a fall in residential property prices in Germany starting from the middle of the year. Manufacturing output rose slightly, and the supply chain problems also eased somewhat toward the end of the year. While the supply situation differs from industry to industry, chemical plants, for example, are again finding it easier to access raw materials and intermediate products.

The **United States** started 2022 with negative economic growth, which continued until the middle of the year. In June, inflation reached its highest level for four decades. The Federal Reserve responded throughout the year with sharp interest rate hikes. Inflation slowed as a result; however, it still remained at a high level. Interest rate-sensitive markets such as the real estate sector responded quickly to the rate hikes. From June 2022, this triggered a fall in US property prices. Other sectors were robust to the more restrictive monetary policy of the Federal Reserve. This is partly explained by the release of high pent-up demand in the second half of the year and was also helped by the easing of supply shortages caused by the COVID-19 measures. The automotive sector was a noteworthy example. Overall, after a difficult start to 2022, the US economy recovered in the second half of the year.

Japan was also affected by the global economic situation and faced rising inflation and elevated import and energy costs. This resulted in a slowdown in growth in 2022. Toward the end of the year, however, an upturn in consumer spending was seen. Demand for services, in particular, rose again. The upturn was linked to the reopening of the border and an easing supply chain situation. At the same time, the Bank of Japan decided for the first time in over two decades to move away from its loose monetary policy and raised yields on long-term Japanese bonds.

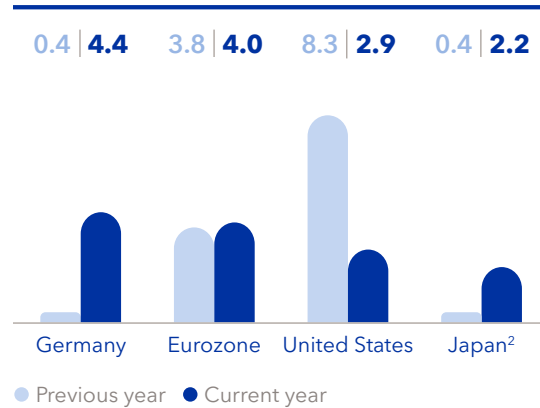
Although the **emerging markets** recovered economically from the pandemic, the difficult global economic context put them under pressure again. **China's** economy was kept stable overall by capital investment in infrastructure and manufacturing. Consumer spending, meanwhile, remained at a reduced level due to the zero-Covid policy. With the difficult global economic situation reducing demand from abroad, the Chinese economy lost an important growth driver. The **Middle East** economies enjoyed the highest growth rate since 2016. This was largely due to high oil prices; however, growth was also generated in non-oil-extracting sectors. In **India** exports declined significantly relative to imports. Sales fell across the economy, as demand for both durable and non-durable consumer goods was well below the pre-pandemic level. However, industrial output remains on a par with pre-COVID-19 times. In the **Southeast Asian emerging markets**, inflation peaked at the end of 2022. Border reopenings enabled an economic recovery, especially in the contact-intensive service sector. The economic situation in **Brazil** was marked by uncertainty. The debate about a change in the constitution, which would enable government spending to exceed the existing cap, triggered a sharp rise in market prices. The uncertainty was further amplified by the lack of appointments to key government posts, including that of finance minister. The **Russian** economy was dominated by the impacts of the Russian invasion of Ukraine in February 2022. According to information from the European Union - based on independent analyses by the World Bank, the International Monetary Fund (IMF), and the Organisation for Economic Co-operation and Development (OECD) - the sanctions imposed were effective. The Russian economy shrank, and trade declined. High inflation rates complicated the economic environment in Russia, too. Economic activity was also hit by the partial mobilization of the Russian population for the war in Ukraine. Wage inflation and increased momentum in services were also observed. Overall, Russia ended the fiscal year with a declining GDP.

Sales Market Trends

The global market environment in 2022 was highly volatile and challenging. Since the outbreak of Russia's war against Ukraine, markets have been confronted with increased commodity prices and substantial supply shortages in energy markets. In many countries, the combination of increased commodity prices and sustained currency depreciation resulted in higher inflation combined with growing fear of recession. The global cosmetics market saw growth despite the volatile environment and challenging circumstances and returned to the levels seen before COVID-19. In particular, the SUN, Lip, and Deo categories achieved year-on-year growth, as did all regions with the exception of Northeast Asia.

Consumer Spending¹

change versus previous year (in %)



¹ Commerzbank Research.

² Oxford Economics.

The tesa subsidiary's business activities were characterized by high uncertainty in 2022. Hard lockdown measures in the People's Republic of China due to the COVID-19 pandemic temporarily weakened the local market, as did the ongoing disruption to global supply chains. The Ukraine war led to a significant increase in energy prices. The continued lack of availability of semiconductors and other industrial materials also contributed to high inflation. However, industrial sales markets proved highly robust in this environment. Global automotive markets in particular saw noticeable year-on-year growth, especially compared with the weaker second half of 2021. There were differences in the impact on distribution to end consumers and industry. While traditional retail rallied since it was now only slightly affected by COVID-19 restrictions, growth in online retail slowed noticeably.

Procurement Market Trends

The year 2022 was marked by continuous supply shortages and significant inflation on most commodity, packaging, and logistics markets. This was partly due to COVID-19-related capacity restrictions affecting many producers and entire supplier countries such as China. In addition to this, energy costs, which had already risen in 2021, were lifted to new heights by the Ukraine war, resulting in a strong increase in production costs for our suppliers.

All this meant that prices for raw materials, packaging, and logistics services were substantially up on the previous year's levels, particularly in the second half of 2022. Our focused, cross-departmental management of supply shortages and preferential position with key suppliers enabled us to limit the negative impact of supply difficulties on our production sites and retail partners.

Overall Assessment of the Economic Environment

The global cosmetics market developed positively in 2022 despite the continued high volatility in the world economy. The main reasons for this included the widespread normalization of everyday life following the restrictions due to the pandemic in the previous years. Both Skin Care and Personal Care (soaps, shower gels) produced strong growth. The focus in the Consumer Business Segment was on Skin Care, in which we made major investment. All Skin Care subcategories achieved growth in 2022 and largely posted strong gains in market share.

In the tesa Business Segment, considerable impacts of the COVID-19 pandemic continued to make themselves felt in 2022 through the still difficult situation in global value chains. In addition, the outbreak of the Ukraine war meant a marked increase in prices for raw materials, logistics, and energy. Despite difficult circumstances, tesa increased sales in both divisions Industry and Consumer, including through necessary price rises.

Results of Operations

Results of Operations - Group

Income Statement

(in € million)

	2021	2022	Development in % ¹
Sales	7,627	8,799	15.4
Cost of goods sold	-3,267	-3,842	17.6
Gross profit	4,360	4,957	13.7
Marketing and selling expenses	-2,675	-2,998	12.1
Research and development expenses	-268	-291	8.3
General and administrative expenses	-448	-524	16.9
Other operating result (excluding special factors)	24	14	-
Operating result (EBIT, excluding special factors)	993	1,158	16.7
Special factors	-60	-66	-
Operating result (EBIT)	933	1,092	17.1
Financial result	-26	4	-
Profit before tax	907	1,096	20.9
Income taxes	-252	-325	28.8
Profit after tax	655	771	17.8

¹ Percentage changes are calculated based on thousands of €.

Sales

Group sales increased organically by 10.2% year on year. The Consumer Business Segment recorded an encouraging, double-digit rise in organic sales of 10.5%. The tesa Business Segment achieved organic sales growth of 8.8%. Exchange rates increased nominal growth by 4.3 percentage points. The structural effects of the acquisition of Chantecaille and the sale of tesa Labtec had a positive impact of 0.9 percentage points on sales. Nominal sales for the Group increased by 15.4% year-on-year to €8,799 million (previous year: €7,627 million).

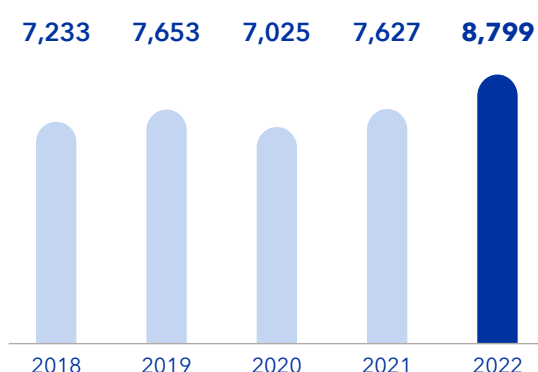
In **Europe**, organic sales were up 5.5% on the previous year. Nominal sales stood at €3,900 million (previous year: €3,676 million), putting them 6.1% higher than the previous year.

Organic year-on-year growth in the **Americas** hit 21.8%. In nominal terms, sales rose by 39.2% to €2,126 million (previous year: €1,527 million).

Organic sales in the **Africa/Asia/Australia** region were 9.9% above the previous year's level. Nominal sales climbed by 14.4% to €2,773 million (previous year: €2,424 million).

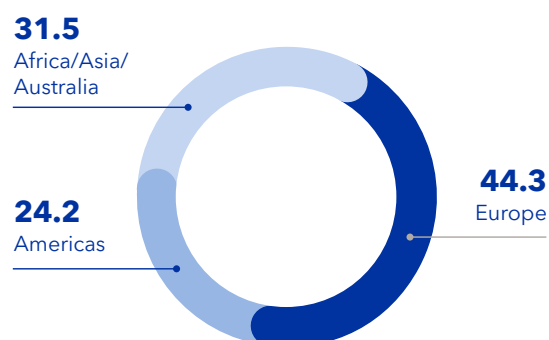
Group Sales

(in € million)



Group Sales by Regions

(in %)



Expenses/Other operating result

The **cost of goods** sold climbed by 17.6%. As a result of the increased sales volume, costs rose again compared to the previous year. In addition, exchange rates had a negative impact. These were partially offset by price and mix effects. Overall, as a result of increased cost pressure on the procurement markets, **gross profit** as a percentage of sales decreased in the reporting year.

With an increase of 12.1% compared to the previous year, **marketing and selling expenses** developed at a lower rate than sales due to the efficient use of resources and amounted to €2,998 million (previous year: €2,675 million). This was achieved through optimization of marketing expenditures and focused advertising campaigns. The marketing budget is constantly adjusted to the changing market conditions and especially to the change in consumers' media use. A total of €1,883 million (previous year: €1,689 million) was spent on advertising and trade marketing.

Research and development expenses also developed at a lower rate than sales. They amounted to €291 million, €23 million higher than in the previous year (€268 million). One focus in this respect was on forward-looking technologies, new digitization options and sustainable concepts. Continuous research, taking into account regional specifics, enables the company to respond to consumer wishes.

General and administrative expenses rose from €448 million to €524 million and were mainly driven by the continuation of numerous digitalization projects. The other operating result (excluding special factors) totaled €14 million (previous year: €24 million). This was mainly due to foreign exchange losses and higher restructuring expenses.

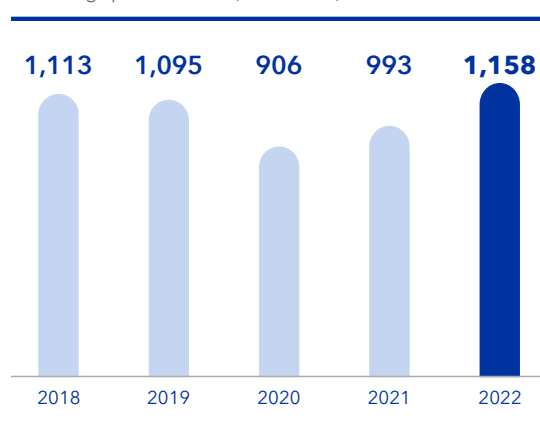
Operating result (EBIT, excluding special factors)

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 €1,158 million (previous year: €993 million), while the EBIT margin was 13.2% (previous year: 13.0%). The Consumer Business Segment generated EBIT excluding special factors of €880 million (previous year: €740 million). The EBIT margin was 12.3% (previous year: 12.1%). The tesa Business Segment achieved EBIT excluding special factors of €278 million (previous year: €253 million) and an EBIT margin of 16.7% (previous year: 16.9%).

The Group operating result before special factors in **Europe** was €618 million (previous year: €556 million). The EBIT margin was 15.9% (previous year: 15.1%). The operating result before special factors in the **Americas** amounted to €140 million (previous year: €91 million). The EBIT margin here was 6.6% (previous year: 6.0%). In **Africa/Asia/Australia**, EBIT excluding special factors amounted to €400 million (previous year: €346 million) with an EBIT margin of 14.5% (previous year: 14.3%).

Group EBIT
excluding special factors (in € million)



Special factors

The Group special factors totaled €66 million (previous year: €60 million). The special factors recognized in the reporting year mainly comprised restructuring expenses, primarily in the supply chain organization of €43 million (previous year: €37 million), expenditure from the „Care Beyond Skin“ program of €5 million (previous year: €6 million), and other expenditure of €18 million, which was incurred as a result of the integration of the Chantecaille business in the amount of €4 million, as well as expenses of €6 million in connection with the sale of tesa Labtec and the impairment of goodwill for tesa Twinlock in the amount of €8 million.

Operating result (EBIT)

The operating result (EBIT) amounted to €1,092 million (previous year: €933 million). This corresponds to an EBIT margin of 12.4% (previous year: 12.2%).

Financial result

The financial result amounted to €4 million (previous year: €-26 million). The previous year's figure was attributable to losses from financial investments.

Income taxes

Income taxes totaled €325 million (previous year: €252 million). The tax rate was 29.6% (previous year: 27.8%). Taxes for the special factors amounted to €14 million (previous year: €16 million).

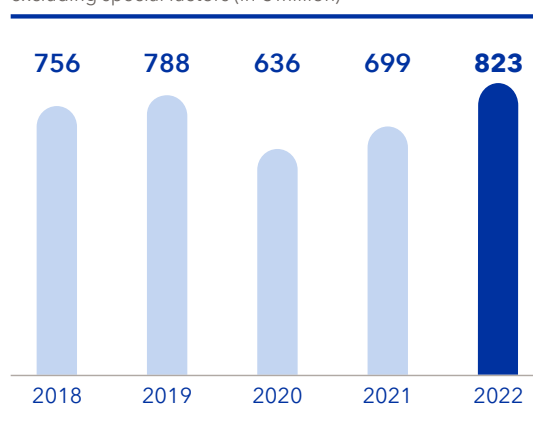
Profit after tax

Profit after tax was €771 million (previous year: €655 million). The return on sales after tax was 8.8% (previous year: 8.6%).

Excluding special factors, profit after tax increased to €823 million (previous year: €699 million). The corresponding return on sales after tax was 9.4% (previous year: 9.2%).

Group Profit after Tax

excluding special factors (in € million)



Earnings per share - Dividends

Earnings per share stood at €3.33 (previous year: €2.81). Excluding special factors, earnings per share amounted to €3.56 (previous year: €3.00). 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 €0.70 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)

	Jan. 1 - Dec. 31, 2021	Jan. 1 - Dec. 31, 2022	Change (in %)	
			nominal	organic
Europe	2,910	3,104	6.7	5.0
Western Europe	2,352	2,505	6.5	5.3
Eastern Europe	558	599	7.3	3.7
Americas	1,302	1,841	41.4	23.2
North America	646	900	39.3	17.6
Latin America	656	941	43.4	28.6
Africa/Asia/Australia	1,917	2,186	14.0	10.2
Total	6,129	7,131	16.3	10.5

Sales in the **Consumer** Business Segment grew organically by 10.5% in 2022. In nominal terms, sales increased by 16.3% to €7,131 million (previous year: € 6,129 million). Exchange rate effects increased nominal growth by 4.6 percentage points. The structural effect from the acquisition of Chantecaille positively impacted nominal growth by 1.2 percentage points.

All regions and brands contributed to the growth in the Consumer Business Segment. Beiersdorf gained market share on every continent, particularly with the NIVEA brand in Europe, with very strong development in Switzerland, the United Kingdom, and Spain, 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 Australia, Mexico, and Indonesia.

The rates of sales growth trended upward in all regions, especially in the Americas and in Africa/Asia/Australia, where sales rose by double-digit percentages year on year. NIVEA achieved strong growth rates overall. Derma, Healthcare, and the La Prairie brand put in strong growth figures and contributed to the business segment's excellent performance.

EBIT excluding special factors was €880 million (previous year: €740 million). The EBIT margin excluding special factors was 12.3% (previous year: 12.1%). Special factors comprised expenditure of €5 million from the "Care Beyond Skin" program, restructuring expenses, primarily in the supply chain organization of €43 million, and expenditure of €4 million in connection with the integration of the Chantecaille business. The operating result for the Consumer Business Segment including special factors therefore stood at €828 million (previous year: €680 million), while the EBIT margin was 11.6% (previous year: 11.1%).

NIVEA grew organically by 9.6% globally in 2022. Nominal sales increased from €4,116 million to €4,652 million. The strong almost double-digit sales growth in percentage terms was based on gains in market share in all regions and almost all main categories. NIVEA saw growth in both volume and price. This was driven especially by the emerging markets region, the introduction of new products, and a strong performance by the basic range. All main categories posted growth in 2022. The main growth drivers were NIVEA Deo, NIVEA SUN, NIVEA Body, NIVEA Lip, and NIVEA Face. In the NIVEA Deo category, existing product lines such as Black & White and Fresh and expanded lines such as Pearl&Beauty were among the key growth drivers. The NIVEA SUN business showed remarkable growth in all regions and almost all ranges, outperforming the pre-COVID-19 sales level. NIVEA also achieved very positive sales performance in the core body care business with ranges such as Essentials. NIVEA Lip grew strongly in almost all product ranges and regions. In the NIVEA Face category, the continued excellent performance of the newly launched NIVEA Cellular LUMINOUS630® contributed to the strong sales growth. The NIVEA hair care category saw a further decline.

The **Derma** business unit performed particularly well, with organic sales growth of 23.9%. Nominal sales were up from €790 million to €1,026 million. Sales growth was achieved in all regions and categories. Strong growth acceleration was achieved in our key market USA, in the South America and MEA region, and in our white spot market China. A positive contribution to growth came primarily from the Eucerin face category, mainly from the subcategories anti-pigment and acne, driven by the further expansion of our Thiamidol range. In addition, our sun category contributed to strong above-average growth, supported by the launch of Eucerin Sun in the USA and the success of our new product launches such as Oil and Pigment Control Tinted. In Body Care, the Eucerin Urea range and Aquaphor recorded particularly strong sales growth. In general, the online sales channel was an important sales driver.

Healthcare recorded organic sales growth of 13.1% and reached a new milestone of €261 million (previous year: €225 million). The double-digit sales growth in percentage terms was based on strong, consistent implementation of brand innovations, including sustainable plasters in the field of wound care. This growth was seen in all major markets. Wound plasters continue to be a strong pillar and growth driver for overall growth.

In the selective cosmetics business unit, our **La Prairie** brand increased organic sales by 1.9%. Nominal sales were up from €599 million to €655 million. This result was mainly due to the recovery of the important travel retail business and the upturn in brick-and-mortar retail in North America, while the local market in China faced major challenges from COVID-19 restrictions. The launches of White Caviar Essence Extraordinaire, Pure Gold Radiance Nocturnal Balm, and Skin Caviar Harmony L'Extrait acted as the growth drivers.

In the **Europe** region, organic sales were up 5.0% on the previous year. Nominal sales climbed by 6.7% to €3,104 million (previous year: €2,910 million).

In **Western Europe**, organic sales rose by 5.3%. Healthy growth rates were achieved especially in Great Britain, Spain, Italy, and Denmark. Sales in NIVEA Deo, SUN, and Universal Creams along with the wound care categories in the Healthcare area developed especially positively. The Eucerin Face, Body, and Sun categories also contributed to sales growth. There was a significant impact from the recovery of the travel retail business at the La Prairie brand.

Sales in **Eastern Europe** were up 3.7% on the previous year in organic terms. This trend was partly driven by strong growth in Poland and Romania and by the positive performance in other Eastern European countries. The NIVEA Deo, SUN & Lip Care and Eucerin Face, Sun & Body categories performed especially well in the region. In Russia, business with La Prairie was reduced completely and with other products in the consumer segment significantly. Due to the reduced business activities in Russia and the conflict in Ukraine, growth in Eastern Europe was below average.

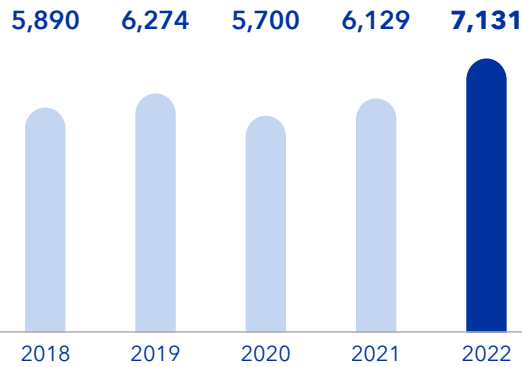
In the **Americas** region, the Consumer Business Segment achieved strong organic sales growth of 23.2%. At €1,841 million, nominal sales were up 41.4% on the previous year (€1,302 million).

In **North America**, there was positive organic sales growth of 17.6%. The Coppertone, Aquaphor, and Eucerin brands were the key growth drivers.

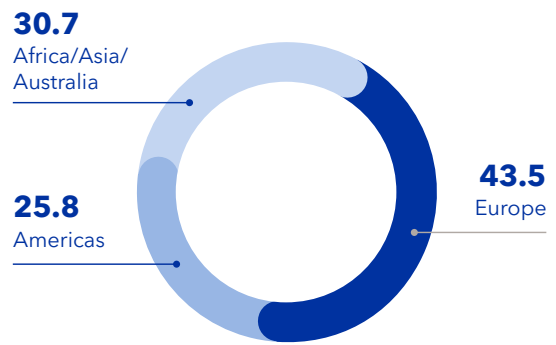
Very good organic sales growth of 28.6% was also achieved in **Latin America**. Nominal sales in the region rose by 43.4% due to the substantial exchange rate effects. Sales growth was seen in almost all countries. This was particularly strong in Brazil and Mexico. Both NIVEA and Eucerin were strong growth drivers.

Sales in the **Africa/Asia/Australia** region grew by 10.2% in organic terms. In nominal terms, sales rose by 14.0% to €2,186 million (previous year: €1,917 million). Sales trends were especially positive in Indonesia, India, Nigeria, and South Africa. In particular, NIVEA Deo, Face, and SUN all performed very well. Eucerin also achieved strong growth in the region, especially in China.

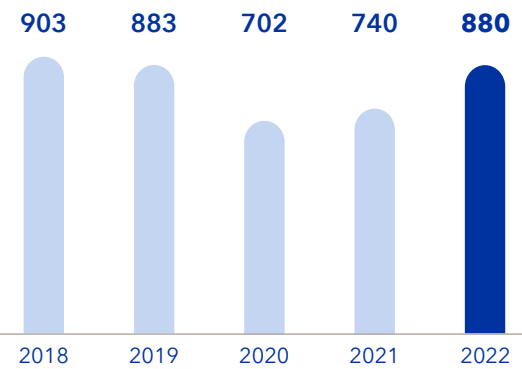
Consumer Sales
(in € million)



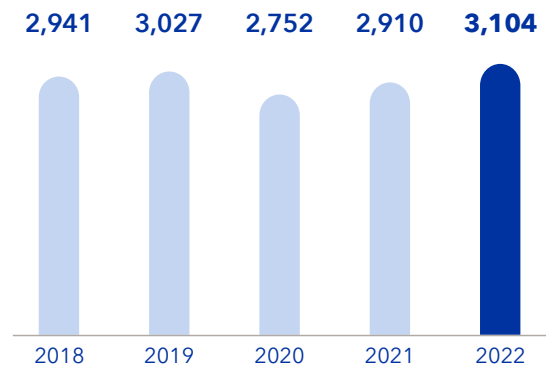
Consumer Sales by Region
(in %)



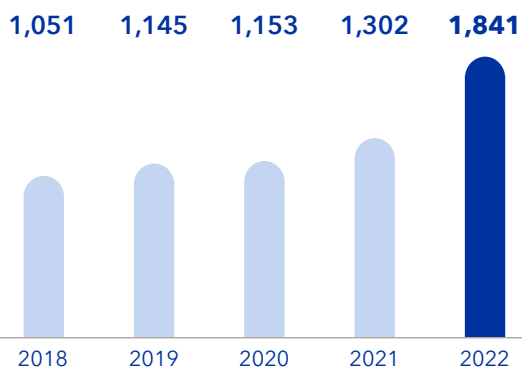
EBIT Consumer
excluding special factors (in € million)



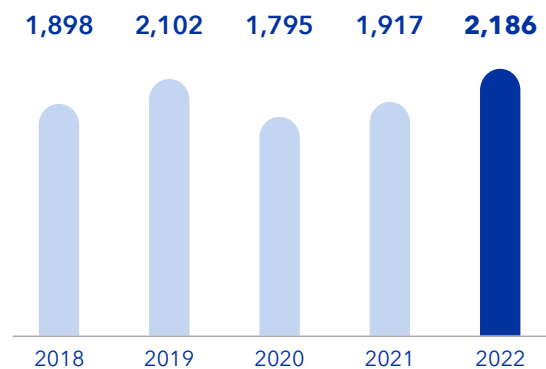
Consumer Sales in Europe
(in € million)



Consumer Sales in America
(in € million)



Consumer Sales in Africa/Asia/Australia
(in € million)



tesa

Sales – tesa Business Segment

(in € million)

	Jan. 1 - Dec. 31, 2021	Jan. 1 - Dec. 31, 2022	Change (in %)	
			nominal	organic
Europe	766	796	3.9	7.6
Americas	225	285	26.4	13.7
Africa/Asia/Australia	507	587	15.8	8.4
Total¹	1,498	1,668	11.3	8.8

¹ The total comprises the sales of the tesa Industry, Consumer, and Others divisions.

tesa achieved very healthy organic sales growth of 8.8% in 2022 in a difficult market environment. Positive exchange rate effects impacted this development by 3.3 percentage points. In contrast, the sale of tesa Labtec in the third quarter had a negative impact on sales of 0.8 percentage points. In nominal terms, sales therefore rose by 11.3%, from €1,498 million in the previous year to €1,668 million.

