

Non-financial Statement

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

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

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

Application of international reporting frameworks

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

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

Material non-financial topics for the business segments

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

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

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

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

Statement scope

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

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

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

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

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

¹ With the exception of compliance and employee KPIs.

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

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Strategy

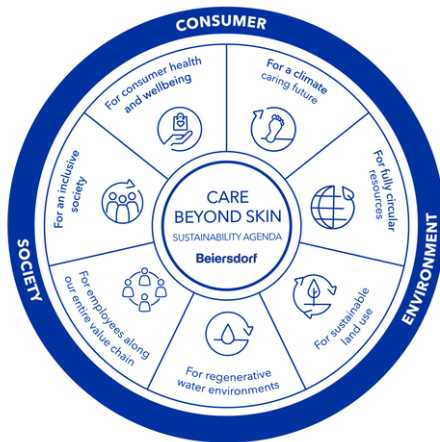
Sustainability is a core component of Beiersdorf corporate culture and of fundamental importance in our decision-making and business processes. We strive to reconcile environmental protection, social responsibility, and our economic success and are constantly refining and enhancing our commitment and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

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

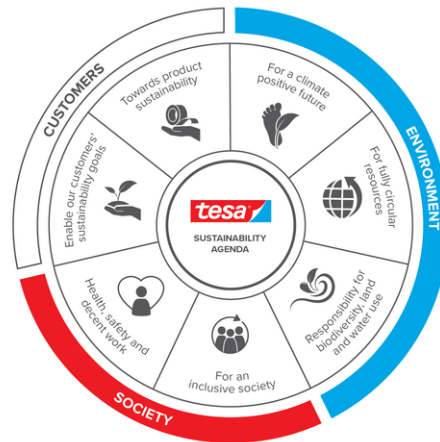
We have two cross-functional steering committees in place to oversee the management of key sustainability issues such as climate action: the Sustainability Council for the Consumer Business Segment and the Global Executive Committee for tesa. The directors of all relevant business units headed by the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

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

CARE BEYOND SKIN Sustainability Agenda
(Consumer Business Segment)



Sustainability Agenda
(tesa Business Segment)



Consumer

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

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

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

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

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

tesa

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

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

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

Description of the business model

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

Material risks

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

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

Environment

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

Climate protection

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

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

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

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

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

Our climate targets

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Key Figures

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

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

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

Identifying Scope 3 emissions

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

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

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

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

Consumer

Improved Scope 3 calculations

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

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

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

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

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

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

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

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

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

Scope 3 GHG Emissions Consumer¹

(in t CO₂e)

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

¹ The categories are defined by the GHG Protocol.

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

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

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

Transition toward climate neutralization

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

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

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

Reducing operating emissions

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

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

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

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

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

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

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

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

Reducing emissions along the value chain

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

Packaging

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

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

Product formulations

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

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

Finished goods manufacturing and third-party warehousing

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

Transportation

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

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

In dialog with suppliers

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

Neutralizing remaining emissions

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

tesa

Company management systems for environmental protection

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

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

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

Identifying energy-saving opportunities and increasing efficiency

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

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

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

Circular economy

Consumer

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

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

Holistic view of our products

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

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

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

Sustainable packaging

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

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

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

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

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

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

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

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

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

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

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

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

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

In the reporting year,

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

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

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

Environmentally friendly product formulations

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

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

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

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

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

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

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

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

Partnerships in the field of product sustainability

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

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

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

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

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

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

Product Sustainability

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Innovative solutions for greater sustainability

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

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

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

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

The entire life cycle in focus

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

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

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

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

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

Paper products made from certified raw materials

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

First step toward using mass-balanced raw materials

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

Optimized packaging

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

Sustainable land use

Consumer

Sustainable cultivation of raw materials

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

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

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

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

Palm (kernel) oil derivatives

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

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

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

Sustainable certification

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

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

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

¹ FONAP www.forumpalmoel.org/home.

