Beiersdorf

Executive Board and Supervisory Board

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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 2020, 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 February 7, 2017 ("Code 2017"), and December 16, 2019 ("Code 2019"), respectively, with the following exceptions

Section 4.2.3 (2) sentence 6 of the Code 2017, Recommendation G.1 of the Code 2019

In accordance with section 4.2.3 (2) sentence 6 of the Code 2017, the amount of remuneration of Executive Board members should be capped, both overall and with respect to the variable remuneration components. In accordance with Recommendation G.1 of the Code 2019 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 2020 and is at present limited by such a cap in principle. The Enterprise Value Component granted to the members of the Executive Board, alongside the regular, variable remuneration, which is based on voluntary personal investment by the Executive Board members concerned (*Covered Virtual Units*), participates in positive and negative changes in the enterprise value and is currently not capped in respect of increases in value. The Supervisory Board has so far considered it appropriate that 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.

Section 4.2.3 (2) sentence 8 of the Code 2017, Recommendation G.8 of the Code 2019

Section 4.2.3 (2) sentence 8 of the Code 2017, respectively Recommendation G.8 of the Code 2019, states that the performance targets or comparison parameters for variable compensation shall not be subsequently amended.

It is the joint goal of the Company's Executive Board and Supervisory Board to minimize the effects of the ongoing COVID-19 pandemic on the Company as far as possible and to position the Company as effectively as possible for the period after the crisis on a sustained basis. The Executive Board and the Supervisory Board believe that to achieve this it is necessary to particularly concentrate on sustained measures with a medium-term chronological horizon. In view of this, the Supervisory Board has come to the conclusion that it is currently in the interests of the Company and its stakeholders for the short-term performance incentives underlying the variable remuneration for fiscal year 2020 to be reduced. This is because the performance targets previously defined for the short-term variable remuneration for fiscal year 2020 no longer did, respectively do, justice in part to the requirements and circumstances arising from the current extraordinary situation. Therefore, the Company's Supervisory Board decided already on April 29, 2020, toassume 100% achievement of the joint performance targets of the short-term variable remuneration (80% of the annual bonus) for fiscal year 2020. The personal targets of Executive Board members that make up 20% of the annual bonus shall be unaffected by this change and half of which are adjusted to the challenges during and after the COVID-19 pandemic. Furthermore, the Supervisory Board can increase or lower target achievement by up to 20% in each case on the basis of a performance assessment, in particular in respect of the management performance of the Executive Board for the time after the crisis.

Section 4.2.3 (2) sentence 7 of the Code 2017

Section 4.2.3 (2) sentence 7 of the Code 2017 states that the variable remuneration components shall be based on demanding, relevant comparison parameters.

As the Supervisory Board has decided to determine the short-term variable remuneration for the fiscal year 2020 on a partially non-performance-tied basis (see above), there is no longer any link with the corresponding comparison parameters.

Section G.1 of the Code 2019

Section G.I of the Code 2019 includes a number of new recommendations regarding the remuneration of the Executive Board. The current Executive Board remuneration system, which was most recently approved by the Annual General Meeting on April 27, 2017, did not, respectively currently does not, fully comply with the respective recommendations in fiscal year 2020. In response to the statutory amendments under the Act to Transpose the Second EU Shareholder Rights Directive (SRD II), the revised version of the German Corporate Governance Code and further factors in the Company's interests, the Supervisory Board will revise and enhance the remuneration system for the Executive Board members within the applicable statutory transitory period and will submit it to the Annual General Meeting in 2021 for approval. The Supervisory Board intends to incorporate the abovementioned recommendations of the Code 2019 in the future remuneration system.

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Recommendation G.10 of the Code 2019

In accordance with Recommendation G.10 of the Code 2019, 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.

Notwithstanding the adjustment outlined above to the Executive Board remuneration system, there will continue to be a departure from this recommendation in the future in that 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 continue to 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 present and future remuneration system and the financial and non-financial performance criteria underlying the variable remuneration offer 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 corporate 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 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 are only granted, respectively allocated, in the final three years before the expiry of the bonus period for the enterprise value component.

Hamburg, December 2020

For the Supervisory Board — For the Executive Board

Prof. Dr. Reinhard Pöllath — Stefan De Loecker — Dessi Temperley