In **Europe**, organic sales were up by 7.6%. The Industry division achieved significant increases in all markets. Price rises were implemented to counter cost pressure from materials, logistics, and energy price inflation. tesa's Consumer division also continued its growth on the back of a healthy prior-year period. In a difficult market environment, sales in the end consumer business, including via digital sales channels, trended upwards. In nominal terms, tesa generated European sales of €796 million (previous year: €766 million). The region's share of Group sales fell to 47.7% (previous year: 51.1%).

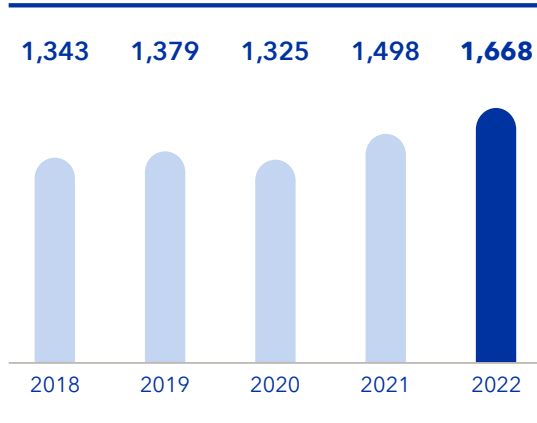
In **North and South America**, tesa achieved a very positive sales trend with organic growth of 13.7%. Sales in the Industry division made a substantial recovery and recorded growth particularly in the automotive market. Sales in the end consumer business in Latin America also developed very positively. The region's sales were up by 26.4% in nominal terms to €285 million (previous year: €225 million). The region's share of Group sales rose to 17.1% (previous year: 15.0%).

In **Asia**, tesa achieved organic sales growth of 8.4%, 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 increased by 15.8% to €587 million (previous year: €507 million). The region's share of Group sales rose to 35.2% (previous year: 33.9%).

EBIT excluding special factors increased to a total of €278 million (previous year: €253 million). The EBIT margin excluding special factors was 16.7% (previous year: 16.9%). The special factors in the tesa Business Segment in the amount of €14 million (previous year: €0) mainly involved an impairment loss on the goodwill of tesa Twinlock of €8 million and the loss from the sale of tesa Labtec of €6 million. The operating result including special factors stood at €264 million (previous year: €253 million), while the EBIT margin was 15.8% (previous year: 16.8%).

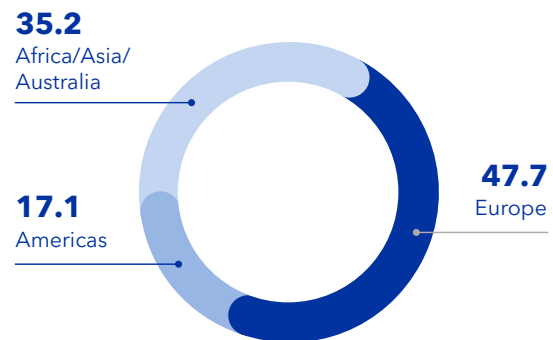
Sales tesa

(in € million)



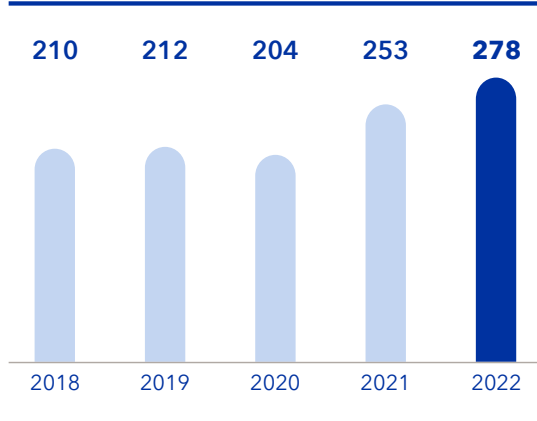
tesa Sales by Regions

(in %)



EBIT tesa

excluding special factors (in € million)



Industry

Sales in tesa **industry** increased considerably. Alongside successful project business in consumer electronics and the recovery in automotive markets, price increases contributed in significant part to this trend. The Industry division recorded organic sales growth of 10.0%. Nominal sales climbed by 13.3% to €1,297 million (previous year: €1,145 million). The share of the Industry division in total sales was 77.8% (previous year: 76.4%).

In **consumer electronics**, tesa once again grew strongly and further enhanced its position as an important provider of innovative products and solutions for the manufacture of smartphones and tablets. The range for assembling front and rear modules and for battery mounting was developed further and translated into bespoke solutions. tesa gained market share in a sharply deteriorating overall market environment.

The **automotive and electrical systems** businesses achieved double-digit growth in 2022. This was partly due to strong market growth in the second half of the year on the back of a weaker prior-year period dominated by shortages in the semiconductor industry. In addition, the automotive business grew through successful project business in e-mobility, particularly with adhesive solutions for components to affix displays, for e-batteries, and for vehicle design. tesa continued its targeted expansion of the product range in close cooperation with automotive manufacturers and suppliers and invested further in research and development in line with the transformation of the automotive industry.

tesa further expanded its activities in the **printing and paper business**. In particular, the strong product portfolio in flexographic printing contributed to this growth. tesa continues to benefit from a growing market in the packaging industry all around the world.

In **building industries**, business activity declined during the reporting year. High real estate prices, the sharply increased cost of building materials, and interest rate hikes dented market performance particularly in the United States, where tesa provides airtight and waterproof adhesives for the construction and building supplies industry.

The **industrial distribution** business grew globally in 2022. This was due to the targeted addition of sustainable adhesive tapes to the product portfolio, an expansion of business with industrial converters, and the implementation of price rises. Business performance in Europe saw a downturn in the fourth quarter.

Until September 30, 2022, tesa's portfolio also included Labtec GmbH with its applications for the pharmaceutical industry. Labtec GmbH was sold to the French company AdhexPharma.

Consumer

Organic sales in the **consumer** division increased by 5.1%. In nominal terms, this translated to growth of 4.9%, lifting sales to €363 million (previous year: €346 million). As a result, the Consumer division contributed 21.8% (previous year: 23.1%) of tesa's total sales in the reporting year.

Business with private consumers and professional tradespeople grew moderately in Europe and markedly in Latin America. Significant price adjustments along with product launches and successfully realized customer projects contributed to this.

Sales channels for professional tradespeople and stationery showed particularly strong growth. The hardware store business, which was partly affected by COVID-19 lockdowns in the previous year, contributed to the positive sales growth. E-commerce accounts were unable to escape the negative market trend and fell short of the previous year's figures, which had been bolstered by strong market growth.

Product ranges driving growth chiefly included tesamoll®, packaging tapes and tapes for painters and repairs. For the latter, tesa made changes to the product range and shelf presentation in hardware stores. In the bathroom accessories category, tesa sells products that are quick and easy to mount with the innovative "nie wieder bohren" technology. Newly introduced product options, expanded distribution, and media campaigns enabled tesa to further enhance its market position in 2022.

Net Assets

Net Assets - Group

(in € million)

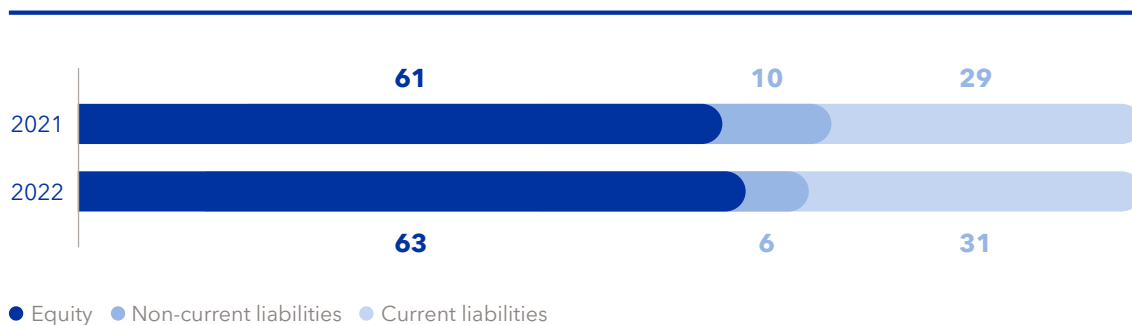
Assets	Dec. 31, 2021	Dec. 31, 2022
Non-current assets	6,668	6,806
Inventories	1,144	1,557
Other current assets	2,451	2,905
Cash and cash equivalents	1,036	1,080
11,299	11,299	12,348
Equity and liabilities	Dec. 31, 2021	Dec. 31, 2022
Equity	6,894	7,805
Non-current provisions	935	528
Non-current liabilities	145	254
Current provisions	582	614
Current liabilities	2,743	3,147
11,299	11,299	12,348

Non-current assets increased by €138 million to €6,806 million (previous year: €6,668 million). Long-term securities decreased by €753 million to €3,184 million (previous year: €3,937 million). Capital expenditure on property, plant, and equipment, and investment in intangible assets amounted to €1,137 million (previous year: €413 million). Of this amount, €1,054 million (previous year: €376 million) related to the Consumer Business Segment and €83 million (previous year: €37 million) to the tesa Business Segment. The capital expenditure primarily involved the acquisition of Chantecaille (€532 million) as well as securing the future of the Beiersdorf sites and expanding them, increasing capacity at the production locations, and constructing the new Group headquarters. Depreciation and impairment losses amounted to €287 million (previous year: €287 million). Inventories increased by €413 million to €1,557 million (previous year: €1,144 million). Other current assets increased to €2,905 million (previous year: €2,451 million). This item includes short-term securities of €771 million (previous year: €616 million). The increase in this position is mainly due to repayments at maturity and a simultaneous reclassification from non-current to current securities. Trade receivables increased by €202 million to €1,508 million (previous year: €1,306 million). Income tax receivables amounted to €205 million (previous year: €207 million), while other current assets increased by €41 million to €239 million (previous year: €198 million).

Cash and cash equivalents increased to €1,080 million (previous year: €1,036 million). Net liquidity (cash, cash equivalents, and long- and short- term securities less current and non-current lease liabilities less other financial liabilities) decreased by €589 million to €4,477 million (previous year: €5,066 million). Other financial liabilities increased by €26 million to €367 million (previous year: €341 million). Short-term borrowings continue to be used to support the management of financial assets and liquidity.

Financing Structure

(in %)



Total non-current provisions and liabilities stood at €782 million (previous year: €1,080 million). This item includes provisions for pensions and other post-employment benefits, which decreased to €382 million (previous year: €808 million), mainly due to an increase in the interest rate. There was a related increase in deferred tax liabilities to €137 million (previous year: €38 million). Total current provisions and liabilities rose by €436 million to €3,761 million (previous year: €3,325 million) as a result of an increase in current financial liabilities and a rise in trade payables. The equity ratio was 63% (previous year: 61%). Non-current liabilities accounted for 6% (previous year: 10%) and current liabilities for 31% (previous year: 29%).

Financial Position

Cash Flow Statement - Group

(in € million)

	2021	2022
Gross cash flow	897	1,084
Change in net current assets	96	-287
Net cash flow from operating activities	993	797
Net cash flow from investing activities	-845	-402
Free cash flow	148	395
Net cash flow from financing activities	-141	-345
Other changes	24	-6
Net change in cash and cash equivalents	31	44
Cash and cash equivalents as of Jan. 1	1,005	1,036
Cash and cash equivalents as of Dec. 31	1,036	1,080

Gross cash flow amounted to €1,084 million in the period under review, up €187 million on the prior-year value.

The change in working capital led to an outflow of €287 million (previous year inflow: €96 million). The increase of €396 million in trade payables and current provisions was accompanied by a €395 million increase in inventories and a €288 million increase in receivables and other assets.

The net cash outflow from investing activities amounted to €402 million in the reporting year (previous year: €845 million). Net investments of €583 million in the sale of securities, interest and other financial income received of €76 million, proceeds of €29 million from the sale of intangible assets and property, plant, and equipment as well as proceeds from the sale of subsidiaries of €10 million were offset by capital expenditure of €548 million for property, plant, and equipment and intangible

assets, payments for acquisitions of €545 million as well as payments for investments in associated companies and other investments of €7 million.

Free cash flow was €395 million, up by €247 million on the prior-year value (€148 million). The net cash outflow of €345 million from financing activities (previous year: €141 million) comprised the Beiersdorf AG dividend payment of €159 million, payments to acquire shares from non-controlling interests without a change in control of €72 million and other financial cash outflows in the amount of €114 million.

Cash and cash equivalents amounted to €1,080 million (previous year: €1,036 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 2021	Forecast for 2022 in 2021 Annual Report	Forecast for 2022 in H1 2022 Report	Forecast for 2022 in 9M 2022 Quarterly Statement	Result in 2022
Sales growth (organic)						
Consumer	(in %)	8.8	in the middle single digit range	at the upper end of the mid-single digit range	9 - 10	10.5
tesa	(in %)	13.6	in the middle single digit range	in the low- to mid- single digit range	7 - 9	8.8
Group	(in %)	9.7	in the middle single digit range	at the upper end of the mid-single digit range	9 - 10	10.2
EBIT margin (excluding special factors)						
Consumer	(in %)	12.1	slightly above previous year's level	slightly above previous year's level	slightly above previous year's level	12.3
tesa	(in %)	16.9	noticeably below previous year's level	noticeably below previous year's level	slightly below previous year's level	16.7
Group	(in %)	13.0	at prior-year level	at prior-year level	at prior-year level	13.2

The **Group** generated sales of €8,799 million (previous year: €7,627 million). Organic sales were up by 10.2% (previous year: increase of 9.7%). EBIT excluding special factors reached €1,158 million (previous year: €993 million). The EBIT margin excluding special factors was 13.2% (previous year: 13.0%).

The **Consumer** Business Segment looks back on a strong fiscal year 2022, in which it increased both sales and market share and also continued to invest in the C.A.R.E.+ strategy. A particular focus was on digitalization as an area that will ensure Beiersdorf AG's success over the medium and long term. These efforts already began to pay off in the reporting year, for example with a significant increase in online sales, which are a major growth driver for the Consumer business.

Overall, the Consumer Business Segment recorded organic sales growth of 10.5% (previous year: 8.8%) in 2022. NIVEA's growth was broad-based, with both Skin Care and Personal Care achieving a very healthy expansion. In Skin Care, the sun care subcategory was among those growing strongly, and face care also performed very positively due to strong innovations. The Derma business, too,

continued its success story from 2021 and again recorded double-digit organic growth thanks to innovations and strong online business. Healthcare grew by double digits again and has well exceeded its pre-COVID-19 figures for 2019. Despite a volatile performance at La Prairie during the year 2022 - given its close dependence on political decisions taken to contain the pandemic in China - organic sales growth increased slightly for the full year 2022. The Consumer Business Segment's significant sales growth in Latin America and the United States was particularly noteworthy. The operating result (EBIT, excluding special factors) and corresponding EBIT margin increased slightly, despite significant investment in strategy implementation and sharply increased commodity prices. The Consumer EBIT margin excluding special factors was 12.3% (previous year: 12.1%).

The tesa Business Segment generated organic sales growth of 8.8% (previous year: 13.6%) in 2022 in a difficult global market environment impacted by the repercussions of the Ukraine war and also still by the COVID-19 pandemic. 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 a considerable increase in sales. The electronics and automotive areas in particular continued to show a clearly positive sales trend. The tesa EBIT margin excluding special factors was 16.7% (previous year: 16.9%).

Beiersdorf AG

Business Activities

Beiersdorf AG is based in Hamburg (Germany) and is the parent company of the Beiersdorf Group. As of December 31, 2022, Beiersdorf AG employed 2,415 people (previous year: 2,412). The number of vocational trainees and trainees not included in this figure was 115 (previous year: 121).

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, Beiersdorf AG manages an extensive investment portfolio and is the direct or indirect parent company of over 200 subsidiaries worldwide. The company 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.

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 outlook for Beiersdorf AG correlate closely with those for the Group, particularly regarding the war in Ukraine and the global COVID-19 pandemic, which have brought economic disruption, volatility, and shortages in important procurement, transport, and sales market for us.

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)

	2021	2022
Sales	1,336	1,429
Other operating income	35	47
Cost of materials	-286	-306
Personnel expenses	-332	-331
Depreciation and amortization of property, plant, and equipment and intangible assets	-41	-41
Other operating expenses	-727	-797
Operating result	-15	1
Net income from investments	212	352
Net interest expense	-45	-19
Other financial result	3	1
Financial result	170	334
Profit before tax	155	335
Income taxes	-32	-27
Profit after tax	123	308
Transfer to other retained earnings	-	-132
Withdrawals from other retained earnings	53	-
Net retained profits	176	176

Beiersdorf AG's **sales** increased by €93 million to €1,429 million in the reporting year (previous year: €1,336 million). Product sales for Aquaphor, NIVEA SUN, and Eucerin were particularly encouraging. Sales of €1,023 million (previous year: €988 million) were generated in Germany and €406 million (previous year: €348 million) in other countries.

The **operating result** rose by €16 million to €1 million due to considerably higher sales and improved other operating income, accompanied by a proportionate increase in cost of materials and marketing expenses.

The **financial result** improved year-on-year by €164 million. This increase was due to a significant rise in net income from investments of €140 million and a €26 million improvement in net interest expense. Meanwhile, other financial result deteriorated by €2 million.

Accordingly, **profit before tax** was significantly higher than the previous year at €335 million, with an increase of €180 million.

Profit after tax was €308 million (previous year: €123 million), an increase of €185 million on the previous year.

Net Assets and Financial Position - Beiersdorf AG

Balance Sheet - Beiersdorf AG in accordance with HGB

(in € million)

Assets	Dec. 31, 2021	Dec. 31, 2022
Intangible assets	140	110
Property, plant, and equipment	139	193
Financial assets	6,328	5,879
Fixed assets	6,607	6,182
Inventories	4	4
Receivables and other assets	693	896
Securities	82	82
Cash and cash equivalents	1	18
Current assets	780	1,000
Prepaid expenses	6	7
Deferred tax assets	98	102
	7,491	7,291
Equity and liabilities	Dec. 31, 2021	Dec. 31, 2022
Equity	2,764	2,913
Provisions for pensions and other post-employment benefits	656	643
Other provisions	305	329
Provisions	961	972
Liabilities	3,766	3,406
	7,491	7,291

Fixed assets fell by a considerable €425 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 €66 million include €43 million in connection with the completion and commissioning of a building together with outdoor facilities and operating equipment as part of the "New Beiersdorf Campus" project. Investments in property, plant, and equipment were offset by depreciation of €12 million.

Current assets increased by €220 million over the fiscal year to €1,000 million. As in the previous year, this includes short-term securities of €82 million. The sharp increase in this position of €203 million is mainly attributable to higher financial receivables from affiliated companies.

In contrast, **liabilities** decreased by a considerable €360 million year on year to €3,406 million. This was mainly due to a decrease in financial liabilities to affiliated companies.

€2,913 million (previous year: €2,764 million), or 40% (previous year: 37%), of the total balance sheet assets of €7,291 million (previous year: €7,491million) is financed by **equity**.

The Executive Board and Supervisory Board will propose a **dividend** of €0.70 per no-par-value share bearing dividend rights to the Annual General Meeting (previous year: €0.70).

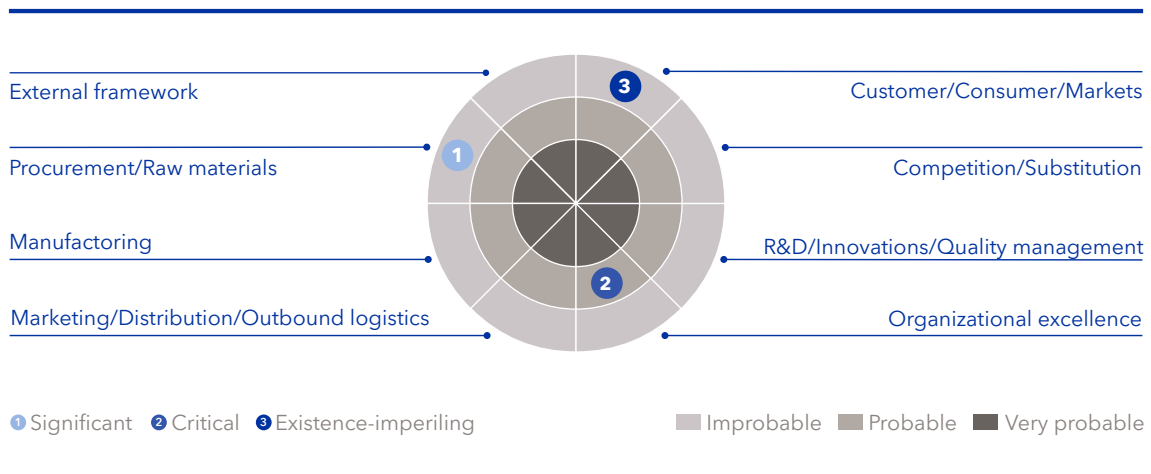
Risk Report

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 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

	Probability of occurrence	Possible financial effects
Strategic risks	Improbable	Significant
	Probable	Critical
	Very probable	Existence-imperiling
Functional & operational risks	Unlikely ($\leq 10\%$)	Low
	Possible ($10\% < - \leq 50\%$)	Medium
	Likely ($50\% < - \leq 90\%$)	Major
	Almost certain ($> 90\%$)	Severe

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 a so-called 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.

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 risk-mitigation measures have already been implemented or at least 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 the task forces on key issues such as the war in Ukraine or the continuing global COVID-19 pandemic.

A new body - the Corporate Risk Board - was created during the reporting period to advise the Executive Board. It consists 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 will provide 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 in depth at the comparison of the qualitatively and quantitatively aggregated risk portfolio with the also updated total financial 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 (see the "Net Assets" section). 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 2022.

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 and functional risks and opportunities

Given the newly emerging and in some cases substantially worsening global economic and political environment in 2022, we comprehensively reviewed our assessments of the strategic risks. As a result of this review, we have refined some of the risk definitions and increased our estimates of the risk levels in quantitative terms compared with the previous year. In addition, in line with our more cautious approach, we have currently completely removed opportunities beyond our medium-term planning from the quantitative net calculation of the risk portfolio. We have also removed some risk aspects, which 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 and

diverse attacks on our brands and products by competitors, and, in particular, the defense of our trademarks and product claims.

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. Among other things, our extensive operational and communication measures in relation to sustainability, diversity, and other aspects of Corporate Social Responsibility (CSR) enable us at the same time to categorize **risks to the reputation of our brands and our company** as only significant and improbable overall.

As part of the refined classification of strategic risks in this annual report, we have introduced clearer differentiation in relation to the changing behavior of our customers and particularly of consumers. Very different measures are needed to successfully respond on the one hand to growing expectations around digitalization, and on the other hand to the requirements, based on public expectations, that we face in relation to environmental protection, sustainability, and good corporate governance (ESG requirements).