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

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

Supply chain transparency

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

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

Sustainable transformation in cultivation regions

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

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

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

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

Shea

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

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

Mica

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

Paper

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

Resource efficiency

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

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

Avoidance and recycling

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

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

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

Active involvement of employees

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

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

Water

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

Managing water risks

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

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

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

Consumer

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

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

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

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

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

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

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

New water roadmap

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

1. Process optimization and continuous improvement

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

2. New water treatment technologies

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

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

3. Exploring circular water management

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

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

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Guidelines and preventive measures

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

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

Employees

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

Consumer

Training and further education

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

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

Employer attractiveness

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

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

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

Diversity and inclusion

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

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

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Training and further education

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

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

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

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

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

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

Diversity and equal opportunities

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

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

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

Attractive working environment

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

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

Occupational health and safety

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

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

Consumer

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

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

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

Management systems

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

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

¹ The AFR related to our own production sites

What's next?

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

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

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

Systematic approach to occupational safety

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

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

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

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

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

Preventive measures

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

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

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

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

Society

Consumer

Community engagement

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

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

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

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

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

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

Engagement at corporate level

Empowering girls - during the COVID-19 pandemic and beyond

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

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

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

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

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

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

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

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

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

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

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

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

Digital psychological support for people affected by skin conditions - Research

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

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

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

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

Disaster Relief - Donations

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

Engagement at brand level

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

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

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

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

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

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

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

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

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

Respect for Human Rights

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

Upholding human rights throughout the value chain

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

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

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

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

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

Consumer

Consumer Business Segment creates binding standards

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

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

Risk screenings and audits

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

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

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

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

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

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

tesa

Designing procurement processes in a responsible manner

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

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

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

More transparent supply chains

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

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

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

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

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

Compliance

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

Our Core Values for responsible conduct

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

Group-wide compliance management

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

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

Prevent

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

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

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

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

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

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

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

Detect

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

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

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

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

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

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

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

React and improve

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

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

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

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

Other Issues

Product safety

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

Consumer

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

Safety evaluation of all raw materials and cosmetic product formulas

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

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

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

¹ Valid since Jan. 01, 2024.

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

Beiersdorf's global mandatory safety requirements

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

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

Animal testing

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

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

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

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

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

tesa

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

A systematic approach to quality and safety

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

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

Product safety officers

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

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

Risk analyses ensure quality

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

Internal audits

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

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

EU Taxonomy Reporting

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

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

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

Taxonomy Impact Analysis procedure¹

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

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

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

Identified Taxonomy-eligible economic activities

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

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

- Category A: investments or operating expenses related to assets or processes that are associated with Taxonomy-aligned economic activities.
- Category B: investments or operating expenses that are part of a (CapEx) plan to expand Taxonomy-aligned economic activities or to allow Taxonomy-eligible economic activities to become Taxonomy-aligned.
- Category C: investments or operating expenses related to the purchase of output from Taxonomy-aligned economic activities and individual measures enabling the target activities to become low-carbon or to lead to greenhouse gas reductions.

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

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

The following economic activities were identified as Taxonomy-eligible:

Information and Communication

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

Construction and Real Estate

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

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

Energy

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

Transport

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

Manufacturing Industry/Goods Manufacturing

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

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

Taxonomy-eligible sales

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

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

Taxonomy-eligible capital expenditure (CapEx)

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

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

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

Taxonomy-eligible operating expenses (OpEx)

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

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

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

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

Approach and results of the alignment analysis

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

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

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

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

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

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

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

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

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

Key figures EU Taxonomy Reporting

Key figures Turnover

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

Key figures CapEx

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

Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	CCM 7.5	31	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL									0.2%		
Installation, maintenance and repair of renewable energy technologies	CCM 7.6	3,690	0.6%	EL	N/EL	N/EL	N/EL	N/EL	N/EL									0.5%		
Acquisition and ownership of buildings	CCM 7.7	82,049	12.9%	EL	N/EL	N/EL	N/EL	N/EL	N/EL									0%		
Data processing, hosting and related activities	CCM 8.1	793	0.1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL									0.9%		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		108,584	17.1%	17.1%	0%	0%	0%	0%	0%									2.7%		
Total A.1 + A.2		209,374	33%	33%	0%	0%	0%	0%	0%									2.7%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
CapEx of Taxonomy-non-eligible activities (B)		424,890	67%																	
Total A + B		634,264	100%																	