We further expanded contact opportunities in the reporting year, especially with our end consumers. To this end, we use a growing number of e-commerce and social media platforms and address people directly through our own websites. We also use an ever more diverse range of tools, including very well received initiatives enabling direct contact and dialogue with our senior management. In addition, we support our direct retail partners in a variety of ways by continuously expanding options for digital dialogue, combined, for example, with links to each other's websites.

Alongside other sustainability criteria, we particularly follow the debates on avoiding certain packaging and raw materials. This includes closely monitoring the European Green Deal. We are continuing our plastics cycle strategy, announced in 2021, along with our efforts to develop and use sustainable packaging and applications. We are also reinforcing the awareness among our employees and managers through extensive reporting on the varied local and company-wide activities relating to the environment, sustainability, and our clear commitment to diversity and inclusion, from local environmental protection campaigns in various international subsidiaries to a company-wide sustainability summit.

Despite the differences referred to above, we continue to regard **risks from changes in consumer behavior due to advancing digitalization and constantly growing public expectations of us with regard to environmental protection, sustainability, and our conduct as a corporate citizen** as critical and probable.

The management focus on the sustainable success of our market activities ensures that - in terms of brands, products, and regions - we invest in promising markets. To this end, we actively screen new business areas and selectively invest in start-ups (including so-called accelerator programs), allowing us to quickly capitalize on specialist expertise in research and development. However, our concrete planning only includes already tangible results. Here, too, we consider additional **market opportunities** beyond our planning to be possible; however, we have removed them from our calculation of the net risk portfolio as part of a cautious approach.

The **global political situation** further worsened – in some cases majorly – during the reporting period. In particular, the war in Ukraine and the constraints still associated with the effects of the pandemic, supplemented by tensions in the Chinese-European and American-European relationships, are hindering further development in some of the markets where we work. We have included in our planning our best estimates of the specific negative impacts but regard the associated residual risks as critical and very probable.

There are **procurement risks relating to the use of services and to the availability and delivery reliability of raw materials, packaging materials and other inputs, natural resources, and energy as well as to their further heavily increased cost in the reporting period**. These risks are countered by continuously monitoring our markets and suppliers as well as by using appropriate contract management. We also carefully manage the scope, timing, and frequency of our individual purchases. Strategic partnerships are an important element of actively managing our supplier portfolio, as are 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. Aside from the expectations already included in our planning, we regard the additional strategic and functional risks in relation to availability and price trends on the procurement side as critical or major but improbable overall.

As part of the review of our strategic risks, we have now combined the risk from threats to our IT system and the IT systems of our direct business partners with other **unavailability of or problems accessing critical infrastructure**, which have similar repercussions. These include various IT-related issues such as partial or complete failure of the internet as well as, for example, restricted options for physical transport.

We again successfully defended ourselves in 2022 against direct and indirect attacks on our own IT systems by further improving our infrastructure, increasing the use of cloud services while further standardizing our application systems in all areas, and implementing a host of mechanisms for secure mobile working from home. Our IT and production sites relevant to value creation, for example, are also equipped with emergency power generators and autonomous energy generation systems, which can at least partially cushion any power cuts. We categorize risks from this area to Beiersdorf as merely significant rather than critical, but still regard them as probable.

In a further partial overhaul of our risk classification, we have now combined various **external risks from constantly increasing regulatory requirements**. This relates both to tighter rules on the use of certain raw materials and packaging as well as, for example, the development of constantly growing information and documentation requirements in relation to data protection and consumer contacts. We tackle the first of these challenges through research and development work, which we support in an effective and forward-looking way through specialized regulatory affairs functions, enabling us, for example, to respond promptly to a potential sudden ban on certain ingredients by using suitable alternative formulations. Nevertheless, we cannot completely rule out the risk that, despite all the above precautions, we might not be able to replace them in our formulations promptly, and, as usual, we cautiously assess this risk as probable, albeit only significant, in accordance with our classification criteria.

We are also helped by our data protection system, which has already been in successful, Europe-wide use for several years and helps us continuously ensure safe handling of our company’s sensitive data as well as that of our business partners and consumers, such as when developing and using our social media presence or creating 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. We continue to regard these risks as merely significant and as improbable.

Partnerships and other contacts with universities enable us to build early links to qualified potential new employees, for whom we have special trainee programs to prepare them for a career at Beiersdorf. Our uniform global talent management process identifies and develops talented specialists and management personnel at all levels and supports the appointment of qualified staff in key positions throughout the company as these become vacant. Beiersdorf is well known as an attractive employer, and we reinforce this with a range of credible activities in relation to diversity, corporate citizenship, sustainability, and other topics. **Risks in the context of our global recruitment activities** currently do not constitute a material risk for us. Given, among other things, the demographic trend and the general threat of skilled labor shortages, we will monitor the issue very closely and are taking a range of appropriate measures to keep Beiersdorf positioned as an attractive employer.

We counter the **risk of bad debts** through detailed monitoring of our customer relationships and active receivables management. Our trade credit insurance, which was overhauled in the previous year, continues to mean that we can offer protection on a global basis and on very good terms while also making use of high-quality risk assessments. Currency, interest rate, and liquidity risks are subject to active treasury management based on a global directive. They are managed and hedged centrally to a very large extent, considering the specific requirements for the organizational separation of the trading, settlement, and controlling functions. In light of this, there is no significant risk potential in this respect either.

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. Given the general increase in volatility, we currently consider **market risks from the investment of our free liquidity** as significant but as improbable in light of our measures described above.

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."

Short-term operational risks and opportunities

The **war in Ukraine** and the global **COVID-19 pandemic** have brought economic disruption, volatility, and shortages in important procurement, transport, and sales markets for us. As in many other areas, this remains the main factor when analyzing and quantifying operational risks. In particular, the continued increases in material prices and their still not entirely predictable future development represent a significant challenge for our margins and profitability. However, it is our assumption that the individual Group companies, based on their market observations, have planned for the anticipated key effects in such a way that additional significant risks beyond those already considered can continue to be regarded as improbable from today's perspective.

The general risk of a pandemic has been included in our functional risks for many years along with the corresponding measures. The assessment of potential severe consequences from last year has not changed in the reporting period, and occurrence remains improbable.

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 board division 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 level. 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

Compared with the previous year, there has been no fundamental change in our assessment of the likelihood of occurrence of the material risks, either individually or as a whole. Although we have in some cases appreciably increased our estimates of the potential financial impact should these risks materialize, there is 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 in all areas (including interdepartmental processes) 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 continuously provided. We have also developed data collection and control mechanisms for sustainability aspects. 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

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

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 will be 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

As in the preceding years, the **global** economy will be subject to high levels of uncertainty again in 2023. A particular risk to the world economy in the year ahead is posed by the potential for political conflicts. Russia's war against Ukraine is already having a negative global economic impact, and it is unclear how this conflict will develop. There is therefore a possibility that the already difficult economic situation could worsen further. Continued tightening of monetary policy is expected around the world. This signals a global recession. However, the downturn is expected to be mild and is unlikely to cause an economic collapse. If the US Federal Reserve and European Central Bank respond to declining inflation by ending the cycle of rising interest rates in the spring, bond yields will fall again. A positive development is China's move away from the zero-Covid policy. Problems in relation to supply chains are likely to ease further.

While continued high inflation and interest rate hikes by the European Central Bank are expected to lead to a mild recession in **Europe**, a deep downturn is unlikely. This is partly because the gas supply, as a key source of energy, appears secure. There will also be government policies designed to help businesses and the public. The easing of supply chain problems will enable the European economy to work through order backlogs. All these factors will mitigate the difficult economic environment. Nevertheless, consumer spending, capital investment, and imports and exports will decline compared with the previous years. Rising pressure on wages and salaries is also expected, as unions will seek to negotiate inflation-proof wage settlements.

In **Germany**, a decline in gross domestic product and a single-digit rate of inflation are predicted for 2023. Energy prices are expected to fall again over the coming year, meaning it will now be food rather than energy costs that are the main driver of inflation. It is also likely that manufacturers have not yet fully passed on higher production costs to consumers, which means further jumps in prices can be expected

for 2023. The typical lag in the effects of monetary policy on the real economy means that weaker activity can generally be anticipated in spring 2023. However, only a mild recession is expected in Germany.

A weaker performance in the **US** economy is expected in early 2023 due to the delayed effect of monetary policy. Although the inflation rate has been lowered, it will remain noticeable in 2023. Interest rate hikes already imposed will only slowly make themselves felt in the real economy. The first cut in key rates by the Federal Reserve is unlikely to be on the horizon until the end of the coming fiscal year. However, the US economy's strong performance in the last quarter of 2022 was striking. Growth was driven particularly by consumer spending. It can therefore be assumed that the looming recession will be on the mild side. Away from real estate, most economic sectors in the USA have withstood the more restrictive monetary policy well.

The **Japanese** economy will see growth just below the prior-year level in 2023. Global inflation is expected to continue to subdue consumer spending. However, falling energy prices can be anticipated, and the Japanese government has also agreed support programs. This could take financial pressure off consumers and positively affect their spending.

The **emerging markets**, too, continue to be hit by the ailing global economy. However, there are opportunities for them to put themselves in a strong position for the future and reorient their economies. The **Chinese** government's abrupt departure from the zero-Covid policy may lead to higher infection rates, which could curb economic growth particularly at the beginning of 2023. From the second quarter of 2023, however, China's economic activity can be expected to return to normal. It is also likely that state support measures will mitigate the problems in the Chinese real estate sector in 2023. **Southeast Asian emerging markets** can expect a beneficial trend reversal in the service sector in 2023. While the global economic context remains difficult, slight economic growth can be anticipated. In the **Indian** economy, growth in gross domestic product is forecast to slow, primarily due to the difficult global financing environment and lower demand from abroad. Economic growth in the **Middle East** is forecast to be impaired by slower expansion in the major economies and the possibility of a recession in Europe. The slower economic growth in the USA and China represents a downside risk, particularly for developing countries that import oil and are more reliant on trade with Europe. In **Brazil**, the difficult financial conditions will further hit the country's already weak growth. At the same time, we expect the weak fiscal policy course to be loosened even further as President Lula's new government prioritizes social welfare spending. **Russia** is expected to see a considerable rise in inflation. This, combined with the continued impact of the sanctions against Russia, will likely result in economic contraction.

Procurement Market Trends

The cost of materials will start 2023 at a very high level given the current economic environment. A correction has now begun in the markets for important preliminary raw materials such as aluminum, silicone, and natural oils, which may lead to positive price effects in the second half of the year. However, this will be outweighed by product cost inflation at our suppliers, particularly in connection with energy market trends.

Sales Market Trends

After a challenging year, the environment remains uncertain in light of economic and political volatility. With continued high commodity prices, persistent supply shortages, rising 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. For fiscal year 2023 as a whole, we therefore expect the market to grow in terms of value, due to price increases compensating for higher product costs, but to decrease in terms of volume due to the expected sluggish consumer spending. Stronger growth in value is expected principally in the skin care categories, in the emerging markets, and in North America, as well as in online retail.

For tesa, we expect business to remain volatile in 2023. In Europe and North America, we are planning cautiously but expect less positive momentum for our business in 2023 than we saw in the previous year. In Asia, we anticipate moderate growth, which will be coupled very closely to the performance of the Chinese economy. Consumer sentiment, continuing 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

The transition from 2022 to 2023 is marked by uncertainty about a looming recession. The significant rise in inflation due to the Ukraine war, raw materials shortages, and logistics bottlenecks are the main drivers in this context. A difficult year for the world economy is therefore predicted for 2023. Nevertheless, we are optimistic about the new year. Thanks to targeted additional investments, particularly in the digital arena, and the large share of everyday products in our portfolio, we believe we are well positioned in the Consumer Business Segment and expect our growth to outperform the market in the year ahead.

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 constructive; however, its project-based nature continues to entail a high risk of volatility. tesa expects to bolster its market position with continued investment in research and development for innovative products.

Business Development

The described challenges are persisting in large parts of the world. This has resulted in an unusually high degree of uncertainty with regard to the outlook for sales markets and our business development. Therefore, our ability to make a reliable forecast is significantly limited.

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 2023. 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's level.

Subject to the same uncertainty regarding market development in 2023, we also expect sales growth above the market in the tesa Business Segment. Based on this, we expect organic sales growth in the mid-single-digit range. The EBIT margin from ongoing operations (excluding special factors) will be slightly below the previous year's level.

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 6, 2023

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 2022, the Executive and Supervisory Boards issued the Declaration of Compliance with the recommendations of the German Corporate Governance Code in the versions dated December 19, 2019 and April 28, 2022 as applicable (the 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 were not applied due to over-riding 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 2022 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 2022, Beiersdorf Aktiengesellschaft complied with, and continues to comply with, all recommendations of the "Government Commission on the German Corporate Governance Code" in the versions dated December 19, 2019 and April 28, 2022 as applicable, ("Code"), with the following exceptions:

Recommendation B.3

In accordance with Recommendation B.3, Executive Board members shall be initially appointed for a maximum term of three years.

Effective January 1, 2022, the Supervisory Board appointed Ms. Grita Loeb sack as a member of the Executive Board with responsibility for brand management and digital marketing of

NIVEA for a term of four years. Due to the exceptional importance of the NIVEA brand and in order to secure Ms. Loeb sack's expertise long term, in the view of the Supervisory Board it was necessary in the interest of the company to extend her initial appointment to a term of office of four years.

In addition, the Supervisory Board has appointed Ms. Nicola Lafrentz as a member of the Executive Board for the period from May 1, 2022 to December 31, 2025, i.e. for three years and eight months. In the view of the Supervisory Board, the duration of Ms. Lafrentz's initial appointment after many years in a managerial role in the same division is in the interests of the company and will enable her term of office to end with the fiscal year.

Recommendations G.1 and Section G.I

In accordance with Recommendation G.1, the remuneration system shall, amongst other aspects, define the amount that the total remuneration must not exceed (maximum remuneration).

The remuneration of the Executive Board members was limited in fiscal year 2022 by such a cap in principle. In particular, the compensation system approved by the Annual General Meeting in April 2021 envisages a defined maximum remuneration in compliance with Recommendation G.1 and § 87a (1) sentence 2 no. 1 AktG. If, under the old compensation system, there was or is still an Enterprise Value Component for individual members of the Executive Board which is based on voluntary personal investment by the Executive Board members concerned (Covered Virtual Units), it participates in positive and negative changes in the enterprise value and is still not capped in respect of increases in value. In this regard, the Supervisory Board has considered it appropriate that those members of the Executive Board who contribute their own money - comparable to an investment - should be allowed to participate in positive changes in enterprise value without restriction.

In addition, Section G.I of the Code includes a number of further recommendations regarding the remuneration of the Executive Board. In response to the statutory amendments under the Act to Transpose the Second EU Shareholder Rights Directive (SRD II), the revised version of the Code, and further factors in the company's interests, the Supervisory Board revised and enhanced the remuneration system for the Executive Board members within the applicable statutory transitory period and submitted it to the 2021 Annual General Meeting for approval. Unless any departure has been expressly explained in this Declaration of Compliance, the new compensation system fully complies with the Code's recommendations. In contrast, the old compensation system that applied before the current compensation system was approved by the 2021 Annual General Meeting did not fully comply with the recommendations in question. That also applies in part to the contracts concluded with Executive Board members before 2021, if they have not yet been adapted to the new compensation system.

Recommendations G.8 and G.12

In accordance with Recommendation G.8, the performance targets or comparison parameters for variable compensation shall not be subsequently amended. Moreover, in accordance with Recommendation G.12, if an Executive Board member's contract is terminated, the disbursement of any remaining variable remuneration components attributable to

the period up until the termination of the contract shall be based on the originally agreed targets and comparison parameters as well as the due dates or holding periods stipulated in the contract.

Effective May 1, 2021, Mr. Vincent Warnery was appointed Chief Executive Officer and his contract of service was amended and extended until January 31, 2027. In this connection, his compensation was realigned with the compensation system approved by the 2021 Annual General Meeting and, among other things, it was agreed that the new long-term bonus ("LTP") aligned with strategic targets will be applied. The previous long-term Enterprise Value Component for Mr. Warnery, which was mainly linked to sales and EBIT targets for his former area of responsibility, was settled and was disbursed early following the 2022 Annual General Meeting. In this regard, the Supervisory Board was of the opinion that aligning his long-term compensation with the company's strategic goals is in the interest of sustainable enterprise performance and that the premature disbursement of the previous Enterprise Value Component associated with this change is appropriate and fair in the context of a uniform incentive and governance.

With the appointment of Mr. Warnery as Chief Executive Officer, the appointment of Mr. Stefan De Loecker was terminated by mutual agreement effective June 30, 2021. In this connection, it was agreed that his long-term Enterprise Value Component would be settled as a lump sum and disbursed early following the 2022 Annual General Meeting. This was done in the interest of a mutually agreed succession to the Chief Executive Officer role. On account of the new long-term compensation linked to the implementation of strategic targets for serving Executive Board members from 2021, the premature settlement of the previous Enterprise Value Component for the former Chief Executive Officer was in the interest of the company, also to ensure a smooth transition to the new incumbent.

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. In individual cases, the long-

term variable remuneration within the Enterprise Value Component granted under the old compensation system by a possible increase of Virtual Units during the period of appointment or granted in the form of annually allocated Covered Virtual Units may be accessible prior to the expiry of the four-year period. This applies to those additional Virtual Units or Covered Virtual Units that were only granted/allocated in the final three years before the expiry of the bonus period for the Enterprise Value Component.

Hamburg, December 2022

For the Supervisory Board

For the Executive Board



Prof. Dr. Reinhard Pöllath
Chairman of the
Supervisory Board



Vincent Warnery
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. 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/redrafting did not require any fundamental changes at Beiersdorf. We understand corporate governance as an ongoing process and we will 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 to gather information about potential compliance violations, Beiersdorf provides the workforce with a number of reporting channels. In most countries, these also include a whistleblowing platform for the Consumer Business Segment, which is operated by an independent organization. tesa uses internal and external reporting channels for this purpose and implemented a digital whistleblowing platform in the reporting period. 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. Beiersdorf's Codes of Conduct 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/sustainability-report.

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.

Sustainability is today 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. Reflecting the strategic importance of this issue, we further reinforced the role of the Sustainability department within our corporate structure starting from August 2022 by having its head, the VP Sustainability, report directly to the CEO. In the reporting year, we continued to successfully implement our sustainability agenda and

also actively increased the awareness of sustainability among all employees, for example with our engagement and training program – the Corporate Sustainability Academy – and other initiatives and events.

The tesa Business Segment is taking responsibility all along the value chain with its own sustainability agenda. The existing sustainability strategy was revised and made more ambitious in the reporting year. Five strategic action areas, for which tesa has set long-term targets for 2030, form the framework for this. One component of the strategy remains the sustainability agenda, which was also slightly adjusted in 2022 and reflects the ambition to understand and approach sustainability in a holistic way.

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. The Supervisory Board's shareholder representatives have been elected 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 recently conducted an efficiency audit with the support of an external consultant. This was completed in mid-2020. An evaluation of responses from the Supervisory Board, Executive Board, and Executive Committee, concerning the work of the full Board and committees and the cooperation between the Supervisory Board and Executive Board, was initially presented and discussed in December 2019. This included a comparison with other companies. Further outcomes, particularly from interviews and feedback meetings between the consultant and everyone involved, were the topic of interim discussions and the Supervisory Board meetings in August and September 2020. The members intensively discussed the main issues concerning, in particular, cooperation within the Supervisory Board and with the Executive Board, the flow of information, and specific practical measures in this context. These measures included stepping up preliminary discussions for Supervisory Board meetings, planning meeting agendas and timings, enhancing the format of reports submitted to the Supervisory Board, and reinforcing particularly important topics for the Supervisory Board's work, such as strategy, innovation, and digitalization. The Supervisory Board will again conduct an efficiency audit in 2023.

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. 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 and 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

In December 2021, the Supervisory Board most recently discussed the concrete company-specific objectives and the profile of skills and expertise for its composition. 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.

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 representative members 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. Beyond the Code, the Supervisory Board considers all members of the employee representatives to be 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.

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, Martin Hansson (until July 31, 2022), Uta Kemmerich-Keil (since September 2, 2022), 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, Martin Hansson (until July 31, 2022), Uta Kemmerich-Keil (since September 2, 2022), 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), Martin Hansson (until July 31, 2022), Olaf Papier, Frédéric Pflanz (since September 2, 2022), 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. The Nomination Committee has begun preparing for the new election in 2024; it also takes external advice for this purpose. The members of the Nomination Committee are as follows: Prof. Dr. Reinhard Pöllath (Chairman), Hong Chow, Martin Hansson (until July 31, 2022), Dr. Dr. Christine Martel, and Frédéric Pflanz (since September 2, 2022).

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. In accordance with § 111 (5) *AktG* (in the version that applied until August 2021), the supervisory Board set a target of 10% for the proportion of women on the Executive Board, to be achieved by no later than June 30, 2022. The target was already achieved in July 2018. The Board thus complies with § 76 (3a) *AktG*, which requires an Executive Board with more than three members to include at least one woman and one man. In addition, effective July 1, 2022, the Supervisory Board increased the target for the proportion of women on the Executive Board to 30%. The proportion of women on the Executive Board currently stands at 43% (Astrid Hermann, Nicola D. Lafrentz, Grita Loeb sack).

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. A Personnel Committee

has also been established. Among other things, this 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 2022. 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 2022, the Personnel Committee and Executive Board jointly discussed, among other things, the diversity strategy including KPIs for the senior management groups, the current HR planning and forecasting processes including the process for identifying potential, and the management development programs. 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. 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. The same targets also applied until June 30, 2022. At the first management level, the target was just missed (31.7%) due to the relatively small number of available positions at this level; given the small total number of positions at this level, changes in the organizational setup also had a direct impact. At the second management level, the target was exceeded (37.5%). In light of the current targets, the management levels have been slightly redefined and oriented on the existing management groups so as to more accurately reflect the actual management structure at Beiersdorf.

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 and to ensure that we do not lose any woman on the career path. 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.

Above and beyond the statutory requirements that apply to Beiersdorf AG, Beiersdorf has set itself global targets for the share of women internationally in the three highest management groups (MG 1-3) in the Consumer Business Segment. By June 30, 2022, a target of 35% women was to be achieved in MG 1-3. This target was exceeded with a figure of 37.2%. In line with our Beiersdorf Gender Parity Ambition announced 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.

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.

Against the backdrop of the global coronavirus pandemic, the 2022 Annual General Meeting was held as a virtual meeting without the physical presence of the shareholders or their proxyholders. In accordance with § 26n (1) of the *Einführungsgesetz zum Aktiengesetz* (Introductory Act to the German Stock Corporation Act, *EGAktG*), the Executive Board and Supervisory Board have decided to hold the 2023 Annual General Meeting as a virtual meeting subject to the provisions of § 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 14, 2022, elected Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Stuttgart, as the auditors for Beiersdorf AG and the Beiersdorf Group for fiscal year 2022 and as the auditors for the review of the half-year report 2022. Ernst & Young GmbH 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 from the audit for fiscal year 2024; a public invitation to tender was issued in October 2022.

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 2023

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 which 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/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 disappplied 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 the increase of equity interests), or business units, or as part of mergers, i.e. in return for considerations in kind.

Report on Gender Equality and Equal Pay in Accordance with §§ 21, 22 *Entgelttransparenzgesetz* (Transparency in Wage Structures Act, *EntgTranspG*)^{1,2}

Measures to Promote Equality between Women and Men

For Beiersdorf AG, as a globally operating company, the diversity of our workforce represents an opportunity and the key to our success. Equal pay for women and men performing the same work or work of equal value was already part of our human resources policy before the legal disclosure requirement was created, and forms part of our corporate practice.

Alongside international and cultural diversity, gender – especially equal career opportunities for all genders – has been a particular focus area for us in recent years. Since the signing of our Diversity Charter in 2012, awareness of the gender balance has been improved among all employees, for example through regular events for the whole workforce and particularly our managers. In 2017, the targets for the proportion of women in management roles were updated. By June 30, 2022, the targets required the proportion of women at the first management level below the Executive Board to be at least 35%, and the proportion of women at the second management level to be at least 50%. As of December 31, 2021, the figures for Beiersdorf AG were as follows:

Executive Board: At least 30% women by June 30, 2022 (figure as of the end of December 2021: 14%)

First management level: At least 35% women by June 30, 2022 (figure as of the end of December 2021: 52%).

Second management level: At least 50% women by June 30, 2021 (figure as of the end of December 2021: 52%).

Beiersdorf formulated a global target for the proportion of female leaders in the top three management groups (MG 1-3) back in 2018. This was in addition to the statutory targets applicable to Beiersdorf AG. By June 30, 2022, a target of 35% women was to be achieved in management groups 1-3. As of December 31, 2021, the figure stood at 34%.

Since 2018, Beiersdorf AG has been supporting female employees and managers – for example through the “enCOURAGE” gender diversity initiative – in numerous ways. These have included the “move forward!” mentoring program aimed at talented women wanting to begin or develop a management career. This program was temporarily suspended in 2021 due to the coronavirus situation. “Peer Coaching Circles” have taken place as an extra program of “move forward!” with the aim of learning and growing together. Since 2017, another focus and highlight of the measures has been the annual Women in Leadership Convention, a networking event where successful role models from inside and outside Beiersdorf report on their experiences and inspire participants. Starting in 2020, the Women in Leadership Convention has been streamed digitally, making it accessible to all employees around the world. The event offers a wealth of opportunities for professional development. In 2019, the topic of diversity was integrated into the C.A.R.E.+ strategy and a Diversity Agenda developed for diversity and inclusion. The vision is to create an inclusive working environment in which all employees can realize their full potential. This focuses among other things on gender equality. The grassroots employee community #SisterhoodisPower, for example, which aims to help women empower each other in their careers, is contributing to this through its series of digital #PowerTalk events, in which inspiring women

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

² The reporting period covers the years 2017-2021.

share their stories, thoughts about management, and personal tips. The employee initiative has also been concentrating on the #Grow2gether peer mentoring program it launched in 2021. In addition, a diverse range of options for flexible working arrangements and a better work-life balance are offered.

Alongside standard part-time working, we also encourage job sharing. This is an arrangement in which two employees take on the same position together in a job tandem. At Beiersdorf, the job-sharing model has long been part of our corporate practice - including the joint leadership model at management level and the "senior meets junior" model, where job sharing enables knowledge transfer between generations and/or a transition to partial retirement. At the end of 2021, there were 34 job-sharing tandems at Beiersdorf in Germany. Nineteen tandems enabled the participants to perform a management role, largely on a part-time basis. Long-existing models such as flexible working hours, individual control over working time, and long-term working hour accounts continue to provide the flexibility needed for staff to meet both their own career goals and the demands of their personal lives. Arrangements on flexible working, which enable employees to work from almost any location, also contribute to this. In addition to these options, we offer childcare for our employees in Hamburg through our company kindergarten "TroploKids". With its 100 places and 0 teachers (as of December 31, 2021), this is one of the largest such kindergartens in Germany and dates back to 1937. Employees in Hamburg receive additional support in combining work and family through the offerings of "PME Familienservice". There is also an online portal with information for all new parents and, since 2018, regular lunchtime events for Beiersdorf employees on parental leave to help mothers and fathers stay connected to the company and facilitate their return to work. We additionally began working with the VÄTERNETZWERK (fathers' network) initiative in 2021. We discussed areas for fathers to work on with two core groups of participants and also encouraged dialogue between interested male parents. The three-week summer vacation program for our employees' children was so well received in previous years that it was announced once again in 2021.

In 2020, to further strengthen diversity and inclusion at Beiersdorf, we created the position of "Global Director Diversity & Inclusion (D&I) immediately below the Executive Board and 2020 formulated a new D&I Strategy Roadmap. This aims to help us create a culture together based on diversity and inclusion, in which everyone feels they belong and has the same opportunities to succeed and give their best performance.

The roadmap is based on three strategic priorities:

- driving leadership diversity,
- fostering an inclusive culture, and
- championing consumer representation - and thus fostering the understanding of diversity in relation to products and their marketing.

We achieved initial milestones in each of these areas in 2021:

- The gender parity ambition, which aims for an equal proportion of women and men in leadership positions below the Executive Board by 2025. As of December 31, 2021, the proportion of women in the four highest management groups (MG 1-4) was 47.1%.
- To build people's understanding of diversity and inclusion, we piloted our first training course in inclusive (and gender-neutral) language in the reporting year and developed expanded communication guides for a sensitive and nuanced use of language to avoid subtle discrimination. In 2022, we presented the global D&I Roadmap 2.0, reflecting the further development of our strategy. Our goal is to be 100% inclusive, 100% gender balanced, and 100% future-ready - embracing diversity far beyond the topic of gender equality.

Measures to Create Equal Pay for Women and Men

Equal pay at Beiersdorf AG is ensured through collective agreements as well as internal processes to evaluate positions not subject to collective pay agreements.

Beiersdorf AG is bound by the collective agreements agreed between BAVC (representing employers) and IGBCE (representing employees). This stipulates a pay structure comprising 13 pay groups. The principle of the Germany-wide collective agreement is that employees should be grouped solely according to the job they do (§ 3 Bundesentgelttarifvertrag). Gender or factors such as job title or qualifications not required for the current job do not influence pay.

Outside collective agreements, equal pay is ensured through, among other things, the employer/works council agreement on the salary system for employees not covered by collective agreements. The process for evaluating functions not covered by collective agreements involves assigning all positions in the company to defined salary bands with the input of the employee representatives. The bands reflect the market practice of the company's peer group. The assignment of functions/positions to the salary bands depends solely on objective factors such as relevance to the organization as a whole, qualifications required, and complexity of the topics for which the function holder is responsible. The positions are evaluated without reference to the position holder, their gender, or individual performance. The evaluation results are also compared across divisions.

If the annual pay agreements for employees not covered by collective agreements overlap with parental leave or other periods of service for which no compensation is paid, the relevant employer/works council agreement ensures that the employees participate after their return in the budgets for pay agreements that have already expired.

Disclosures in accordance with § 21 (2) no. 1 and no. 2 *EntgTranspG*

The average numbers of employees at Beiersdorf AG for the year 2021 are as follows³:

	Women	Change since previous report	Men	Change since previous report
Average total number of employees	1,674	129	999	69
of whom full-time	1,107	45	969	68
of whom part-time	567	84	30	1

³ In accordance with the definition of the German Pay Transparency Act (Entgelttransparenzgesetz): Number of employees (persons) as an annual average. Presentation differs from the other employee units used in the Annual Report.



p. 191 CONSOLIDATED FINANCIAL STATEMENTS

- p. 191 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 Significant Accounting Policies
- p. 207 Consolidated Group, Acquisitions, and Divestments
- p. 209 Notes to the Income Statement
- p. 213 Notes to the Balance Sheet
- p. 235 Other Disclosures
- p. 240 Report on Post-Balance Sheet Date Events
- p. 241 Beiersdorf AG Boards

p. 243 ATTESTATIONS

- p. 243 Independent Auditor's Report
- p. 254 Independent Auditor's Limited Assurance Report
- p. 257 Responsibility Statement by the Executive Board



CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Financial Statements

Income Statement

(in € million)

	Note	2021	2022
Sales	01	7,627	8,799
Cost of goods sold	02	-3,267	-3,842
Gross profit		4,360	4,957
Marketing and selling expenses	03	-2,675	-2,998
Research and development expenses	04	-268	-291
General and administrative expenses	05	-448	-524
Other operating income	06	243	266
Other operating expenses	07	-279	-318
Operating result (EBIT)		933	1,092
Interest income	08	32	36
Interest expense	08	-14	-16
Net pension result	08	-8	-10
Other financial result	08	-36	-6
Financial result	08	-26	4
Profit before tax		907	1,096
Income taxes	09	-252	-325
Profit after tax		655	771
Of which attributable to			
- Equity holders of Beiersdorf AG		638	755
- Non-controlling interests		17	16
Basic/diluted earnings per share (in €)	10	2.81	3.33

Statement of Comprehensive Income

(in € million)¹

	2021	2022
Profit after tax	655	771
Other comprehensive income that will be reclassified subsequently to profit or loss	35	70
Remeasurement of cash flow hedges	-12	28
Remeasurement of securities	-2	-12
Exchange differences	49	54
Other comprehensive income that will not be reclassified subsequently to profit or loss	118	317
Remeasurement of defined benefit pension plans	110	314
Change in fair value of equity instruments measured through other comprehensive income	8	3
Other comprehensive income	153	387
Total comprehensive income	808	1,158
Of which attributable to		
- Equity holders of Beiersdorf AG	791	1,143
- Non-controlling interests	17	15

¹ Net of tax.

Balance Sheet

(in € million)

Assets	Note	Dec. 31, 2021	Dec. 31, 2022
Intangible assets	11	538	1,111
Property, plant, and equipment	12	1,845	2,201
Non-current securities	16	3,937	3,184
Other non-current assets	15	56	52
Deferred tax assets	09	292	258
Non-current assets		6,668	6,806
Inventories	13	1,144	1,557
Trade receivables	14	1,306	1,508
Other current financial assets	15	124	147
Income tax receivables	09	207	205
Other current assets	15	198	239
Current securities	16	616	771
Cash and cash equivalents	17	1,036	1,080
Non-current assets and disposal groups held for sale	15	–	35
Current assets		4,631	5,542
		11,299	12,348
Equity and liabilities			
	Note	Dec. 31, 2021	Dec. 31, 2022
Share capital	19	252	252
Additional paid-in capital	22	47	47
Retained earnings	23	6,879	7,725
Accumulated other comprehensive income	24	-307	-239
Equity attributable to equity holders of Beiersdorf AG		6,871	7,785
Non-controlling interests		23	20
Equity		6,894	7,805
Provisions for pensions and other post-employment benefits	26	808	382
Other non-current provisions	27	127	146
Non-current financial liabilities	28	106	117
Other non-current liabilities	28	1	–
Deferred tax liabilities	09	38	137
Non-current liabilities		1,080	782
Other current provisions	27	582	614
Income tax liabilities	09	160	183
Trade payables	28	1,973	2,328
Other current financial liabilities	28	501	525
Other current liabilities	28	109	111
Current liabilities		3,325	3,761
		11,299	12,348

Cash Flow Statement

(in € million)

	2021	2022
Profit after tax	655	771
Reconciliation of profit after tax to net cash flow from operating activities		
Income taxes	252	325
Financial result	26	-4
Income taxes paid	-305	-312
Depreciation and amortization	287	287
Change in non-current provisions (excluding interest components and changes recognized in OCI)	-9	22
Gain/loss on disposal of property, plant, and equipment, and intangible assets	-9	-5
Gross cash flow	897	1,084
Change in inventories	-145	-395
Change in receivables and other assets	-195	-288
Change in liabilities and current provisions	436	396
Net cash flow from operating activities	993	797
Investments in property, plant, and equipment, and intangible assets	-413	-548
Payments for acquisitions (net of cash acquired)	-	-545
Payments for investments in associated companies and other investments	-5	-7
Payments to acquire securities	-1,114	-97
Proceeds from the sale of property, plant, and equipment, and intangible assets	45	29
Proceeds from the sale of subsidiaries (net of cash disposed)	10	10
Proceeds from the sale of associated companies and other investments	8	-
Proceeds from the sale/final maturity of securities	563	680
Interest received	39	42
Proceeds from dividends and other financing activities	22	34
Net cash flow from investing activities	-845	-402
Free cash flow	148	395
Proceeds from loans	185	451
Loan repayments	-57	-447
Repayments of lease liabilities	-66	-68
Interest paid	-12	-15
Other financing expenses paid	-14	-19
Cash dividends paid (Beiersdorf AG)	-159	-159
Cash dividends paid (non-controlling interests)	-18	-16
Payments to acquire shares from non-controlling interests without a change in control	-	-72
Net cash flow from financing activities	-141	-345
Effect of exchange rate fluctuations and other changes on cash held	24	-6
Net change in cash and cash equivalents	31	44
Cash and cash equivalents as of Jan. 1	1,005	1,036
Cash and cash equivalents as of Dec. 31	1,036	1,080

Statement of Changes in Equity

(in € million)

	Share capital	Additional paid-in capital	Retained earnings ¹	Accumulated other comprehensive income					Total attributable to equity holders	Non-controlling interests	Total
				Currency translation adjustment	Hedging instruments from cash flow hedges	Debt instruments	Equity instruments				
Jan. 1, 2021	252	47	6,283	-349	2	4	-	6,239	24	6,263	
Total comprehensive income for the period	-	-	748	49	-12	-2	8	791	17	808	
Reclassifications	-	-	7	-	-	-	-7	-	-	-	
Dividend of Beiersdorf AG for previous year	-	-	-159	-	-	-	-	-159	-	-159	
Change in non-controlling interests	-	-	-	-	-	-	-	-	-18	-18	
Dec. 31, 2021/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	252	47	7,725	-247	18	-10	-	7,785	20	7,805	

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	
		2021	2022	2021	2022	2021	2022
Net sales		6,129	7,131	1,498	1,668	7,627	8,799
Change (nominal)	(in %)	7.5	16.3	13.1	11.3	8.6	15.4
Change (organic)	(in %)	8.8	10.5	13.6	8.8	9.7	10.2
Share of Group sales	(in %)	80.4	81.0	19.6	19.0	100.0	100.0
EBITDA		884	1,038	336	341	1,220	1,379
Operating result (EBIT)		680	828	253	264	933	1,092
as % of sales		11.1	11.6	16.8	15.8	12.2	12.4
Operating result (EBIT, excluding special factors)¹		740	880	253	278	993	1,158
as % of sales		12.1	12.3	16.9	16.7	13.0	13.2
Gross operating capital¹		3,885	5,385	1,150	1,250	5,035	6,635
Operating liabilities¹		2,480	2,893	306	298	2,786	3,191
EBIT return on net operating capital ¹	(in %)	48.5	33.2	29.9	27.6	41.5	31.7
Gross cash flow		661	817	236	267	897	1,084
Capital expenditure²		376	1,054	37	83	413	1,137
Depreciation and amortization		204	210	83	77	287	287
Research and development expenses		202	216	66	75	268	291
Employees	(as of Dec. 31)	15,740	16,419	4,827	4,982	20,567	21,401

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 € million)

		Europe		America		Africa/Asia/Australia		Group	
		2021	2022	2021	2022	2021	2022	2021	2022
Net sales		3,676	3,900	1,527	2,126	2,424	2,773	7,627	8,799
Change (nominal)	(in %)	6.0	6.1	13.4	39.2	9.6	14.4	8.6	15.4
Change (organic)	(in %)	6.3	5.5	16.3	21.8	11.0	9.9	9.7	10.2
Share of Group sales	(in %)	48.2	44.3	20.0	24.2	31.8	31.5	100.0	100.0
EBITDA		706	738	109	170	405	471	1,220	1,379
Operating result (EBIT)		539	583	49	108	345	401	933	1,092
as % of sales		14.7	15.0	3.2	5.1	14.2	14.5	12.2	12.4
Operating result (EBIT, excluding special factors)¹		556	618	91	140	346	400	993	1,158
as % of sales		15.1	15.9	6.0	6.6	14.3	14.5	13.0	13.2
Capital expenditure²		293	444	75	521	45	172	413	1,137
Depreciation and amortization		166	155	60	62	61	70	287	287
Employees	(as of Dec. 31)	11,888	12,094	3,402	3,771	5,277	5,536	20,567	21,401

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.

Significant Accounting Policies

Information on the Company and on the Group

The registered office of Beiersdorf AG is located at Unnastrasse 48 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 ag, 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, 2022, were prepared by the Executive Board on February 6, 2023, 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, 2022, 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.

Actual amounts may differ from these estimates. Changes to estimates are recognized in profit or loss when more recent knowledge becomes available. The estimates and assumptions mentioned above also took into account the potential impact of the COVID-19 pandemic.

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	
	2021	2022	2021	2022
Brazilian real (BRL)	6.377	5.4076	6.3099	5.6423
Swiss franc (CHF)	1.0797	1.0017	1.0327	0.9848
Chinese yuan (CNY)	7.6059	7.0736	7.194	7.3631
Pound sterling (GBP)	0.8581	0.8548	0.84	0.8869
Japanese yen (JPY)	130.3117	138.0567	130.405	140.7200
Russian ruble (RUB)	87.3371	71.9647	85.3649	77.8827
Thai baht (THB)	37.8797	36.8021	37.6347	36.8486
US dollar (USD)	1.1815	1.0505	1.1326	1.0673

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 2022. 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.

Significant 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.

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 canceled, 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 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 and do not affect either accounting or taxable profit.

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 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 €1,419 million in 2022 (previous year: €1,433 million) and reported non-current assets (not including financial instruments, deferred taxes, and plan assets) of €1,492 million (previous year: €1,330 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 €3,444 million (previous year: €2,249 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, 2021	Dec. 31, 2022
Intangible assets	538	1,111
Property, plant, and equipment	1,845	2,201
Inventories	1,144	1,557
Trade receivables	1,306	1,508
Other receivables and other assets (not including tax receivables)	202	258
Gross operating capital	5,035	6,635
Gross non-operating assets	6,264	5,713
Total balance sheet assets	11,299	12,348
Equity and liabilities	Dec. 31, 2021	Dec. 31, 2022
Other provisions	709	760
Trade payables	1,973	2,328
Other liabilities (not including income tax liabilities)	104	103
Operating liabilities	2,786	3,191
Equity	6,894	7,805
Non-operating liabilities	1,619	1,352
Total balance sheet equity and liabilities	11,299	12,348

Consolidated Group, Acquisitions, and Divestments

Consolidated Group

In addition to Beiersdorf AG, the consolidated financial statements include 14 (previous year: 16) German and 171 (previous year: 160) international companies whose financial and business policies Beiersdorf AG is able to control either directly or indirectly.

In the year under review, 13 new companies were included in the consolidated financial statements. In addition, two companies were wound up and two companies were 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

With the acquisition of 65% additional shares in Swiss Cosmetics Production AG for a purchase price of €7 million (CHF 7 million), La Prairie Group AG has further increased its equity interest and holds 100% of the shares effective January 5, 2022. Including the shares previously held, the goodwill acquired as part of the merger totals €10 million (CHF 10 million).

The company acquired is a manufacturer and producer of Swiss premium cosmetics. The acquisition will enable La Prairie to own the production of its quality skin care collections at the site in Switzerland, to increase efficiency in production and logistics, and to better respond to unexpected market volatility.

On February 1, 2022, Beiersdorf acquired 100% of Chantecaille Beaute Inc. (USA), a prestige cosmetics company, for a purchase price of €529 million (USD 590 million). Depending on the future development of the Chantecaille business, the purchase price may additionally increase by up to €90 million (USD 100 million) in the next three years. A provisional purchase price allocation was performed for the 2022 Half-Year Report, as the information required for the final purchase price allocation was still being obtained and verified. The purchase price allocation was completed as of the reporting date. The figures in the final purchase price allocation are shown below.

The total purchase price assumed as part of the purchase price allocation is €553 million (USD 617 million). This comprises a basic purchase price following adjustments of €533 million (USD 595 million) and performance-related purchase price components of €20 million (USD 22 million), which have been measured in terms of their likelihood and will only become payable in the future.

Founded in 1997, Chantecaille offers innovative skin care, fragrance, and cosmetics products based on botanical ingredients. The company is headquartered in New York with a global presence and a particular strength in North America and Asia. By acquiring Chantecaille, Beiersdorf is bolstering its portfolio in the prestige beauty segment and strengthening its position, especially in the United States, China, and Korea. Chantecaille will be a complementary selective cosmetics brand in Beiersdorf's Consumer Business Segment.

The Chantecaille companies acquired contributed to comprehensive income from February to December 2022 with sales of €88 million and an operating result (EBIT) (including special factors and initial consolidation effects) of €-3 million. For the full reporting period (12 months) of the Chantecaille companies, the estimated sales would amount to approximately €93 million and the estimated

operating result (EBIT) including special factors and initial consolidation effects to approximately €-4 million. These figures were calculated on the assumption that the preliminary adjustments to fair values made at the acquisition date would also have applied to an acquisition on January 1, 2022.

The acquisition took place via a share deal. The goodwill of €452 million (USD 504 million) comprises the value of expected business potential arising from the acquisition. For tax purposes, the acquisition is being treated as an asset deal and results in tax-deductible depreciation and amortization in the United States; this also applies to the goodwill acquired. Based on the final purchase price allocation as of February 1, 2022, the assets acquired were as follows:

Purchase price allocation for the acquisition of Chantecaille

(in € million)

Total purchase price	553
Identifiable assets at fair value	62
Identifiable liabilities at fair value	31
Trademarks	58
Customer base	16
Deferred tax liability	4
Goodwill	452

The gross amount of trade receivables is €12 million (USD 13 million) and corresponds to the fair value. It is expected that the full contractual amounts can be collected. No material contingent liabilities were identified at the acquisition date.

As of December 15, 2022, Beiersdorf acquired further shares in S-Biomedic NV (Belgium) and therefore holds a majority stake of 92.53%. For initial indication purposes, and subject to a final purchase price allocation, the purchase price is expected to be assigned largely to intangible assets.

S-Biomedic was founded in 2014. The company researches the delicate balance of the skin microbiome and develops active ingredients for cosmetic products based on living skin bacteria. Beiersdorf was early to recognize the potential of the skin microbiome for skin care and, with this acquisition, is strengthening its expertise in acne treatment.

For the purpose of impairment testing, goodwill resulting from business combinations is allocated, starting at the acquisition date, to the cash-generating units of the Group that benefit from the business potential of the business combination and generate resulting cash flows. As part of the Chantecaille acquisition, goodwill of €452 million (USD 504 million) was allocated to the new Chantecaille cash-generating unit (consisting of the individual national companies of the Chantecaille Group). The goodwill of €10 million (CHF 10 million) arising from the acquisition of Swiss Cosmetics Production AG was allocated to the new La Prairie cash-generating unit (consisting of the companies La Prairie Group Switzerland and La Prairie China).

Significant Divestments

As of September 30, 2022, tesa SE has sold the affiliate tesa Labtec GmbH for a total compensation of €9 million. tesa Labtec develops and manufactures transdermal therapeutic systems (medicated patches) as well as oral and buccal films (medicated films that release drugs inside the mouth and allow direct uptake through the oral mucosa) for the pharmaceutical industry. The result from the disposal of the company in the amount of €-6 million is fully allocated to special factors. Beyond this, there were no 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 2022:

- 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 €8,799 million in fiscal year 2022 (previous year: €7,627 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 €3,842 million (previous year: €3,267 million). This item includes inventories expensed in the reporting period as well as direct expenses for distribution logistics.

03 Marketing and Selling Expenses

Marketing and selling expenses were €2,998 million (previous year: €2,675 million). The item includes expenditure on advertising, retail (point of sale) marketing, and similar items amounting to €1,883 million (previous year: €1,689 million).

04 Research and Development Expenses

Research and development expenses totaled €291 million (previous year: €268 million). Research and development expenses in the Consumer business were €216 million (previous year: €202 million). Research and development expenses in the tesa business area amounted to €75 million (previous year: €66 million).

05 General and Administrative Expenses

General and administrative expenses amounted to € 524 million in the past fiscal year (previous year: €448 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)

	2021	2022
Gains on disposals of property, plant, and equipment, and other assets	3	17
Income from the reversal of provisions	57	82
Miscellaneous other income	183	167
	243	266

Gains on disposals of property, plant, and equipment, and other assets were mainly attributable to the sale of a property no longer required at La Prairie Group AG. Income from the reversal of provisions was due among other things to personnel risk provisions, litigation risk provisions, and other provisions that are no longer required. Miscellaneous other income includes income from the reversal of no longer required accruals and valuation allowances on receivables, as well as other out-of-period income. Other income also includes effects of €2 million from the integration of the Chantecaille business. In the previous year, other income included €30 million from the implementation of a supply contract taken over in the course of the Coppertone acquisition, which expired in fiscal year 2022.

07 Other Operating Expenses

(in € million)

	2021	2022
Restructuring expenses	54	61
Exchange result on operating activities	-5	69
Losses on disposal of non-current assets	3	5
Amortization and impairment of intangible assets from acquisitions	15	18
Miscellaneous other expenses	212	165
	279	318

Restructuring expenses relate in particular to measures in the supply chain organization and other ongoing reorganizations of the consumer business. Amortization and impairment of intangible assets showed amortization of intangible assets from acquisitions amounting to €10 million (previous year: €6 million) and an impairment loss of €8 million on the goodwill of the cash-generating unit tesa Twinlock.

Miscellaneous other expenses included expenditure of €5 million (previous year: €6 million) in connection with the "Care Beyond Skin" donation program and expenditure of €6 million relating to the integration of the newly acquired Chantecaille business. Miscellaneous other expenses also include the result from the sale of tesa Labtec GmbH in the amount of €6 million. In the previous year, other expenses also included expenses from a supply contract of €28 million taken over in the course of the Coppertone acquisition, which expired in fiscal year 2022. Furthermore, other expenses include additions to provisions for litigation and other risks, as well as miscellaneous other operating expenses.