Key figures OpEx

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

Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	5,670	1.2%	EL	N/EL	N/EL	N/EL	N/EL	N/EL									1%		
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	755	0.2%	EL	N/EL	N/EL	N/EL	N/EL	N/EL									0.2%		
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	CCM 7.4	4	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL									0%		
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	CCM 7.5	156	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL									0.1%		
Installation, maintenance and repair of renewable energy technologies	CCM 7.6	110	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL									0%		
Acquisition and ownership of buildings	CCM 7.7	3,553	0.7%	EL	N/EL	N/EL	N/EL	N/EL	N/EL									0%		
Data processing, hosting and related activities	CCM 8.1	8,563	1.8%	EL	N/EL	N/EL	N/EL	N/EL	N/EL									2%		
Data-driven solutions for GHG emissions reductions	CCM 8.2	174	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL									0%		
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		21,536	4.5%	4.5%	0%	0%	0%	0%	0%									4.2%		
Total A.1 + A.2		25,953	5.4%	5.4%	0%	0%	0%	0%	0%									4.2%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
OpEx of Taxonomy-non-eligible activities (B)		454,702	94.6%																	
Total A + B		480,655	100%																	

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

Consumer Business Segment	Unit	2022	2023
Environment			
GHG emissions (Scope 1 and Scope 2)	t CO ₂ e	40,820	35,585
GHG emissions (Scope 3) considering biofuel certificates	t CO ₂ e	994,613	974,015
GHG emissions (Scope 3) not considering biofuel certificates	t CO ₂ e	1,005,213	985,177
Reduction absolute GHG emissions (Scope 1 and Scope 2) vs. 2018	%	31	40
Reduction absolute GHG emissions (Scope 3) vs. 2018 ¹	%	16.3	18.0
Reduction of fossil-based virgin plastic vs. 2019 ²	%	15	16
Recycled material in plastic packaging ²	%	10	12
Reduction of nonbiodegradable polymers in European product formulas (based on raw material volume) vs. 2016 ²	%	63	67
Reduction of microplastic ³ in NIVEA products (based on raw material volume) vs. 2016	%	100	100
Reduction of microplastic ³ in Eucerin products (based on raw material volume) vs. 2016	%	76	100
Share of mass balance palm (kernel) oil and derivatives ²	%	100	100
FSC-certified paper in folding boxes ²	%	100	100
Employees			
Share of women management group 1 - 3	%	40	43
Share of internal recruitments management group 1	%	100	100
Share of internal recruitments management group 2	%	89	73
Accident frequency rate (AFR)	Accidents per 1 million working hours	0.5	0.4
Human Rights			
Coverage supplier risk screening	%	100	100
Coverage code of conduct	%	91	92
Compliance			
Participation rate compliance training	%	97	98
tesa Business Segment			
Environment			
GHG emissions (Scope 1 and Scope 2)	t CO ₂ e	50,860	43,447
Specific GHG emissions per metric ton of end product	t CO ₂ e	0.71	0.73
Electricity from renewable energy sources	%	66	65
Employees			
Accident frequency rate (AFR)	Accidents per 1 million working hours	3.6	2.7
Compliance			
Participation rate compliance training	%	99	98
Human rights			
Coverage direct spend from suppliers assessed by EcoVadis	%	54	70
Product safety			
tesa plants with quality management certificates	%	100	100

¹ Taking into account the reduction through biofuel certificates.

² Not including Coppertone.

³ According to definition of United Nations Environment Programme.

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

	Units	2022	2023
Environment			
GHG emissions (Scope 1 and Scope 2)	t CO ₂ e	5,956	5,204
Absolute reduction GHG-emissions (Scope 1 and Scope 2) vs. 2018	%	10	22
Employees			
Share of women in first management level	%	31	39
Share of women in second management level	%	48	42
Share of internal recruitments management group 1	%	N/A	100
Share of internal recruitments management group 2	%	100	89
Accident frequency rate (AFR)	Accidents per 1 million working hours	2,1	3.8
Compliance			
Participation rate compliance training	%	97	97