08 Financial Result

(in € million)

	2021	2022
Interest income	32	36
Interest expense	-14	-16
Net pension result	-8	-10
Other financial result	-36	-6
	-26	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: €16 million). The interest income from financial investments recognized at fair value through other comprehensive income amounted to €2 million (previous year: €3 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 €1 million (previous year: €3 million). The net pension result contains expenses from unwinding the discount on the net pension obligation

incurred in previous years. Other financial result includes negative effects from the change in the fair value of current securities in the fair value through profit or loss (FVPL) category, effects from movement in exchange rates, and impairment write-downs on operational investments.

09 Income Taxes

Income tax expense including deferred taxes can be broken down as follows:

(in € million)

	2021	2022
Current income taxes		
Germany	76	65
International	193	272
	269	337
Deferred taxes	-17	-12
	252	325

Reconciliation to effective income tax expense

Given an effective tax rate of 29.6% (previous year: 27.8%), the effective income tax expense is €59 million (previous year: €40 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 24.3% (previous year: 23.3%).

The following table shows the reconciliation of expected to effective income tax expense:

Effective Income Tax Expense

(in € million)

	2021	2022
Expected income tax expense given a tax rate of 24.3% (previous year: 23.3%)	212	266
Prior-year taxes	-14	-4
Decrease in tax expense due to changes in tax-free income	-18	-19
Increase in tax expense due to non-tax-deductible impairment of goodwill	2	2
Increase in tax expense due to other non-deductible expenses	53	55
Decrease in tax expense due to the utilization/recognition of previously unrecognized tax loss carryforwards	-9	-5
Increase in tax expense due to non-recognition of tax loss carryforwards	16	11
Other tax effects	10	19
Effective income tax expense	252	325

No deferred tax assets have been recognized for tax loss carryforwards and unused tax credits of €148 million (previous year: €255 million), whose expiration dates are given below.

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.

Expiration Dates of Tax Loss Carryforwards and unused Tax Credits

(in € million)

	Dec. 31, 2021	Dec. 31, 2022
Expiration date within		
1 year	1	1
2 years	1	4
3 years	6	6
more than 3 years	170	54
Unlimited carryforward period	77	83
	255	148

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, 2021	Dec. 31, 2022	Dec. 31, 2021	Dec. 31, 2022
Non-current assets	15	19	90	104
Inventories	33	44	–	–
Receivables and other current assets	15	17	17	25
Provisions for pensions and other post-employment benefits	119	40	1	54
Other provisions	75	66	28	36
Liabilities	121	145	3	3
Retained earnings	–	–	30	24
Loss carryforwards	45	36	–	–
	423	367	169	246
Offset deferred taxes	-131	-109	-131	-109
Deferred taxes recognized in the balance sheet	292	258	38	137

Total net deferred tax assets amounted to €121 million for the year under review (previous year: €254 million). Of the year-on-year decrease of €133 million (previous year: €22 million), €148 million was recognized directly in other comprehensive income, decreasing equity (previous year: decrease in equity of €41 million). €12 million (previous year: €17 million) was recognized in profit or loss. Currency effects increased this item by €3 million (previous year: increase of €2 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 €24 million (previous year: €30 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 2022 amounted to €3.33 (previous year: €2.81). The basis for the calculation is the 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, 2021	516	243	258	1,017
Currency translation adjustment	-29	-	13	-16
Acquisitions	-	-	-	-
Additions	11	-	-	11
Disposals	-15	-	-	-15
Transfers	4	-	-	4
Dec. 31, 2021/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	530	243	800	1,573

Amortization/Impairment Losses

(in € million)

	Finite-lived intangible assets	Indefinite-lived intangible assets	Goodwill	Total
Jan. 1, 2021	403	50	19	472
Currency translation adjustment	-30	-	-1	-31
Acquisitions	-	-	-	-
Additions	26	-	9	35
Disposals	-13	-	-	-13
Transfers	-	-	-	-
Dec. 31, 2021/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	378	50	34	462

Carrying Amounts

(in € million)

	Finite-lived intangible assets	Indefinite-lived intangible assets	Goodwill	Total
Dec. 31, 2021	101	193	244	538
Dec. 31, 2022	152	193	766	1,111

Goodwill and Intangible Assets

The carrying amounts of goodwill increased by €522 million compared with the previous year to €766 million (previous year: €244 million).

The year-on-year change was attributable in particular to the goodwill of €473 million (including currency effects) from the acquisition of Chantecaille, which has been allocated in full to the new Chantecaille cash-generating unit. Goodwill in the Consumer Business Segment also includes the goodwill of €168 million (previous year: €159 million) in the North American cash-generating unit and the goodwill of €59 million (previous year: €57 million) attributable to Beiersdorf AG (Switzerland). The change versus the previous year (or in the case of Chantecaille: versus the value at the time of acquisition) 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 are established in their markets and will continue to be advertised in the future. They therefore represent indefinite-lived intangible assets.

The purchase price allocation for the Chantecaille acquisition identified trademarks and customer relationships. These 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 €70 million.

Impairment tests were performed as of 31 December, 2022 on the goodwill as well as trademarks recognized for all relevant cash-generating units. 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. For the Chantecaille cash-generating unit, the detailed planning anticipates that sales growth and the EBIT margin will be typical for the relevant markets. 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% for Chantecaille. The weighted pre-tax discount rate used to discount the estimated cash flows was 6.9% for North America (previous year: 5.6%), 5.0% for Switzerland (previous year: 4.2%), and 8.3% for Chantecaille.

Due to the increased competitive pressure as well as rising procurement prices and the associated poorer expected cash flows in the tesa Twinlock cash-generating unit, the impairment test showed an impairment of goodwill amounting to €8 million. The impairment was recognized in other operating expenses and is attributable to the tesa Business Segment.

The impairment tests for the other cash-generating units did not reveal any need for impairment of goodwill or trademarks in the reporting year. In the case of these 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. This observation also considers the potential impacts of the COVID-19 pandemic. These mainly relate to the sales markets and thus the development of forecast sales.

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, 2021	966	1,194	741	342	3,243
Currency translation adjustment	15	10	10	5	40
Acquisitions	–	–	–	–	–
Additions	21	27	47	307	402
Disposals	-48	-39	-43	-18	-148
Transfers	38	53	12	-109	-6
Dec. 31, 2021/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	989	1,269	800	802	3,860

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, 2021	432	780	560	-1	1,771
Currency translation adjustment	5	6	6	–	17
Acquisitions	–	–	–	–	–
Additions	37	85	63	–	185
Disposals	-32	-32	-39	–	-103
Transfers	–	–	–	–	–
Dec. 31, 2021/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	404	839	606	-2	1,847

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, 2021	550	406	177	528	1,661
Dec. 31, 2022	585	430	194	804	2,013

The carrying amounts of property, plant, and equipment amounted to €2,013 million (previous year: €1,661 million). Investments in property, plant, and equipment totaled €542 million (previous year: €402 million). They primarily related to the plants of the two business segments, Consumer and tesa. The largest investment projects included the expansion of the plant locations in Germany (Leipzig), Poland and Mexico (€239 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, 2021	225	4	43	-	272
Currency translation adjustment	8	-	-	-	8
Acquisitions	-	-	-	-	-
Additions	77	1	11	-	89
Disposals	-22	-	-9	-	-31
Transfers	-	-	-	-	-
Dec. 31, 2021/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	331	5	43	-	379

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, 2021	91	1	22	-	114
Currency translation adjustment	3	-	-	-	3
Acquisitions	-	-	-	-	-
Additions	53	1	13	-	67
Disposals	-21	-	-9	-	-30
Transfers	-	-	-	-	-
Dec. 31, 2021/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	164	3	24	-	191

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, 2021	162	3	19	-	184
Dec. 31, 2022	167	2	19	-	188

Carrying Amounts Property, Plant and Equipment total

(in Mio. €)

	Land, land rights, and buildings	Technical equipment and machinery	Office and other equipment	Advance payments and assets under construction	Total
Dec. 31, 2021	712	409	196	528	1,845
Property, plant, and equipment - owned	550	406	177	528	1,661
Right of use assets - leased	162	3	19	-	184
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

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 "Significant Accounting Policies" as well as in Notes 8 and 30.

13 Inventories

(in € million)

	Dec. 31, 2021	Dec. 31, 2022
Raw materials, consumables, and supplies	266	366
Work in progress	63	78
Finished goods and merchandise	811	1,109
Advance payments	4	4
	1,144	1,557

Inventories increased by €413 million compared with the previous year to €1,557 million, €218 million of which (previous year: €176 million) was carried at net realizable value. Write-downs of inventories amounted to €105 million as of the reporting date (previous year: €87 million).

14 Trade Receivables

(in € million)

	Dec. 31, 2021	Dec. 31, 2022
Carrying amount	1,306	1,508
Of which past due:		
1 to 30 days	68	115
31 to 60 days	14	18
more than 60 days	32	74

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)

	2021	2022
Jan. 1	51	50
Currency translation adjustment	1	1
Additions	16	10
Utilized	-1	-1
Reversals	-17	-6
Dec. 31	50	54

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 €35 million as of December 31, 2022 (prior year: €0 million).

The development is mainly attributable to 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 is to be sold during fiscal year 2023.

The measurement of assets and disposal groups held for sale to a fair value less costs to sell below the carrying amount resulted in an expense of €9 million in 2022. The resulting valuation effect is fully attributable to restructuring expenses in connection with supply chain organization measures (Note 7).

16 Securities

(in € million)

	Dec. 31, 2021	Dec. 31, 2022
Non-current securities	3,937	3,184
Amortized cost	3,937	3,184
Current securities	616	771
Amortized cost	397	533
Fair value through other comprehensive income	203	155
Fair value through profit or loss	16	83
	4,553	3,955

In total, the Beiersdorf Group holds €3,955 million (previous year: €4,553 million) in listed government and corporate bonds, commercial paper, near-money market retail funds, equities, and equity funds. Securities with a carrying amount of €3,184 million (previous year: €3,937 million) are expected to be realized more than 12 months after the reporting date. Non-current securities have a term of up to eight 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 €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, 2021	Dec. 31, 2022
Cash	953	1,004
Cash equivalents	83	76
	1,036	1,080

Cash comprises bank balances, cash-on-hand, and checks. Cash equivalents are short-term liquid investments, such as money market funds, 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.

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, 2022, the equity ratio was 63% (previous year: 61%), while the EBIT return on net operating capital was 32% (previous year: 42%). The total dividends distributed in fiscal year 2022 amounted to €175 million (previous year: €177 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/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 disappplied 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.

During 2022 Beiersdorf acquired additional shares of a subsidiary in Indonesia. The transaction is recognized directly in equity under retained earnings and results in a shift between the majority and minority shareholders of Beiersdorf AG.

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 €18 million (previous year: €-10 million) after deduction of deferred taxes were recognized in other comprehensive income.

Debt and equity instruments

This item includes fair value changes amounting to €-10 million on securities in the “at fair value through other comprehensive income” category after deduction of deferred taxes. 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 fiscal year. Due to the inclusion of S-Biomedic NV in the consolidated group, €4 million of this amount has been reclassified to retained earnings.

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 € 0.70 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 1, 2021, a dividend of € 0.70 per no-par-value share bearing dividend rights was distributed in 2022 from the net retained profits for fiscal year 2021.

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 the reporting period 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)

	2021			2022		
	Germany	Other countries	Group	Germany	Other countries	Group
Current service cost	49	13	62	41	15	56
Past service cost	–	–	–	9	–	9
Defined benefit expense (EBIT)	49	13	62	50	15	65
Net interest result attributable to defined benefit plans (pension expense (+)/pension income (-))	7	1	8	9	–	9
Total expenses for defined benefit plans	56	14	70	59	15	74
Defined contribution expense (EBIT)	40	24	64	41	21	62
Total pension expense	96	38	134	100	36	136

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, 2021			Dec. 31, 2022		
	Germany	Other countries	Group	Germany	Other countries	Group
Present value of defined benefit obligations	1,647	287	1,934	1,224	235	1,459
Fair value of plan assets	-864	-288	-1,152	-868	-246	-1,114
Net obligation	783	-1	782	356	-11	345
Amounts not recognized due to asset ceiling	-	9	9	-	15	15
Other recognized amounts	-	17	17	-	22	22
Provisions for pensions and other post-employment benefits	783	25	808	356	26	382

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 %)

	2021		2022	
	Germany	Other countries	Germany	Other countries
Discount rates	1.25	1.42	3.70	3.68
Projected wage and salary growth	3.00	2.49	3.25	2.73
Projected pension growth ¹	1.76	2.13	2.25	1.85
Projected staff turnover	2.14	9.05	2.14	9.08

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.

The actuarial gains in the reporting year due to changes in financial assumptions were mainly attributable to the increase in the discount rates. The other changes in the reporting year were mainly attributable to changes in the consolidated Group.

Present Value of Defined Benefit Obligations

(in € million)

	2021			2022		
	Germany	Other countries	Group	Germany	Other countries	Group
Jan. 1	1,758	271	2,029	1,647	287	1,934
Current service cost	49	13	62	41	15	56
Past service cost	–	–	–	9	–	9
Net interest expense	14	3	17	20	4	24
Actuarial gains (-) and losses (+)	-137	-7	-144	-455	-72	-527
Of which experience adjustments	3	4	7	49	6	55
Of which due to changes in financial assumptions	-140	-8	-148	-558	-75	-633
Of which due to changes in demographic assumptions	–	-3	-3	54	-3	51
Contributions by plan participants	9	3	12	10	3	13
Pension benefits paid	-45	-9	-54	-45	-14	-59
Currency translation adjustment	–	15	15	–	4	4
Other changes	-1	-2	-3	-3	8	5
Dec. 31	1,647	287	1,934	1,224	235	1,459

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, 2021			Dec. 31, 2022		
	Germany	Other countries	Group	Germany	Other countries	Group
Partly or wholly funded defined benefit obligations	1,640	270	1,910	1,219	218	1,437
Unfunded defined benefit obligations	7	17	24	5	17	22
Present value of defined benefit obligations	1,647	287	1,934	1,224	235	1,459

The change in plan assets during the period under review was as follows:

Fair Value of Plan Assets

(in € million)

	2021			2022		
	Germany	Other countries	Group	Germany	Other countries	Group
Jan. 1	818	246	1,064	864	288	1,152
Return on plan assets	7	2	9	11	4	15
Actuarial gains (+) and losses (-)	3	18	21	-14	-56	-70
Actual return on plan assets	10	20	30	-3	-52	-55
Employer contributions	33	10	43	4	9	13
Contributions by plan participants	13	3	16	13	4	17
Pension benefits paid	-9	-6	-15	-8	-11	-19
Currency translation adjustment	-	15	15	-	3	3
Other changes	-1	-	-1	-2	5	3
Dec. 31	864	288	1,152	868	246	1,114

In fiscal year 2023, employer contributions to plan assets are expected to amount to €15 million. The breakdown of the plan assets as of the reporting date was as follows:

Composition of Plan Assets

(in € million)

	Dec. 31, 2021			Dec. 31, 2022		
	Germany	Other countries	Group	Germany	Other countries	Group
Equity instruments	84	110	194	76	82	158
Debt instruments	304	91	395	265	86	351
Real estate	171	40	211	169	30	199
Cash and cash equivalents	284	18	302	317	21	338
Other	21	29	50	41	27	68
Total plan assets	864	288	1,152	868	246	1,114

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, almost 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, 57% are attributable to corporate bonds and 43% 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 €41 million (previous year: €42 million).

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 €204 million (previous year: €246 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, 2021			Dec. 31, 2022		
	Germany	Other countries	Group	Germany	Other countries	Group
Duration of the present value of the pension obligations (in years)	18	17	18	15	13	14
Maturity analysis of the expected pension payments (in € million)						
Up to 1 year	48	10	58	57	12	69
More than 1 and up to 2 years	51	10	61	54	12	66
More than 2 and up to 5 years	164	32	196	198	39	237
More than 5 and up to 10 years	305	58	363	331	69	400

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, 2021			Dec. 31, 2022		
	Germany	Other countries	Group	Germany	Other countries	Group
Discount rate						
+0.50%	-136	-18	-154	-80	-10	-90
-0.50%	157	20	177	91	9	100
Projected wage and salary growth						
+0.25%	5	1	6	2	1	3
-0.25%	-5	-1	-6	-2	-1	-3
Projected pension growth						
+0.25%	34	6	40	21	3	24
-0.25%	-33	-4	-37	-21	-2	-23
Projected staff turnover						
+0.25%	-	-2	-2	-	-1	-1
-0.25%	-	2	2	-	1	1
Life expectancy						
Increase of one year	74	6	80	46	3	49
Decrease of one year	-69	-6	-75	-44	-3	-47

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, 2022	357	56	131	165	709
Of which non-current	73	–	39	15	127
Currency effects	2	1	5	2	10
Additions	252	66	25	80	423
Utilized	214	35	5	44	298
Reversals	26	5	26	27	84
Dec. 31, 2022	371	83	130	176	760
Of which non-current	70	–	40	36	146

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 €27 million (previous year: €24 million), risks in connection with customs audits amounting to €12 million (previous year: €19 million), patent risks amounting to €16 million (previous year: €16 million) and for risks relating to other legal disputes of €75 million (previous year: €72 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, 2021	Dec. 31, 2022
Trade payables (AC)	1,973	2,328
Other current financial liabilities	501	525
Other financial liabilities (AC)	473	515
Negative fair value of derivatives (DFI)	28	10
Other current liabilities	109	111
Other tax liabilities	91	94
Social security liabilities	10	11
Other miscellaneous liabilities	8	6
	2,583	2,964

Other financial liabilities primarily comprise short-term bank loans amounting to €163 million (previous year: €95 million), lease liabilities of €78 million (previous year: €76 million), and liabilities to TROMA Alters- und Hinterbliebenenstiftung of €204 million (previous year: €246 million) from

investment activities involving TROMA plan assets. At €111 million (previous year: €109 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 is 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 €149 million (previous year: €98 million) at the reporting date-The average payment term for these liabilities was 101 days.

Non-current liabilities are comprised as follows:

Non-current Liabilities

(in € million)

	Dec. 31, 2021	Dec. 31, 2022
Non-current financial liabilities	106	117
Other non-current liabilities	1	-
	107	117

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, 2021, and December 31, 2022:

(in € million)

2021	Carrying amount Dec. 31	Measurement category under IFRS 9		Fair value recognized in OCI	Fair value through profit or loss	Fair value Dec. 31
		Amortized cost				
Assets						
Amortized cost (AC)	6,804	6,804		-	-	6,828
Non-current financial assets	20	20		-	-	20
Trade receivables	1,306	1,306		-	-	1,306
Other current financial assets	108	108		-	-	108
Cash and cash equivalents	1,036	1,036		-	-	1,036
Securities	4,334	4,334		-	-	4,358
Fair value through other comprehensive income (FVOCI)	208	-		208	-	208
Non-current financial assets	5	-		5	-	5
Securities	203	-		203	-	203
Fair value through profit or loss (FVPL)	16	-		-	16	16
Securities	16	-		-	16	16
Derivative financial instruments used for hedges (DFI)	16	-		9	7	16
Derivative financial instruments not included in a hedging relationship (FVPL)	-	-		-	-	-
Liabilities						
Other financial liabilities (AC)	2,552	2,552		-	-	2,552
Non-current financial liabilities	106	106		-	-	106
Trade payables	1,973	1,973		-	-	1,973
Other current financial liabilities	473	473		-	-	473
Derivative financial instruments used for hedges (DFI)	28	-		24	4	28
Derivative financial instruments not included in a hedging relationship (FVPL)	-	-		-	-	-

2022	Carrying amount Dec. 31	Measurement category under IFRS 9			Fair value Dec. 31
		Amortized cost	Fair value recognized in OCI	Fair value through profit or loss	
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)	–	–	–	–	–

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, 2021	Fair Value Hierarchy under IFRS 13			Total
	Level 1	Level 2	Level 3	
Assets				
Fair value through other comprehensive income (FVOCI)	203	–	5	208
Non-current financial assets	–	–	5	5
Securities	203	–	–	203
Fair value through profit or loss (FVPL)	16	–	–	16
Securities	16	–	–	16
Derivative financial instruments used for hedges (DFI)	–	16	–	16
Derivative financial instruments not included in a hedging relationship (FVPL)	–	–	–	–
Liabilities				
Derivative financial instruments used for hedges (DFI)	–	28	–	28
Derivative financial instruments not included in a hedging relationship (FVPL)	–	–	–	–

Dec. 31, 2022	Fair Value Hierarchy under IFRS 13			Total
	Level 1	Level 2	Level 3	
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)	–	–	–	–

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 2022, Beiersdorf reclassified bonds with a book value of €240 million from the “at amortized cost” (AC) category to the “at fair value through profit or loss” (FVPL) category and subsequently sold them. This resulted in a gain of €2 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 year as a whole.

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 €33 million (previous year: €-12 million), and their notional value was €1,712 million (previous year: €1,881 million). As in the previous year, all of the forward contracts have a remaining maturity of up to 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, 2022, the fair values of the currency forwards recognized directly within the hedging reserves in equity would have increased by €42 million (previous year: €45 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 €49 million (previous year: €54 million). There are no open positions of forward exchange contracts recognized in profit or loss not included in a hedging relationship as of December 31, 2022.

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 €5 million (previous year: €8 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 €6,724 million as of December 31, 2022 (previous year: €7,044 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 defined-reliable counterparties. 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)

	2021	2022
Securities in the "at amortized cost" category	4	6
Securities in the "at fair value through other comprehensive income" category	1	1
	5	7

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, 2021	Dec. 31, 2022
Contingent liabilities		
Liabilities under guarantees	87	99
Other financial obligations		
Obligations under purchase commitments	171	90
Due within the next year	130	66
Due in 1 to 5 years	41	24

Other financial obligations

The aggregate nominal amount of the other financial obligations was €90 million (previous year: €171 million).

As of December 31, 2022, future undiscounted lease liabilities with a remaining term of up to one year amounted to €61 million (previous year: €60 million) and those with a remaining term of more than one year to €140 million (previous year: €134 million).

Lease expenses in 2022 include expenses for short-term leases of €26 million (previous year: €18 million), expenses for leases of low-value assets of €2 million (previous year: €3 million), and expenses from variable lease payments of €6 million (previous year: €6 million). Total cash outflow for leases in 2022 was €102 million (previous year: €93 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 €104 million (previous year: €106 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 concluded antitrust proceedings are pending. Beiersdorf contests these claims.

The state of São Paulo is demanding retroactive tax payments of €77 million (previous year: €66 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 €27 million (previous year: €24 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 €47 million (previous year: €47 million).

In addition, some of our affiliates are currently undergoing customs audits. The Group has recognized provisions of €12 million (previous year: €19 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

	2021	2022
Production, supply chain, and quality management	7,812	8,253
Marketing and sales	7,514	7,644
Research and development	1,530	1,591
Other functions	3,711	3,913
	20,567	21,401

Average Number of Employees during the Year

	2021	2022
Production, supply chain, and quality management	7,857	8,166
Marketing and sales	7,479	7,681
Research and development	1,494	1,573
Other functions	3,648	3,813
	20,478	21,233

Personnel expenses amounted to €1,747 million (previous year: €1,573 million). This amount breaks down into wages and salaries of €1,404 million (previous year: €1,256 million), social security expense of €217 million (previous year: €192 million), and pension expense of €126 million (previous year: €125 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 14, 2022, elected Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft as the auditors for the annual and consolidated financial statements for fiscal year 2022.

The following table gives an overview of the total fee charged by Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft:

Fees paid to the Group Auditors

(in € thousand)

	2021	2022
Audit services	1,447	1,719
Other assurance services	222	252
Tax advisory services	118	–
Other services	67	–
	1,854	1,971

Non-audit services in fiscal year 2022 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 2022, 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 2022 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, 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 2022, the members of the Supervisory Board received remuneration totaling €1,673 thousand (previous year €1,702 thousand) and the members of the Executive Board received remuneration totaling €27,412 thousand (previous year: €16,131 thousand; adjusted), in each case in accordance with the provisions of German commercial law. Of the total compensation of the members of the Executive Board, €15,406 thousand (prior year: €7,517 thousand) relates to long-term benefits (additions to accruals for the LTP equity investments and for the new LTP 2021-2024) and also any multi-year bonuses). The short-term benefits (Fixed Basic Remuneration and Variable Bonus) including ancillary benefits amounted to €12,006 thousand (previous year: €8,614 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 "Other 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 €5,128 thousand (previous year: €4,775 thousand). Provisions for pension commitments to former members of the Executive Board and their surviving dependents €54,674 thousand (previous year: €59,369 thousand).

With the exception of 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 2022. The same applies to the immediate family members of these persons.

35 Related Party Disclosures - Entities

Since March 30, 2004, maxingvest ag 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 ag, 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 2022, as in the previous year, Beiersdorf Aktiengesellschaft and its affiliated companies as well as maxingvest ag 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

Beiersdorf Aktiengesellschaft received the following notifications in accordance with the provisions of the *Wertpapierhandelsgesetz* (German Securities Trading Act, *WpHG*), by the preparation date of the accounts.¹ In each case, the disclosures represent the discloser's most recent notification to the company, unless additional notifications are required to be provided for reasons of transparency.

1.

a) Voting right notifications in accordance with § 21 (1) *WpHG* (former version) dated April 2, 2004, April 14, 2004, and April 16, 2004. The persons subject to the disclosure requirement listed in the table below notified Beiersdorf Aktiengesellschaft on April 2, 2004, April 14, 2004, and April 16, 2004, in accordance with § 21 (1) *WpHG* (former version) that they had, for the first time, exceeded the 50% threshold and held 50.46% (42,386,400 voting rights) in Beiersdorf Aktiengesellschaft as of March 30, 2004.

After adjustment for Beiersdorf Aktiengesellschaft's share buyback program, which was implemented on February 3, 2004, and the resulting attribution of the 9.99% (8,393,672 own shares) held by Beiersdorf Aktiengesellschaft in accordance with § 22 (1) sentence 1 no. 1 in conjunction with sentence 3 *WpHG* (former version), the disclosers in accordance with § 21 (1) *WpHG* (former version) each exceeded the 50% threshold for the first time as of February 3, 2004, and each held a 59.95% share (50,360,072 voting rights) in Beiersdorf Aktiengesellschaft as of this date. This increase was solely the result of the attribution of the own shares held by Beiersdorf Aktiengesellschaft in accordance with § 22 (1) sentence 1 no. 1 in conjunction with sentence 3 *WpHG* (former version).²

The disclosers' total share of voting rights as of March 30, 2004, amounted to 60.45% (50,780,072 voting rights) in each case instead of 50.46% (42,386,400 voting rights).²

¹ The following disclosures do in part not reflect the 1 : 3 share split resolved by the company's Annual General Meeting on May 17, 2006, because they were received before this date. As a result of this share split, each no-par-value share of the company with a notional interest in the share capital of €2.56 was split into three no-par-value shares with a notional interest in the share capital of €1.00 each (following the increase of the share capital without the issuance of new shares).

² Due to a change in the administrative practice of the Bundesanstalt für Finanzdienstleistungsaufsicht (Federal Financial Supervisory Authority, BaFin) in December 2014 concerning the attribution of own shares, own shares held by the issuer are no longer counted toward a shareholder's share of voting rights.

All shares of voting rights were attributable to the disclosers, with the exception of Tchibo Holding AG (now renamed to maxingvest ag), in accordance with § 22 (1) sentence 1 no. 1 in conjunction with sentence 3 WpHG (former version). 30.36% (25,500,805 voting rights) were attributable to Tchibo Holding AG in accordance with § 22 (1) sentence 1 no. 1 in conjunction with sentence 3 WpHG (former version); at the time, it directly held 20.10% (16,884,000 voting rights).

The chains of controlled companies are as follows:

Discloser*	Discloser's domicile and country of residence or of domicile	Disclosures in accordance with § 17 (2) <i>Verordnung zur Konkretisierung von Anzeige-, Mitteilungs- und Veröffentlichungspflichten sowie der Pflicht zur Führung von Insiderverzeichnissen nach dem Wertpapierhandelsgesetz</i> (Regulation setting out in detail the disclosure, notification, and announcement duties as well as the duty to maintain a list of insiders in accordance with the WpHG, WpAIV) (former version) (controlled companies via which the voting rights are effectively held and whose attributed share of the voting rights amounts to 3% or more) at the time of § 17 (1) no. 6 WpAIV (former version)
S.P.M. Beteiligungs- und Verwaltungs GmbH	Hamburg, Germany (formerly Norderstedt, Germany)	Trivium Vermögensverwaltungs GmbH, Tchibo Holding AG, Tchibo Beteiligungsgesellschaft mbH, Vanguard Grundbesitz GmbH, Beiersdorf Aktiengesellschaft
E. H. Real Vermögensverwaltungs GmbH (formerly named E. H. Real Grundstücksverwaltungsgesellschaft mbH)	Hamburg, Germany (formerly Norderstedt, Germany)	Scintia Vermögensverwaltungs GmbH, E.H. Real Grundstücksgesellschaft mbH & Co. KG, Tchibo Holding AG, Tchibo Beteiligungsgesellschaft mbH, Vanguard Grundbesitz GmbH, Beiersdorf Aktiengesellschaft
Scintia Vermögensverwaltungs GmbH	Hamburg, Germany (formerly Norderstedt, Germany)	Tchibo Holding AG, Tchibo Beteiligungsgesellschaft mbH, Vanguard Grundbesitz GmbH, Beiersdorf Aktiengesellschaft
Trivium Vermögensverwaltungs GmbH	Hamburg, Germany (formerly Norderstedt, Germany)	Tchibo Holding AG, Tchibo Beteiligungsgesellschaft mbH, Vanguard Grundbesitz GmbH, Beiersdorf Aktiengesellschaft
Mr. Michael Herz	Germany	S.P.M. Beteiligungs- und Verwaltungs GmbH, Trivium Vermögensverwaltungs GmbH, Tchibo Holding AG, Tchibo Beteiligungsgesellschaft mbH, Vanguard Grundbesitz GmbH, Beiersdorf Aktiengesellschaft
Mr. Wolfgang Herz	Germany	E.H. Real Grundstücksverwaltungsgesellschaft mbH, E.H. Real Grundstücksgesellschaft mbH & Co. KG, Scintia Vermögensverwaltungs GmbH, Tchibo Holding AG, Tchibo Beteiligungsgesellschaft mbH, Vanguard Grundbesitz GmbH, Beiersdorf Aktiengesellschaft
Max und Ingeburg Herz Stiftung	Hamburg, Germany (formerly Norderstedt, Germany)	Tchibo Holding AG, Tchibo Beteiligungsgesellschaft mbH, Vanguard Grundbesitz GmbH, Beiersdorf Aktiengesellschaft
maxingvest ag (formerly named Tchibo Holding AG)	Hamburg, Germany	Tchibo Beteiligungsgesellschaft mbH, Vanguard Grundbesitz GmbH, Beiersdorf Aktiengesellschaft

* The following parties have subsequently reduced their voting rights to 0% (0 voting rights): E. H. Real Grundstücksgesellschaft mbH & Co. KG (Norderstedt, Germany); Agneta Peleback-Herz (Germany); Joachim Herz, represented by the Joachim Herz Stiftung as his legal successor (Hamburg, Germany); Coro Vermögensverwaltungsgesellschaft mbH (Hamburg, Germany); Ingeburg Herz GbR (Norderstedt, Germany). Ingeburg Herz passed away during fiscal year 2015.

To clarify: The own shares held by Beiersdorf Aktiengesellschaft do not bear voting or dividend rights in accordance with § 71b AktG.

b) Voting right notification in accordance with § 21 (1) *WpHG* (former version) dated December 29, 2004. The voting right notification issued on December 29, 2004, by Tchibo Holding AG in accordance with § 21 (1) *WpHG* (former version) disclosed that Tchibo Beteiligungsgesellschaft mbH (now renamed to BBG Beteiligungsgesellschaft mbH) exceeded the 50% threshold for the first time when it acquired 20.10% of the voting rights in Beiersdorf Aktiengesellschaft from Tchibo Holding AG, and that it held 50.46% (42,386,400 voting rights) in Beiersdorf Aktiengesellschaft as of December 22, 2004.

After adjustment for Beiersdorf Aktiengesellschaft's share buyback program, which was implemented on February 3, 2004, and the now performed attribution in accordance with § 22 (1) sentence 1 no. 1 in conjunction with sentence 3 *WpHG* (former version) of the 9.99% (8,393,672 own shares) acquired as part of the buyback program, Tchibo Beteiligungsgesellschaft mbH exceeded the 50% threshold in accordance with § 21 (1) *WpHG* (former version) for the first time as of December 22, 2004, and held 60.45% of the voting rights in Beiersdorf Aktiengesellschaft (50,780,072 voting rights) as of this date.⁴ A total of 40.35% (33,894,477 voting rights) was attributable to Tchibo Beteiligungsgesellschaft mbH. The chain of controlled companies was as follows: Vanguard Grundbesitz GmbH, Beiersdorf Aktiengesellschaft. This increase was solely the result of the attribution of the own shares held by Beiersdorf Aktiengesellschaft in accordance with § 22 (1) sentence 1 no. 1 in conjunction with sentence 3 *WpHG* (former version).⁴

c) Voting right notification in accordance with § 21 (1) *WpHG* (former version) dated April 16, 2009. E. H. Real Grundstücksverwaltungsgesellschaft mbH's voting right notification dated March 11, 2008, has hereby been revoked. E. H. Real Grundstücksverwaltungsgesellschaft mbH's share of voting rights also exceeded the 3, 5, 10, 15, 20, 25, 30, and 50% thresholds as of January 15, 2007, and continued to do so thereafter and, including the 9.99% held by Beiersdorf Aktiengesellschaft (25,181,016 own shares) after adjustment for the increase of the share capital from retained earnings without the issuance of new shares and the 1 : 3 reclassification of the share capital (share split) in 2006, continued to amount to 60.45% in accordance with § 22 (1) sentence 1 no. 1 in conjunction with sentence 3 *WpHG* (former version) (152,340,216 voting rights).³

2.

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

As a result of a technical incident on January 24, 2023 at the Italian subsidiary Comet SpA in Solbiate con Cagno/Lombardy, parts of production at this site had to be shut down. Comprehensive measures

³ Due to a change in the administrative practice of the Bundesanstalt für Finanzdienstleistungsaufsicht (Federal Financial Supervisory Authority, BaFin) in December 2014 concerning the attribution of own shares, own shares held by the issuer are no longer counted toward a shareholder's share of voting rights.

were immediately initiated to compensate for possible supply shortfalls. We currently expect maintenance costs to be in the single-digit million range. According to initial analyses, production of a large proportion of the products can be relocated to other tesa production sites without any supply restrictions. A complete relocation is not expected to be possible. Despite the introduction of compensatory measures, sales shortfalls cannot be ruled out, although their amount cannot be quantified sufficiently at the present time.

Beiersdorf AG 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	Member of the Supervisory Board: maxingvest ag ¹
Martin Hansson Deputy Chairman until July 31, 2022	Chief Executive Officer, Salix Group	Member of the Supervisory Board: TCHIBO GmbH 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 ag ¹ TCHIBO GmbH ¹
Uta Kemmerich-Keil since August 1, 2022	Member of the Supervisory Board/ Advisory Board/Administrative Board of various companies	Member of the Supervisory Board: Biotest 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	Member of the Supervisory Board: Aurubis AG ² ExxonMobil Central Europe Holding GmbH ¹ maxingvest ag ¹
Dr. Dr. Christine Martel	Business Executive Officer (BEO), Nestlé Suisse S.A.	
Olaf Papier	Chairman of the Works Council, Beiersdorf AG	
Frédéric Pflanz* Deputy Chairman since September 2, 2022	Chief Financial Officer, maxingvest ag	Member of the Administrative Board (Verwaltungsrat): Cambiata Schweiz AG, Switzerland ¹ Member of the Board of Directors: Cambiata Ltd., British Virgin Islands ¹
Prof. Dr. Reinhard Pöllath Chairman	Lawyer, P+P Pöllath + Partners	Chairman of the Supervisory Board: Elektrobau Mulfingen GmbH (since August 22, 2022) ¹ maxingvest ag ¹ Wanzl GmbH & Co. KGaA ¹ Member of the Supervisory Board: Elektrobau Mulfingen GmbH (June 22, 2022 until August 21, 2022) ¹ TCHIBO GmbH 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	Chairwoman 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	Martin Hansson until July 31, 2022	Hong Chow
Frédéric Pflanz	Martin Hansson until July 31, 2022	Martin Hansson until July 31, 2022	Martin Hansson until July 31, 2022	Olaf Papier	Reiner Hansert
Prof. Manuela Rousseau	Uta Kemmerich-Keil since September 2, 2022	Uta Kemmerich-Keil since September 2, 2022	Dr. Dr. Christine Martel	Frédéric Pflanz since September 2, 2022	Andreas Köhn
	Olaf Papier	Dr. Dr. Christine Martel	Frédéric Pflanz since September 2, 2022	Prof. Manuela Rousseau	Prof. Dr. Reinhard Pöllath
	Frédéric Pflanz	Olaf Papier			Kirstin Weiland

Executive Board

Name	Function	Responsibilities	Membership ¹
Vincent Warnery	CEO	Corporate Development & Strategy Internal Audit Supply Chain & Quality Assurance Research & Development Corporate Communication Sustainability Greater China / 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
Thomas Ingelfinger until June 30, 2022			Chairman of the Advisory Board (<i>Beirat</i>): Tengelmann Verwaltungs- und Beteiligungs GmbH ²
Nicola Lafrentz since May 1, 2022	Human Resources since August 1, 2022	Human Resources General Services & Real Estate (Labor Director)	
Zhengrong Liu until December 31, 2022	Human Resources until July 31, 2022		
Grita Loeb sack since January 1, 2022	NIVEA	Brand Management Digital Marketing	
Ramon A. Mirt	Emerging Markets	Latin America Africa Asia (excluding Greater China) Russia	
Patrick Rasquinet	Pharmacy & Selective	Derma Health Care La Prairie Chantecaille	

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

Hamburg, February 6, 2023

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, 2022, 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, 2022, 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, 2022. 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, 2022, and of its financial performance for the fiscal year from January 1 to December 31, 2022, 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, 2022. 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, and tested and evaluated the effectiveness of controls implemented in this process. 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 2022 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, the calculation 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 the 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 legal representatives 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 external experts calculating the extent of potential damages. We obtained confirmations from the external lawyers commissioned by Beiersdorf Aktiengesellschaft. We critically examined and evaluated these confirmations and supplementary internal documentation of Beiersdorf Aktiengesellschaft to ascertain whether there were possible changes from the original risk assessment and in the calculation of possible damages. Supported by our legal experts, we examined the existing claims for damages, statements of defense, replies to the statements of defense, court rulings by the court of first instance, and other correspondence to determine whether these had been taken into account in the original risk assessment by the executive directors of Beiersdorf Aktiengesellschaft. Furthermore, we obtained an understanding of the original calculation of possible damages, and particularly of the assumptions based on econometric

models 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 external expert. 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) Accounting for the acquisition and impairment of goodwill of the Chantecaille Group

Reasons why the matter was determined to be a key audit matter

Beiersdorf Inc., Stamford, USA, a wholly owned subsidiary of Beiersdorf Aktiengesellschaft, acquired Chantecaille Beaute Inc., New York, USA (hereinafter referred to as the Chantecaille Group) on February 1, 2022 (the "acquisition date"). Since then, Beiersdorf Aktiengesellschaft has indirectly held 100% of the shares in the Chantecaille Group via its affiliates. The acquisition was accounted for in accordance with "IFRS 3 - Business Combinations" on the basis of the completed purchase price allocation.

In this case, the acquired identifiable assets and liabilities are recognized at fair value as of the acquisition date. Goodwill is recognized as the remaining portion of the purchase price that is not allocated to the identifiable assets acquired and liabilities assumed in the purchase price allocation. The goodwill resulting from the initial consolidation, as well as the identifiable assets and liabilities acquired, become part of a cash-generating business unit of the Beiersdorf Group.

Certain identifiable assets acquired, in particular brand names and customer relationships, do not have fair values that can be observed on the market. As a result, complex, assumption-based valuation models are therefore used to determine the corresponding fair values as part of the purchase price allocation at the time of initial consolidation and as part of the impairment test as of the reporting date. The valuation of these assets is therefore highly dependent on estimates of future cash flows and the weighted average cost of capital used, and is subject to considerable uncertainty due to the assumptions that have to be applied and the broad scope for discretion.

In light of the underlying complexity of the valuation models, which, among other aspects, play a key role in the allocation of the purchase price, and the existing estimation uncertainties and scope for discretion, as well as the materiality of the Chantecaille Group's goodwill for the Beiersdorf Group's net assets, financial position, and results of operations, and the associated significant risk of material misstatement, the accounting treatment of the acquisition and the recoverability of the Chantecaille Group's goodwill were among the most significant audit matters addressed in the course of our audit.

Audit Procedure

As part of our audit, we analyzed the processes implemented by the legal representatives of the Beiersdorf Group to plan future expected cash flows, to determine the fair values of assets as of the date of initial consolidation, 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. Our audit procedures relating to the purchase price allocation, wherein we drew on the expertise of our internal valuation experts, included, among other measures, assessing the methodological and

computational approach taken by the external appraiser engaged by the legal representatives to identify and value the assets acquired as well as the liabilities assumed and to determine the value of goodwill in accordance with the requirements of IFRS 3. We assessed the plausibility of the expected future cash flows used for the purchase price allocation and the goodwill impairment test on the basis of past earnings and the information provided to us by the Beiersdorf Group's legal representatives 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. Where available, 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.

In addition, we assessed the competence, skills, and objectivity of the appraiser engaged by the legal representatives to perform the purchase price allocation. In addition, with the assistance of internal valuation specialists, we analyzed the assumptions and discretionary estimates used in the purchase price allocation (in particular growth rates, cost of capital rates, royalty rates, and remaining useful lives) to determine the fair values of the identifiable assets acquired (in particular the acquired customer relationships and the brand name) to determine 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.

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 surpluses 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 acquisition of the Chantecaille Group in accordance with IFRS 3 and regarding the recoverability of goodwill in accordance with IAS 36 with respect to the requirements resulting from the IFRS rules.

Ultimately, our audit procedures did not give rise to any reservations regarding the accounting treatment of the acquisition or the recoverability of the goodwill recognized upon initial consolidation of the Chantecaille Group.

Reference to Related Information

With regard to the disclosures and accounting policies applied to the acquisition of the Chantecaille Group, please refer to the section „Scope of consolidation, acquisitions and divestments“ in the subsection „Significant acquisitions“ in the notes to the consolidated financial statements. For information on the recoverability of the goodwill arising from the initial consolidation, 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 annex, as well as the other components of the annual report, with the exception of the audited consolidated financial statements, the group management report and our related auditor's report, in particular the Executive Board's Responsibility Statement in accordance with Sec. 297 (2) sentence 4 HGB, the report by the Supervisory Board in accordance with Sec. 171 (2) AktG, and the sections "Magazine," "Letter from the Chairman," and "Beiersdorf's Shares and Investor Relations" in the annual report. We had obtained a version of this other information by the time this auditor's report was issued.

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 legal representatives 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 legal representatives 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_2022-12-31.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 accompanying 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, 2022 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 14, 2022. We were engaged by the supervisory board on May 20, 2022. 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: 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
- Chapter "The Corporate Governance Statement"

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):

- Special full-page graph "Strengthen our brands by enriching their purpose" in the "Business and Strategy" chapter
- "Building on strong foundations: Culture – Core Values – Capabilities – Care Beyond Skin" section of the "Business and Strategy" chapter
- The sections on "R&D sustainability pledge"; "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
- Report on Gender Equality and Equal Pay in Accordance with §§ 21, 22 Entgelttransparenzgesetz (Transparency in Wage Structures Act, EntgTranspG).

Hamburg, February 17, 2023

Ernst & Young GmbH
Wirtschaftsprüfungsgesellschaft


Dr. Janze
German Public Auditor

Siemer
German Public Auditor

Independent Auditor's Report On A Limited Assurance Engagement

The assurance engagement performed by Ernst & Young (EY) relates exclusively to the German version of the non-financial statement 2021 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 2022" 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 2022 to 31 December 2022 (hereinafter the "non-financial statement").

Not subject to our assurance engagement are other references to disclosures made outside the non-financial statement.

Responsibilities of the executive directors

The executive directors of the Company are responsible for the preparation of the non-financial statement 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 statement.

These responsibilities of the Company's executive directors include the selection and application of appropriate non-financial reporting methods 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 statement that is free from material misstatement, whether due to fraud (manipulation of the non-financial) 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 statement. 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 statement 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 statement are 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 statement. Not subject to our assurance engagement are other references to disclosures made outside the non-financial statement.

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:

- Inquiries of the employees and inspection of documents regarding the selection of topics for the non-financial statement, the risk assessment and the policies of the Company and the Group for the topics identified as material,
- Inquiries of employees at Group level responsible for data capture and consolidation as well as the preparation of the non-financial statement, to evaluate the reporting system, the data capture and compilation methods as well as internal controls to the extent relevant for the assurance of the disclosures in the non-financial statement,
- Identification of likely risks of material misstatement in the non-financial statement,
- Inspection of the relevant documentation of the systems and processes for the collection, aggregation and validation of relevant data during the reporting period and testing such documentation on a sample basis,
- Analytical procedures regarding the quality of selected disclosures in the non-financial statement at Group level and at the level of the business segments Consumer and tesa,
- Inquiries and inspection of documents on a sample basis relating to the collection and reporting of selected data,
- Evaluation of the processes to identify the taxonomy-aligned economic activities and the corresponding disclosures in the non-financial statement,
- Evaluation of the presentation of the non-financial statement.

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 statement of the Company for the period from 1 January 2022 to 31 December 2022 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 statement.

We do not express an assurance conclusion on the other references to disclosures made outside the non-financial statement.

Restriction of use

We draw attention to the fact that the assurance engagement was conducted for the Company's purposes and that the report is intended solely to inform the Company about the result of the assurance engagement. 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 "General Engagement Terms for Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften [German Public Auditors and Public Audit Firms]" dated 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.

Munich, February 17, 2023

Ernst & Young GmbH
Wirtschaftsprüfungsgesellschaft

Nicole Richter
German Public Auditor

Annette Johne
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 6, 2023

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 Loeb sack
Member of the
Executive Board



Ramon A. Mirt
Member of the
Executive Board



Patrick Rasquinet
Member of the
Executive Board

- 
- 
- p. 259 REMUNERATION REPORT**
 - p. 288 TEN-YEAR OVERVIEW**
 - p. 289 BEIERSDORF AG'S SHAREHOLDINGS**
 - p. 295 IMPRINT**
 - p. 296 FINANCIAL CALENDER**



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 2022. 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 Aktionärsrichtlinie* (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 14, 2022, the Annual General Meeting approved the remuneration report for fiscal year 2021, which was prepared and audited for the first time in accordance with § 162 *AktG*, with a majority of approximately 73% of the votes cast. The Executive Board and Supervisory Board have given very careful consideration to the comments and criticisms made to the company by investors with regard to the 2021 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 particular, it was decided to adjust the presentation of remuneration "granted and owed" in accordance with § 162 *AktG*. In a change from the 2021 Remuneration Report, 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. This presentation is designed to ensure clear and transparent reporting and comparability between performance and remuneration in the reporting period. Particularly in respect of the short-term variable bonus for the 2022 fiscal year, a direct comparison is enabled between target achievement and the performance of the company in the 2022 fiscal year. This method of presentation corresponds to the now dominant practice. In addition, the performance criteria and targets for the Executive Board members' variable remuneration are explained in more detail compared with the 2021 Remuneration Report. The target achievement for the individual targets is disclosed for each Executive Board member. Moreover, the comparison of Executive Board and Supervisory Board remuneration with the earnings performance of the company and the average remuneration of the key employees now shows not only the percentage change in employees' remuneration but also goes beyond the statutory requirements by providing absolute figures.

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 4, 2022, February 22, 2022, April 14, 2022, April 28, 2022 and December 2, 2022. On February 3, 2023, the Supervisory Board determined the remuneration of the Executive Board for fiscal year 2022. 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 newly appointed from 2021 on. In accordance with the underlying legal framework, the service agreement 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. For the members leaving the Executive Board in 2022, the former remuneration system largely applied. This was last approved by the Annual General Meeting on April 20, 2017 with a majority of 77.3% of the votes cast. In particular, this applied to the long-term variable remuneration.

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 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 2022, both the short- and long-term variable remuneration therefore gained 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 and also in relation to comparable companies (horizontal comparison), and also within the company in relation to senior management and the workforce as a whole (vertical comparison), on the other hand. 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 2022, the Supervisory Board set the performance criteria 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 2022 variable bonus, the Supervisory Board determined the specific target achievement at its meeting on February 3, 2023 (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 confirmed the appropriateness and market conformity of the Executive Board remuneration in setting the specific target remuneration for 2023.

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).

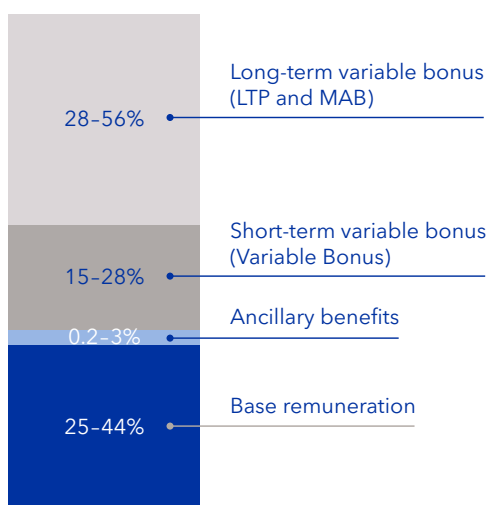
The LTP can be converted into a defined contribution benefit commitment (see g) below). Other than this, there are no pension commitments for the serving members of the Executive Board.

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	Retention and claw-back	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, 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 2022, 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 2022" section.

b) Base remuneration

The base remuneration is a fixed annual amount paid in 12 equal instalments 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.

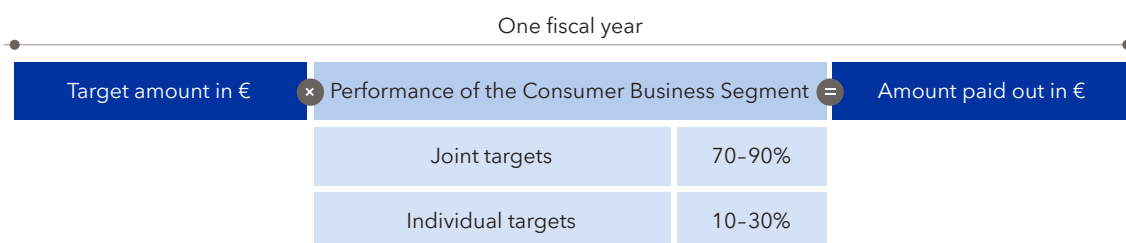
Irrespective of the (possible) agreement of a reappointment bonus, only Ramon A. Mirt was offered a reappointment bonus in 2022. This is linked to the MAB performance criteria. A €1,000 thousand advance on this reappointment bonus was granted (within the meaning of § 162 AktG) for his early agreement 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.

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.
Joint non-financial targets	Innovations	Strategic skin care initiatives and innovations.
	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 carbon 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.	

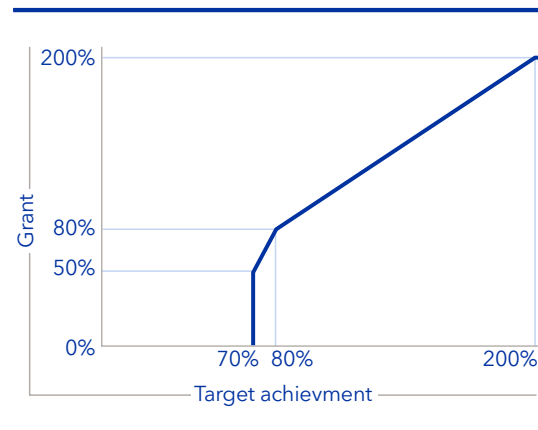
The performance criteria underlying the Variable Bonus create an incentive for the Executive Board to increase the company's enterprise value on a sustained and long-term basis in line with the C.A.R.E.+ strategy. In particular, revenues are to be increased by opening up new growth markets and areas 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 is 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 2022.

For the 2022 Variable Bonus, the Supervisory Board set the joint and individual performance targets shown in the table below and, on February 3, 2023, 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, 2022, the 2022 Variable Bonus was "granted" to the Executive Board members in fiscal year 2022, even though it is not paid out until after the 2023 Annual General Meeting (see the "Remuneration of the individual Executive Board members in 2022" section on the revised understanding of this term compared with the 2021 Remuneration Report).

Variable Bonus 2022

Joint Targets

Performance criteria	Target level (100% target achievement)	Actuals 2022	Weighting	Target achievement
Net sales growth Consumer	5,0% Net sales growth (gatekeeper: 12,3% return on sales)	10.5%	24.5%	200%
Skin Care in-market performance	Outperforming relevant Skin Care market: Increase of sell-out (vs. 2021)	41%	24.5%	150%
NIVEA Skin Care innovation	Increase of innovation share by 10% (vs. 2021)	11%	7%	100%
	Increase of net sales NIVEA LUMINOUS630® by 80% (vs. 2021)	80%		
Digital transformation	Over proportional growth of eCommerce: Increase of eCommerce net sales by 27% (vs. 2021)	18%	7%	–%
Organizational development & people	New operating model deployment by Q3 2022	Q3 2022	7%	150%
	Talent & leadership development, including diversity & inclusion (if target achievement operating model ≥ 125%)	Overachieved		
Target achievement for joint targets				162.36% 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 147.29%.

Individual Targets¹

	Performance criteria	Weighting	Target achievement
Vincent Warnery	CEO: Development Face Care business; New markets	30%	156%
Oswald Barckhahn	Europe/North America: Net sales growth; Outperforming relevant Skin Care market, derived from market share; eCommerce net sales growth & roadmap	30%	127,6%
Astrid Hermann	Finance: Digitalization & IT; Development of finance organization; Expenditure and investment strategy	30%	118,3%
Nicola D. Lafrentz	HR: Performance management and succession planning; Development of HR organization; Operating model transformation	30%	105%
Zhengrong Liu	HR: Performance management and succession planning; Development of HR organization; Operating model transformation	30%	105%
Grita Loeb sack	NIVEA: Sustainability; Innovation; Digitalization	30%	118,3%
Ramon A. Mirt	Emerging Markets: Net sales growth; Outperforming relevant Skin Care market, derived from market share; New markets	30%	127,7%
Patrick Rasquinet	Pharmacy & Selective: Development Chantecaille business; eCommerce acceleration	30%	103,3%

¹ For Thomas Ingelfinger, who left the Executive Board effective June 30, 2022, no individual targets were determined following the handover of his area of responsibility; this portion of his 2022 Variable Bonus was determined with a target achievement of 110%.

Target remuneration and achievement

	Target remuneration Variable Bonus (in € thousand)	Overall target achievement	Payment amount (in € thousand)
Vincent Warnery	1,000	160.4%	1,604
Oswald Barckhahn	300	151.9%	456
Astrid Hermann	300	149.1%	447
Thomas Ingelfinger	175 ¹	146.6%	257 ¹
Nicola D. Lafrentz	200 ¹	145.1%	290 ¹
Zhengrong Liu	300	145.1%	435
Grita Loeb sack	300	149.1%	447
Ramon A. Mirt	300	151.9%	456
Patrick Rasquinet	300	134.1%	402

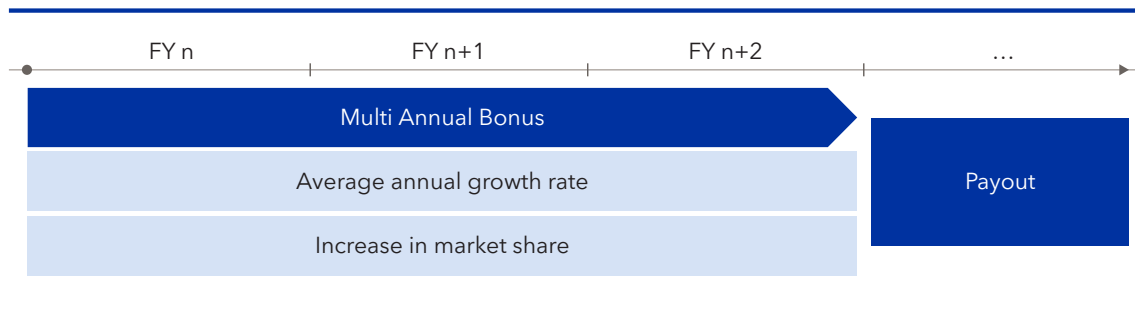
¹ Prorated bonus; for Thomas Ingelfinger until his departure effective June 30, 2022 and for Nicola D. Lafrentz since her appointment effective May 1, 2022.

f) Multi-annual bonus (MAB)

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 of "Target achievement levels 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%.

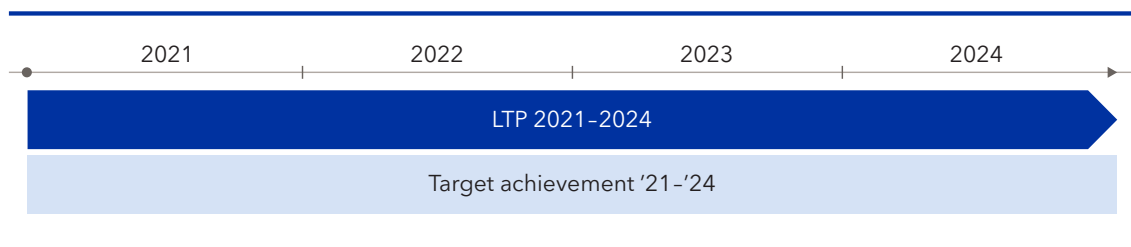
Of the serving Executive Board members, only Ramon A. Mirt was offered an MAB in 2022 (target amount: €500 thousand p.a.) for his activities in Group companies. This MAB relates to a measurement period from January 1, 2019 to December 31, 2024 and is calculated based among other things on the average 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. As of year-end 2022, Ramon A. Mirt received an advance of €1,500 thousand on the MAB, which is subject to the final calculation and is less than the provisions recently recognized for the MAB in the amount of €2,200 thousand. In the "Remuneration of the individual Executive Board members in 2022" section, the advance is included in remuneration granted and owed in fiscal year 2022 in accordance with § 162 (1) AktG.

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 will be due for payment after the Annual General Meeting in 2025. Given that the bonus period has not yet ended, no payments were earned under the LTP 2021-2024 in 2022; the LTP 2021-2024 was therefore not "granted and owed" in 2022 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 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 USA, China and the Emerging Markets through enlarged presence and the delivery of business plans	20%
Sustainability	Reducing global CO2 scope 1-3 emissions by 20% (vs. 2018) and increasing the share of recycled materials in plastic packaging to 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 of internal and international promotions	20%
Performance Metrics (applicable if Strategic Targets \geq 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

In 2022, as per their contracts, the Executive Board members who stepped down from the Executive Board in 2022 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). This was based on a mathematical formula drawn from the annual financial statements at the beginning and end of their terms of office. For the other serving members of the Executive Board appointed prior to 2021, the LTP Enterprise Value Component continued to apply as per their contracts, unless it was 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 onwards, 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.

At the close of December 31, 2022, the bonus periods of the LTP Enterprise Value Component ended for the departed Executive Board members Thomas Ingelfinger and Asim Naseer; the associated bonuses have thus been earned and are due for payment after the 2023 Annual General Meeting. The bonus period of the LTP Enterprise Value Component for Dessi Temperley ended in 2021; this bonus was thus earned in 2021 even though it will also only be paid out after the 2023 Annual General Meeting. The table below shows how the LTP Enterprise Value Components and the associated bonuses have been calculated:

LTP Enterprise Value Component earned in 2022

	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)
Thomas Ingelfinger	July 2014 to Jun. 2022	Average annual increase in sales and EBIT of 5% p.a. during measurement period from 2013 to 2021 ² , with a sales multiple of 1.75x and an EBIT multiple of 8x	Virtual Units: 2,925 Bonus CVU: 695 Total: 3,620	Sales increase: 2.76% p.a. EBIT increase: 1.78% p.a.	46.4%	Virtual Units: 1,357 Bonus CVU: 546 Total: 1,903
Asim Naseer	Jan. 2019 to Apr. 2021	Average annual sales increase of 5% p.a. during measurement period from 2018 to 2022	Virtual Units: 1,125 Bonus CVU: 284 Total: 1,409	Sales increase: 1.06% p.a.	21.1%	Virtual Units: 237 Bonus CVU: 270 Total: 507
Dessi Temperley	July 2018 to Apr. 2021	Average annual sales increase of 5% p.a. during measurement period from 2017 to 2021	Virtual Units: 1,120 Bonus CVU: 249 Total: 1,369	Sales increase: 0.41% p.a.	8.2%	Virtual Units: 92 Bonus CVU: 228 Total: 320

¹ Includes all virtual units offered at the beginning of or during the bonus period (BVU, MVU, CVU) and allotted Bonus CVUs (including offered MVUs). Bonus CVUs only participate in enterprise value performance beyond the respective allotment value. The allotment values are €480 thousand for Thomas Ingelfinger, €270 thousand for Asim Naseer, and €225 thousand for Dessi Temperley

² In each case, 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 2021, the last year is calculated as the average from the years 2020, 2021, and 2022.

For the serving members of the Executive Board appointed prior to 2021, the bonus period for the offered LTP Enterprise Value Component is still ongoing as per the contract only for Ramon A. Mirt. Ramon A. Mirt received an advance of €750 thousand on this LTP Enterprise Value Component in 2022 for his activities in Group companies. This is subject to the final calculation and is less than the provisions recently recognized for the LTP Enterprise Value Component in the amount of €1,100 thousand. In the "Remuneration of the individual Executive Board members in 2022" section, the advance is included in remuneration granted and owed in fiscal year 2022 in accordance with § 162 (1) AktG.

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 2022").

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 remuneration system applicable from 2021, 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 2022.

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 annual 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 MAB as well as the LTP 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 MAB and the LTP will lapse. Claims under the 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.

On the specific arrangements for the members who stepped down from the Executive Board in 2022, please refer to the next section "Remuneration of the individual Executive Board members in 2022".

Remuneration of the individual Executive Board members in 2022

The tables below show the individual remuneration of the serving members of the Executive Board in 2022.

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. In contrast, the 2021 Remuneration Report was based on a different understanding of the terminology, which was strictly oriented on when the remuneration was received rather than when it was earned. The remuneration reported as granted in the fiscal year was the remuneration paid out or received in the reporting year. This understanding of the terminology will now be discontinued in line with developments in prevailing practice. 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. To enable a comparison with the prior-year figures despite the changed understanding of the terminology, the prior-year figures in this remuneration report have been adjusted in line with the new approach.

In accordance with the new understanding of the terminology, remuneration granted and owed in the table below includes, in addition to base remuneration and ancillary benefits for fiscal year 2022, the 2022 Variable Bonus, for which the measurement period ended on December 31, 2022 and which will not be paid out until after the 2023 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 2022 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 therefore 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 2022; 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 Warnery

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			
	2021	2022	2022	2022	2021	Share	2022	Share
	Target amount	Target amount	(min. p.a.)	(min. p.a.)	2021	Share	2022	Share
Base remuneration	841	1,000	1,000	1,000	841	11.9%	1,000	38.3%
Ancillary benefits and other remuneration	18	10	10	10	18	0.3%	10	0.4%
Total fixed remuneration	859	1,010	1,010	1,010	859	12.2%	1,010	38.6%
Variable Bonus	767	1,000	–	2,000	991	14.1%	1,604	61.4%
Multi-year variable remuneration								
MAB (term 1/2020 - 4/2021)	33	–	–	–	200 ¹	2.8%	–	–%
LTP 2021 - 2024 (term 1/2021 - 12/2024)	2,000	2,000	–	4,000	–	–%	–	–%
LTP - Enterprise Value Component (term 2/2017 bis 4/2021)	302	–	–	–	5,000 ¹	70.9%	–	–%
Total variable remuneration	3,102	3,000	–	6,000	6,191	87.8%	1,604	61.4%
Total remuneration	3,961	4,010	1,010	7,010	7,050	100%	2,614	100%
Maximum remuneration (remuneration system)					8,000		9,000	

¹ The long-term remuneration (LTP Enterprise Value Component und MAB) was settled for the period up to his appointment as CEO as of April 2021 and, therefore, granted in this amount in 2021. Payment took place following the 2022 Annual General Meeting.

Oswald Barckhahn

Member of the Executive Board

Date joined: October 15, 2021

	Target remuneration and min./max.-remuneration				Granted and owned remuneration in accordance with § 162 (1) AktG			
	2021	2022	2022	2022	2021	Share	2022	Share
	Target amount	Target amount	(min. p.a.)	(min. p.a.)	2021	Share	2022	Share
Base remuneration	105	500	500	500	105	43.4%	500	44.4%
Ancillary benefits and other remuneration	64	169	169	169	64	26.4%	169	15%
Total fixed remuneration	169	669	669	669	169	69.8%	669	59.5%
Variable Bonus	63	300	–	600	73	30.2%	456	40.5%
Multi-year variable remuneration								
LTP 2021 - 2024 (term 10/2021 - 12/2024)	310	1,550	–	3,050	–	–%	–	–%
Total variable remuneration	373	1,850	–	3,650	73	30.2%	456	40.5%
Total remuneration	542	2,519	669	4,319	242	100%	1,125	100%
Maximum remuneration (remuneration system)					1,315		6,000	

Astrid Hermann

Member of the Executive Board/CFO

Date joined: January 1, 2021

	Target remuneration and min./max.-remuneration				Granted and owned remuneration in accordance with § 162 (1) AktG			
	2021	2022	2022	2022	2021	Anteil	2022	Anteil
	Target amount	Target amount	(min. p.a.)	(min. p.a.)	2021	Anteil	2022	Anteil
Base remuneration	500	500	500	500	500	48.7%	500	52.2%
Ancillary benefits and other remuneration	179	10	10	10	179	17.4%	10	1%
Total fixed remuneration	679	510	510	510	679	66.1%	510	53.3%
Variable Bonus	300	300	–	600	348	33.9%	447	46.7%
Multi-year variable remuneration								
LTP 2021 - 2024 (term 1/2021 - 12/2024)	430	434	–	836	–	–%	–	–%
Total variable remuneration	730	734	–	1,436	348	33.9%	447	46.7%
Total remuneration	1,409	1,244	510	1,946	1,027	100%	957	100%
Maximum remuneration (remuneration system)					6,000		6,000	

Thomas Ingelfinger

Member of the Executive Board (until June 30, 2022)

Date joined: July 1, 2014

	Target remuneration and min./max.-remuneration				Granted and owned remuneration in accordance with § 162 (1) AktG			
	2021	2022	2022	2022	2021	Share	2022	Share
	Target amount	Target amount	(min. p.a.)	(min. p.a.)				
Base remuneration	450	225	225	225	450	50.8%	225	9.4%
Ancillary benefits and other remuneration	18	6	6	6	18	2%	6	0.3%
Total fixed remuneration	468	231	231	231	468	52.9%	231	9.7%
Variable Bonus	350	175	–	350	417	47.1%	257	10.7%
Multi-year variable remuneration								
LTP - Enterprise Value BVU (term 7/2014 - 12/22)	275	138	–	275	–	–%	1,357 ¹	56.8%
LTP - Enterprise Value CVU (term 7/2014 - 12/22)	133	67	–	104	–	–%	513 ¹	21.5%
LTP - Enterprise Value MVU (term 7/2014 - 12/22)	73	37	–	74	–	–%	33 ¹	1.4%
Total variable remuneration	831	417	–	803	417	47.1%	2,160	90.3%
Total remuneration	1,299	648	231	1,034	885	100%	2,391	100%
Maximum remuneration (remuneration system)				p.a.	6,000		3,000	
				for the LTP (total term)	–		17,600 ²	

¹ The LTP Enterprise Value Component was settled, as per contract, as part of the termination of his appointment; the resultant amount will be due for payment after the 2023 Annual General Meeting. See also g) above.

² The maximum remuneration 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 the respective term for the purpose of verifying adherence to it. The amount shown here is thus the maximum remuneration for the granted LTP Enterprise Value Component over its full term. This LTP Enterprise Value Component was offered under the old remuneration system, meaning that the maximum remuneration set for the current remuneration system does not apply to it. The amounts are nevertheless shown for reasons of transparency; this shows that the maximum remuneration was adhered to.

Nicola D. Lafrentz

Member of the Executive Board/Labor Director

Date joined: May 1, 2022

	Target remuneration and min./max.-remuneration				Granted and owned remuneration in accordance with § 162 (1) AktG			
	2021	2022	2022	2022	2021	Share	2022	Share
	Target amount	Target amount	(min. p.a.)	(min. p.a.)	2021	Share	2022	Share
Base remuneration	–	333	333	333	–	–%	333	48.8%
Ancillary benefits and other remuneration	–	60	60	60	–	–%	60	8.8%
Total fixed remuneration	–	393	393	393	–	–%	393	57.5%
Variable Bonus	–	200	–	400	–	–%	290	42.5%
Multi-year variable remuneration								
LTP 2021 - 2024 (term 05/2022 - 12/2024)	–	304	–	572	–	–%	–	–%
Total variable remuneration	–	504	–	972	–	–%	290	42.5%
Total remuneration	–	897	393	1,365	–	–%	683	100%
Maximum remuneration (remuneration system)					–		4,000	

Zhengrong Liu

Member of the Executive Board (until December 31, 2022)

Date joined: July 1, 2014

	Target remuneration and min./max.-remuneration				Granted and owned remuneration in accordance with § 162 (1) AktG			
	2021	2022	2022	2022	2021	Share	2022	Share
	Target amount	Target amount	(min. p.a.)	(min. p.a.)	2021	Share	2022	Share
Base remuneration	500	500	500	500	500	50.2%	500	46.6%
Ancillary benefits and other remuneration	143	137	137	137	143	14.3%	137	12.8%
Total fixed remuneration	643	637	637	637	643	64.5%	637	59.4%
Variable Bonus	300	300	–	600	354	35.5%	435	40.6%
Multi-year variable remuneration								
LTP 2021 - 2024 (term 1/2021 - 12/2022)	775	775	–	1,550	–	–%	–	–%
Total variable remuneration	1,075	1,075	–	2,150	354	35.5%	435	40.6%
Total remuneration	1,718	1,712	637	2,787	997	100%	1,072	100%
Maximum remuneration (remuneration system)					6,000		6,000	

Grita Loeb sack

Member of the Executive Board

Date joined: January 1, 2022

	Target remuneration and min./max.-remuneration				Granted and owned remuneration in accordance with § 162 (1) AktG			
	2021	2022	2022	2022	2021	Share	2022	Share
	Target amount	Target amount	(min. p.a.)	(min. p.a.)				
Base remuneration	–	500	500	500	–	–%	500	32.9%
Ancillary benefits and other remuneration	–	572	572	572	–	–%	572	37.7%
Total fixed remuneration	–	1,072	1,072	1,072	–	–%	1,072	70.6%
Variable Bonus	–	300	–	600	–	–%	447	29.4%
Multi-year variable remuneration								
LTP 2021 - 2024 (term 1/2022 - 12/2024)	–	1,300	–	2,600	–	–%	–	–%
Total variable remuneration	–	1,600	–	3,200	–	–%	447	29.4%
Total remuneration	–	2,672	1,072	4,272	–	–%	1,519	100%
Maximum remuneration (remuneration system)					–		6,000	

Ramon A. Mirt

Member of the Executive Board

Date joined: January 1, 2019

	Target remuneration and min./max.-remuneration				Granted and owned remuneration in accordance with § 162 (1) AktG			
	2021	2022	2022	2022	2021	Share	2022	Share
	Target amount	Target amount	(min. p.a.)	(min. p.a.)				
Base remuneration	500	500	500	500	500	36.4%	500	10.6%
Ancillary benefits and other remuneration	472	1,515 ¹	1,515 ¹	1,515 ¹	472	34.3%	1,515 ¹	32.1%
Total fixed remuneration	972	2,015	2,015	2,015	972	70.7%	2,015	42.7%
Variable Bonus	300	300	–	600	403	29.3%	456	9.7%
Multi-year variable remuneration								
MAB (term 1/2019 - 12/2024)	500	500	–	600	–	–%	1,500 ²	31.8%
LTP 2021 - 2024 (term 1/2021 - 12/2024)	600	600	–	1,200	–	–%	–	–%
LTP - Enterprise Value BVU (term 1/12 - 12/2024)	–	–	–	–	–	–%	750 ³	15.9%
Total variable remuneration	1,400	1,400	–	2,400	403	29.3%	2,706	57.3%
Total remuneration⁴	2,372	3,415	2,015	4,415	1,375	100%	4,721	100%
Maximum remuneration (remuneration system)					6,000		6,000	

¹ This includes an advance of €1,000 thousand on the reappointment bonus of Ramon A. Mirt; see also d) above.

² An advance was granted in this amount on the MAB; see also f) above.

³ An advance was granted in this amount on the LTP Enterprise Value Component; see also g) above.

⁴ Of these totals, remuneration of €2,614 thousand/target value, €1,214 thousand/min. p.a., and €3,614 thousand/max. p.a. was offered and €3,920 thousand granted in 2022 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 owned remuneration in accordance with § 162 (1) AktG			
	2021	2022	2022	2022	2021	Share	2022	Share
	Target amount	Target amount	(min. p.a.)	(min. p.a.)				
Base remuneration	250	500	500	500	250	37.9%	500	46.4%
Ancillary benefits and other remuneration	233	175	175	175	233	35.4%	175	16.2%
Total fixed remuneration	483	675	675	675	483	73.3%	675	62.7%
Variable Bonus	150	300	–	600	176	26.7%	402	37.3%
Multi-year variable remuneration								
LTP 2021 - 2024 (term 7/2021 - 12/2024)	350	700	–	1,400	–	–%	–	–%
Total variable remuneration	500	1,000	–	2,000	176	26.7%	402	37.3%
Total remuneration¹	983	1,675	675	2,675	659	100%	1,077	100%
Maximum remuneration (remuneration system)					3,500		6,000	

¹ Of these totals, remuneration of €824 thousand/target value, €324 thousand/min. p.a., and €1,324 thousand/max. p.a. was offered and €525 thousand granted in 2022 for activities in Group companies.

For 2022, the remuneration granted and owed to all serving Executive Board members in the reporting year amounted to €14,256 thousand (previous year: €18,814 thousand). Of this total, fixed remuneration accounted for €4,558 thousand (previous year: €3,901 thousand), ancillary benefits for €2,654 thousand (previous year: €1,263 thousand), the short-term Variable Bonus for €4,794 thousand (previous year: €3,450 thousand), and the MAB and LTP for €2,250 thousand (previous year: €10,200 thousand). The ratio of fixed to variable remuneration is therefore 50.6% to 49.4% (previous year: 27.4% to 72.6%).

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 2022, 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. 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 granted is shown.

Total remuneration with values awarded p.a.

(in € thousand)

(according to German Commercial Code (HGB), individualised)

	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	
	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022
Vincent Warnery	841	1,000	51	10	991	1,604	2,568	4,000	4,451	6,614	7,000	6,000
Oswald Barckhahn	105	500	64	169	73	456	310	2,455	552	3,580	310	2,765
Astrid Hermann	500	500	179	10	348	447	430	835	1,457	1,792	430	1,265
Thomas Ingelfinger	450	225	18	6	417	257	–	–	885	488	2,480	2,480
Nicola D. Lafrentz	–	333	–	60	–	290	–	467	–	1,150	–	467
Zhengrong Liu	500	500	143	137	354	435	–	2,774	997	3,846	3,839	6,613
Grita Loesack	–	500	–	572	–	447	–	1,950	–	3,469	–	1,950
Ramon A. Mirt	500	500	972 ¹	2,015 ^{1,2}	403	456	1,119	1,200	2,994	4,171 ³	1,700	2,150
Patrick Rasquinet	250	500	233	175	176	402	350	1,225	1,009	2,302 ⁴	350	1,575

¹ This figure includes an amount of €500 thousand (target amount p.a.) for the MAB offered.

² This figure includes the advance granted on the reappointment bonus; see the explanations in the section above on the remuneration granted and owed.

³ €3,370 thousand of this amount was allotted as remuneration for activities at Group companies.

⁴ €1,137 thousand of this amount was allotted as remuneration for activities at Group companies.

For 2022, total remuneration corresponding to HGB reporting for all serving member of the Executive Board amounted to €27,412 thousand (previous year: €16,131 thousand). Of this total, fixed remuneration accounted for €4,558 thousand (previous year: €3,901 thousand), ancillary benefits for €3,154 thousand (previous year: €1,796 thousand), the short-term Variable Bonus for €4,794 thousand (previous year: €3,450 thousand) and the changes in provisions for the LTP for €14,906 thousand (previous year: €6,984 thousand). The prior-year figures include remuneration for the former Executive Board members Stefan De Loecker, Asim Naseer, and Dessi Temperley, who stepped down in 2021.

Former Executive Board members

The table below shows the fixed and variable remuneration components granted and owed 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 €54,674 thousand (previous year: €59,369 thousand) has been accrued for pension obligations to former members of the Executive Board and their surviving dependents. Since 2007, newly concluded service agreement no longer contain any corresponding pension commitments.

Remuneration granted and owned to former Executive Board members in accordance with § 162 (1) AktG

(in € thousand)

	Base remuneration		Ancillary benefits		Short term variable remuneration		Long term variable remuneration		Pension payments		Total		Maximum remuneration
	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2022
Stefan De Loecker ¹	1,000	1,000	7	156	1,000	1,000	5,000 ²	–	–	–	7,007	2,156	4500 ³
Relative share	14.3%	46.4%	0.1%	7.2%	14.3%	46.4%	71.4%	–%	–%	–%	100%	100%	
Ralph Gusko ⁴	500	250	17	8	400	200	–	–	–	–	917	458	n/a
Relative share	54.5%	54.6%	1.9%	1.7%	43.6%	43.7%	–%	–%	–%	–%	100%	100%	
Asim Naseer ⁵	500	–	19	–	363	–	–	507 ²	–	–	882	507	6000 ³
Relative share	56.7%	–%	2.2%	–%	41.2%	–%	–%	–%	–%	–%	100%	–%	
Thomas B. Quaas ⁶	–	–	–	–	–	–	–	–	232	232	232	232	n/a
Relative share	–%	–%	–%	–%	–%	–%	–%	–%	100%	100%	100%	100%	
Dessi Temperley ⁷	240	–	110	–	181	–	320 ²	–	–	–	851	–	1,500 ³
Relative share	28.2%	–%	12.9%	–%	21.3%	–%	37.6%	–%	–%	–%	100%	–%	
Members who have stepped down prior to 2012	–	–	–	–	–	–	–	–	1,785	1,775	1,785	1,775	n/a
Relative share	–%	–%	–%	–%	–%	–%	–%	–%	100%	100%	100%	100%	

¹ Appointment until June 30, 2021; service agreement until June 30, 2023

² The LTP Enterprise Value Components for Stefan De Loecker, Asim Naseer, and Dessi Temperley were settled as part of the termination of their appointments. Payment was due for Stefan De Loecker after the 2022 Annual General Meeting; for Asim Naseer and Dessi Temperley it will be due after the 2023 Annual General Meeting. See the explanations in g) above.

³ 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 the respective term for the purpose of verifying adherence to it. The maximum remuneration over the full term under the LTP Enterprise Value Component granted in each case is therefore as follows: €13,667 thousand for Stefan De Loecker, €4,950 thousand for Asim Naseer, and €5,867 thousand for Dessi Temperley. These LTP Enterprise Value Components were granted under the old remuneration system, meaning that the maximum remuneration set for the current remuneration system does not apply. The amounts are nevertheless shown for reasons of transparency; this shows that the maximum remuneration was adhered to in each case.

⁴ Appointment until December 21, 2019; service agreement until June 30, 2022

⁵ Appointment until April 5, 2021; service agreement until December 31, 2021

⁶ Appointment until April 26, 2012; service agreement until March 31, 2015

⁷ Appointment until April 5, 2021; service agreement until June 30, 2021

Commitments for Executive Board members stepping down

The Executive Board members who stepped down from the Board in 2022 were provided with the following benefits as part of their regular termination. These are also reported in the individual Executive Board member remuneration tables above where necessary in the particular case.

- Thomas Ingelfinger, who stepped down from the Executive Board at the end of his term as of June 30, 2022, received all the benefits due under his contract until the regular expiry of his service agreement on June 30, 2022. This includes the prorated Variable Bonus for 2022, amounting to €257 thousand based on the target achievement for the joint targets and 110% target achievement for the individual targets, along with the bonus from his LTP Enterprise Value Component, calculated at €1,903 thousand for the full duration of his appointment. These will be due for payment after the 2023 Annual General Meeting. Thomas Ingelfinger is subject to a post-contractual noncompete agreement of 24 months, for which he receives compensation totaling €433 thousand annually.
- Zhengrong Liu, who stepped down from the Executive Board at the end of his term as of December 31, 2022, received all the benefits due under his contract until the regular expiry of his service agreement contract on December 31, 2022. In particular, this includes the Variable Bonus for 2022, which amounts to €435 thousand based on the actual target achievement and will be due for

payment after the 2023 Annual General Meeting. His long-term variable remuneration will be settled as of the end of 2023. Zhengrong Liu is subject to a post-contractual noncompete agreement of 24 months, for which he receives compensation totaling €440 thousand annually.

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, since July 1, 2018, 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. The prior-year figures include a portion of the former variable remuneration that existed until June 30, 2018. This variable remuneration amounted to €1,000 for each cent by which the dividend per share exceeded €0.25. Of this variable remuneration, 40% was paid out after the actions of the Supervisory Board member in question had been approved by the Annual General Meeting for which remuneration was being paid (initial year). The remaining amount was paid out following the Annual General Meeting to which the annual financial statements for the third fiscal year following the initial year were submitted, insofar as the average dividend for the initial year and the three following fiscal years was not lower than the dividend for the initial year. The variable remuneration was thus granted and owed (within the meaning of § 162 (1) *AktG*) for the last time in fiscal year 2021.

§ 162 (1) sentence 2 no. 1 *AktG* also requires the relative shares of fixed and variable remuneration to be indicated. The following table therefore shows the relative shares of fixed and variable remuneration where granted prior to July 1, 2018. For the fixed remuneration, it also shows 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	
	2021	2022	2021	2022	2021	2022	2021	2022
Hong Chow	85,000	85,000	9,000	8,000	20,000	20,000	127,591	113,000
Relative share	66.6%	75.2%	7.1%	7.1%	15.7%	17.7%	100%	100%
Reiner Hansert	85,000	85,000	18,000	17,000	40,000	40,000	156,591	142,000
Relative share	54.3%	59.9%	11.5%	12%	25.5%	28.2%	100%	100%
Martin Hansson (until July 31, 2022) (Deputy Chairman)	127,500	74,055	18,000	8,000	–	–	153,046	82,055
Relative share	83.3%	90.3%	11.8%	9.7%	–%	–%	100%	100%
Wolfgang Herz	85,000	85,000	12,000	9,000	20,000	20,000	117,000	114,000
Relative share	72.6%	74.6%	10.3%	7.9%	17.1%	17.5%	100%	100%
Uta Kemmerich-Keil (since August 1, 2022)	–	35,630	–	4,000	–	13,260	–	52,890
Relative share	–%	67.4%	–%	7.6%	–%	25.1%	–%	100%
Andreas Köhn (since April 1, 2021)	64,041	85,000	7,000	9,000	15,068	20,000	86,109	114,000
Relative share	74.4%	74.6%	8.1%	7.9%	17.5%	17.5%	100%	100%
Jan Koltze	85,000	85,000	8,000	6,000	–	–	93,000	91,000
Relative share	91.4%	93.4%	8.6%	6.6%	–%	–%	100%	100%
Dr. Dr. Christine Martel	85,000	85,000	13,000	12,000	100,000	100,000	211,591	197,000
Relative share	40.2%	43.1%	6.1%	6.1%	47.3%	50.8%	100%	100%
Olaf Papier	85,000	85,000	14,000	14,000	35,123	40,000	134,123	139,000
Relative share	63.4%	61.2%	10.4%	10.1%	26.2%	28.8%	100%	100%
Frédéric Pflanz (Deputy Chairman)	85,000	85,000	19,000	20,000	50,000	50,000	166,953	155,000
Relative share	50.9%	54.8%	11.4%	12.9%	29.9%	32.3%	100%	100%
Prof. Dr. Reinhard Pöllath (Chairman)	212,500	212,500	14,000	11,000	–	–	226,500	223,500
Relative share	93.8%	95.1%	6.2%	4.9%	–%	–%	100%	100%
Prof. Manuela Rousseau (Deputy Chairwoman)	127,500	127,500	11,000	11,000	–	–	152,091	138,500
Relative share	83.8%	92.1%	7.2%	7.9%	–%	–%	100%	100%
Kirstin Weiland	85,000	85,000	10,000	6,000	20,000	20,000	115,000	111,000
Relative share	73.9%	76.6%	11%	5.4%	17.4%	18%	100%	100%
Total amounts	1,232,966²	1,214,685	159,000²	135,000	310,164²	323,260	1,865,334³	1,672,945

¹ Presented exclusive of value added tax.² This includes the following amounts paid to the former Supervisory Board member Regina Schillings, who stepped down on April 1, 2021: €21,452 (fixed), €6,000 (attendance fee), and €9,973 (committee fee).³ This total for 2021 additionally includes the total remuneration of the former Supervisory Board member Regina Schillings, who stepped down on April 1, 2021, in the amount of €37,398. It also includes the following amounts to former and serving members from the long-term variable remuneration system that was in place until 2018: €13,591 each for Hong Chow (10.7% of remuneration granted in 2021), Reiner Hansert (8.7% of remuneration granted in 2021), Frank Ganschow (until April 17, 2019), Michael Herz (until April 29, 2020), Matthias Locher (until April 17, 2019), Dr. Dr. Christine Martel (6.4% of remuneration granted in 2021), Tomas Nieber (until April 17, 2019), Prof. Manuela Rousseau (8.9% of remuneration granted in 2021), Poul Weihsrauch (until April 17, 2019); €7,546 for Martin Hansson (until July 31, 2022; 4.9% of remuneration granted in 2021); €20,386 for Thorsten Irtz (until April 17, 2019); €12,953 for Frédéric Pflanz (8% of remuneration granted in 2021).

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. Given the changed understanding of the term "remuneration granted" compared with the 2021 Remuneration Report (see the section "Remuneration of the individual Executive Board members in 2022"), the figures may also deviate from those shown in the 2021 Remuneration Report.

Earnings performance is shown based on the development of Beiersdorf AG's profit after tax in accordance with § 275 (2) no. 17 Handlungsgesetzbuch (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 (excluding tesa) 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

	2022 in EUR	2021 in EUR	2022 vs. 2021 in%	2021 vs. 2020 in%	2020 vs. 2019 in%	2019 vs. 2018 in%
Executive Board remuneration (in € thousand)						
Vincent Warnery (Chairman since May 1, 2021)	2,614	7,050	-62.9%	744.3%	-13.4%	6.2%
Oswald Barckhahn (since October 15, 2021)	1,125	242	364.9%	-%	-%	-%
Astrid Hermann (since January 1, 2021)	957	1,027	-6.8%	-%	-%	-%
Thomas Ingelfinger (until June 30, 2022)	2,391	885	170.2%	14%	-18.1%	6.8%
Nicola D. Lafrentz (since May 1, 2022)	683	-	-%	-%	-%	-%
Zhengrong Liu (until December 31, 2022)	1,072	997	7.5%	24.2%	-16%	1.5%
Grita Loeb sack (since January 1, 2022)	1,519	-	-%	-%	-%	-%
Ramon A. Mirt (since January 1, 2019)	4,721	1,375	243.3%	12.2%	-20.6%	-%
Patrick Rasquinet (since June 1, 2021)	1,077	659	63.4%	-%	-%	-%

Executive Board members who resigned prior to 2022						
Stefan De Loecker (until June 30, 2021)	2,156	7,007	-69.2%	229.9%	-36.1%	-25.8%
Ralph Gusko (until December 31, 2019)	458	917	-50.1%	-16.2%	-23.9%	27.5%
Asim Naseer (until April 5, 2021)	507	882	-42.5%	2.1%	-32.4%	-%
Dessi Temperley (until April 5, 2021)	-	851	-100%	-42.8%	-43.3%	62.1%
Supervisory Board remuneration (in € thousand)						
Prof. Dr. Reinhard Pöllath (Chairman since April 30, 2008)	224	227	-1.3%	12.3%	-13.7%	20%
Hong Chow (since April 20, 2017)	113	128	-11.4%	6.1%	8.4%	17.6%
Reiner Hansert (since April 20, 2017)	142	157	-9.3%	2.6%	6.7%	22.5%
Martin Hansson (until July 31, 2022)	82	153	-46.4%	2.6%	6.7%	22.5%
Wolfgang Herz (since April 29, 2020)	114	117	-2.6%	23.8%	-%	-%
Uta Kemmerich-Keil (since August 1, 2022)	53	-	-%	-%	-%	-%
Andreas Köhn (since April 1, 2021)	114	86	32.4%	-%	-%	-%
Jan Koltze (since April 17, 2019)	91	93	-2.2%	17.4%	-13.9%	-%
Dr. Dr. Christine Martel (since April 26, 2012)	197	212	-6.9%	6.1%	-12.6%	27.8%
Olaf Papier (since April 17, 2019)	139	134	3.6%	33.8%	-13.8%	-%
Frédéric Pflanz (Deputy Chairman since September 2, 2022)	155	167	-7.2%	33.9%	17.4%	65%
Prof. Manuela Rousseau (Deputy Chairwoman since April 17, 2019)	139	152	-8.9%	-2%	-1.3%	29.3%
Kirstin Weiland (since April 17, 2019)	111	115	-3.5%	14.7%	-12.7%	-%
Supervisory Board members who resigned prior to 2022						
Frank Ganschow (until April 17, 2019)	-	14	-100%	-50.1%	-51.5%	85.3%
Michael Herz (until April 29, 2020)	-	14	-100%	-79.1%	39.1%	12.4%
Thorsten Irtz (until April 17, 2019)	-	20	-100%	-50.1%	-49.1%	76.8%
Matthias Locher (until April 17, 2019)	-	14	-100%	-50.1%	-51.5%	85.3%
Tomas Nieber (until April 17, 2019)	-	14	-100%	-50.1%	-58.7%	63.3%
Regina Schillings (until April 1, 2021)	-	37	-100%	25.1%	-11.9%	-%
Poul Weihrauch (until April 17, 2019)	-	14	-100%	-50.1%	-48.8%	83.3%
Earnings performance						
Profit after tax Beiersdorf AG (in € million)	308	123	150.4%	-36.9%	2.9%	-28.4%
EBIT margin Consumer Business Segment (in%)	12.3%	12.1%	0.2%	-0.2%	-1.8%	-1.2%
Sales Consumer Business Segment (in € million); changes vs. previous year in% (organic)	7,131	6,129	10.5%	8.8%	-6.6%	4.8%
Average remuneration of employees (in € thousand)						
Remuneration of total workforce in the Consumer Business Segment (Germany)	92	89	2.7%	1.5%	3.1%	6%

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, 2022, 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). 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. In addition, 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 misstatements, whether due to fraud 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.

Hamburg, February 17, 2023

Ernst & Young GmbH
Wirtschaftsprüfungsgesellschaft

Dr. Janze

Wirtschaftsprüfer
(German Public Auditor)

Siemer

Wirtschaftsprüferin
(German Public Auditor)

Ten-year Overview

(in € million)
(unless otherwise stated)

		2013	2014	2015	2016	2017	2018 ²	2019 ^{1/2}	2020	2021	2022
Sales		6,141	6,285	6,686	6,752	7,056	7,233	7,653	7,025	7,627	8,799
Change against prior year (nominal)	(in %)	1.7	2.3	6.4	1.0	4.5	2.5	5.8	-8.2	8.6	15.4
Consumer		5,103	5,209	5,546	5,606	5,799	5,890	6,274	5,700	6,129	7,131
tesa		1,038	1,076	1,140	1,146	1,257	1,343	1,379	1,325	1,498	1,668
Europe		3,390	3,421	3,447	3,461	3,568	3,673	3,757	3,467	3,676	3,900
Americas		1,092	1,116	1,243	1,252	1,307	1,267	1,372	1,347	1,527	2,126
Africa/Asia/Australia		1,659	1,748	1,996	2,039	2,181	2,293	2,524	2,211	2,424	2,773
EBITDA		926	975	1,091	1,163	1,238	1,262	1,270	1,085	1,220	1,379
Operating result (EBIT)		820	796	962	1,015	1,088	1,097	1,032	828	933	1,092
Profit before tax		815	811	968	1,040	1,022	1,048	1,037	821	907	1,096
Profit after tax		543	537	671	727	689	745	736	577	655	771
Return on sales after tax	(in %)	8.8	8.5	10.0	10.8	9.8	10.3	9.6	8.2	8.6	8.8
Earnings per share	(in €)	2.35	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	159	159
Dividend per share	(in €)	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70
Beiersdorf's shares - year-end closing price		73.64	67.42	84.16	80.60	97.90	91.16	106.65	94.44	90.38	107.20
Market capitalization as of Dec. 31		18,557	16,990	21,208	20,311	24,671	22,972	26,875	23,799	22,776	27,014
Research and development expenses		154	168	183	188	196	211	236	246	268	291
as % of sales		2.5	2.7	2.7	2.8	2.8	2.9	3.1	3.5	3.5	3.3
Employees as of Dec. 31		16,708	17,398	17,659	17,934	18,934	20,059	20,654	20,306	20,567	21,401
Intangible assets		176	119	119	119	140	200	581	545	538	1,111
Property, plant, and equipment		785	964	1,054	1,046	1,026	1,239	1,619	1,630	1,845	2,201
Non-current financial assets/securities		804	1,059	1,318	1,919	2,554	2,642	2,830	3,462	3,990	3,233
Inventories		733	786	772	739	854	986	1,012	1,001	1,144	1,557
Receivables and other assets		2,316	2,426	2,692	2,878	2,730	2,874	2,861	2,563	2,747	3,129
Cash and cash equivalents		984	976	918	872	901	919	1,145	1,005	1,036	1,080
Equity		3,405	3,640	4,201	4,677	5,125	5,647	6,093	6,263	6,894	7,805
Liabilities		2,393	2,690	2,672	2,896	3,080	3,213	3,961	3,942	4,405	4,543
Provisions		997	1,166	1,074	1,242	1,207	1,227	1,478	1,594	1,517	1,142
Trade payables		973	1,022	1,152	1,244	1,420	1,554	1,660	1,642	1,973	2,328
Other liabilities		423	502	446	410	453	443	823	704	915	1,073
Total equity and liabilities		5,798	6,330	6,873	7,573	8,205	8,860	10,054	10,205	11,299	12,348
Equity ratio	(in %)	59	58	61	62	62	64	61	61	61	63

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
Tape International GmbH	Gallin	100.00
tesa Grundstücksverwaltungsgesellschaft mbH & Co. KG	Gallin	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	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
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
S-Biomedic NV	BE, Berse	92.53
SA Beiersdorf NV	BE, Brussels	100.00
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
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 Argenton, S.L.	ES, Argenton	100.00
tesa tape S.A.	ES, Argenton	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 SpA	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
tesa tape OOO	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
Sugru Inc.	US, Livonia, MI	100.00
Chantecaille Beaute 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
Beiersdorf Trading (Shanghai) Co., Ltd.	CN, Shanghai	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 Daily Chemical (Wuhan) Co., Ltd.	CN, Wuhan	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 ¹	ID, Jakarta	91.00
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

¹ This corresponds to Beiersdorf's legal share as of December 31, 2022. Beiersdorf acquired the remaining 9% of the shares with effect from January 11, 2023, either directly or via subsidiaries. Since the purchase price was already paid in fiscal year 2022, economic ownership is assigned to Beiersdorf as of the balance sheet date and the acquisition has already been reflected in the financial statements for fiscal year 2022.

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

Unnastraße 48
20245 Hamburg
Germany

→ Editorial Team and Concept

Corporate Communications

Telephone: +49 40 4909-2001
E-Mail: cc@beiersdorf.com

→ 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

→ Contributors

Design/Realization

nexxar GmbH, Vienna

Translation/Proofreading

Leinhäuser Language Services GmbH, Unterhaching

Cover

Adobe Stock/kanashkin

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

2023

April 13

Annual General Meeting

April 26

**Quarterly Statement
January to March 2023**

August 3

Half-Year Report 2023

October 25

**Quarterly Statement
January to September 2023**

2024

February/March

**Publication of Annual
Report 2023,
Annual Press Conference,
Financial Analyst Meeting**

April

Annual General Meeting

April/May

**Quarterly Statement
January to March 2024**

August

Half-Year Report 2024

October

**Quarterly Statement
January to September 2024**

Beiersdorf

Beiersdorf Aktiengesellschaft
Unnastrasse 48, 20245 Hamburg, Germany
Tel.: +49 40 4909-0, Fax: +49 40 4909-3434
Internet: www.beiersdorf.com