CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Financial Statements

Income Statement

(in € million)

	Note	2022	2023
Sales	**01**	**8,799**	**9,447**
Cost of goods sold	02	-3,842	-4,031
Gross profit		**4,957**	**5,416**
Marketing and selling expenses	03	-2,998	-3,250
Research and development expenses	04	-291	-320
General and administrative expenses	05	-524	-570
Other operating income	06	266	263
Other operating expenses	07	-318	-434
Operating result (EBIT)		**1,092**	**1,105**
Interest income	08	36	43
Interest expense	08	-16	-26
Net pension result	08	-10	-12
Other financial result	08	-6	-5
Financial result	**08**	**4**	**–**
Profit before tax		**1,096**	**1,105**
Income taxes	09	-325	-356
Profit after tax		**771**	**749**
Of which attributable to			
– Equity holders of Beiersdorf AG		755	736
– Non-controlling interests		16	13
Basic/diluted earnings per share (in €)	**10**	**3.33**	**3.24**

Statement of Comprehensive Income

(in € million)

	2022	2023
Profit after tax	**771**	**749**
Other comprehensive income that will be reclassified subsequently to profit or loss	**70**	**-55**
Remeasurement of cash flow hedges[1]	28	-13
Remeasurement of securities[1]	-12	5
Exchange differences	54	-47
Other comprehensive income that will not be reclassified subsequently to profit or loss	**317**	**13**
Remeasurement of defined benefit pension plans[1]	314	13
Change in fair value of equity instruments measured through other comprehensive income[1]	3	–
Other comprehensive income	**387**	**-42**
Total comprehensive income	**1,158**	**707**
Of which attributable to		
– Equity holders of Beiersdorf AG	1,143	696
– Non-controlling interests	15	11

[1] Net of tax.

Balance Sheet

(in € million)

Assets	Note	Dec. 31, 2022	Dec. 31, 2023
Intangible assets	11	1,111	938
Property, plant, and equipment	12	2,201	2,541
Non-current securities	16	3,184	2,675
Other non-current assets	15	52	59
Deferred tax assets	09	258	304
Non-current assets		**6,806**	**6,517**
Inventories	13	1,557	1,514
Trade receivables	14	1,508	1,598
Other current financial assets	15	147	159
Income tax receivables	09	205	227
Other current assets	15	239	253
Current securities	16	771	1,227
Cash and cash equivalents	17	1,080	1,133
Non-current assets and disposal groups held for sale	15	35	1
Current assets		**5,542**	**6,112**
		12,348	**12,629**

Equity and liabilities	Note	Dec. 31, 2022	Dec. 31, 2023
Share capital	19	252	252
Additional paid-in capital	22	47	47
Retained earnings	23	7,725	8,315
Accumulated other comprehensive income	24	-239	-292
Equity attributable to equity holders of Beiersdorf AG		**7,785**	**8,322**
Non-controlling interests		20	17
Equity		**7,805**	**8,339**
Provisions for pensions and other post-employment benefits	26	382	350
Other non-current provisions	27	146	150
Non-current financial liabilities	28	117	153
Deferred tax liabilities	09	137	133
Non-current liabilities		**782**	**786**
Other current provisions	27	614	629
Income tax liabilities	09	183	152
Trade payables	28	2,328	2,234
Other current financial liabilities	28	525	333
Other current liabilities	28	111	156
Current liabilities		**3,761**	**3,504**
		12,348	**12,629**

Cash Flow Statement

(in € million)

	2022	2023
Profit after tax	**771**	**749**
Reconciliation of profit after tax to net cash flow from operating activities		
Income taxes	325	356
Financial result	-4	–
Income taxes paid	-312	-464
Depreciation and amortization	287	449
Change in non-current provisions (excluding interest components and changes recognized in OCI)	22	-27
Gain/loss on disposal of property, plant, and equipment, and intangible assets	-5	-6
Gross cash flow	**1,084**	**1,057**
Change in inventories	-395	43
Change in receivables and other assets	-288	-108
Change in liabilities and current provisions	396	-51
Net cash flow from operating activities	**797**	**941**
Investments in property, plant, and equipment, and intangible assets	-548	-517
Payments for acquisitions (net of cash acquired)	-545	–
Payments for investments in associated companies and other investments	-7	-5
Payments to acquire securities	-97	-509
Proceeds from the sale of property, plant, and equipment, and intangible assets	29	16
Proceeds from the sale of subsidiaries (net of cash disposed) and non-current assets held for sale	10	23
Proceeds from the sale/final maturity of securities	680	576
Interest received	42	51
Proceeds from dividends and other financing activities	34	24
Net cash flow from investing activities	**-402**	**-341**
Free cash flow	**395**	**600**
Proceeds from loans	451	16
Loan repayments	-447	-200
Repayments of lease liabilities	-68	-68
Interest paid	-15	-19
Other financing expenses paid	-19	-48
Cash dividends paid (Beiersdorf AG)	-159	-159
Cash dividends paid (non-controlling interests)	-16	-14
Payments to acquire shares from non-controlling interests without a change in control	-72	–
Net cash flow from financing activities	**-345**	**-492**
Effect of exchange rate fluctuations and other changes on cash held	-6	-55
Net change in cash and cash equivalents	44	53
Cash and cash equivalents as of Jan. 1	**1,036**	**1,080**
Cash and cash equivalents as of Dec. 31	**1,080**	**1,133**

Statement of Changes in Equity

(in € million)

	Share capital	Additional paid-in capital	Retained earnings[1]	Accumulated other comprehensive income: Currency translation adjustment	Accumulated other comprehensive income: Hedging instruments from cash flow hedges	Accumulated other comprehensive income: Debt instruments	Accumulated other comprehensive income: Equity instruments	Total attributable to equity holders	Non-controlling interests	Total
Jan. 1, 2022	**252**	**47**	**6,879**	**-300**	**-10**	**2**	**1**	**6,871**	**23**	**6,894**
Total comprehensive income for the period	–	–	1,069	55	28	-12	3	1,143	15	1,158
Reclassifications	–	–	4	–	–	–	-4	–	–	–
Dividend of Beiersdorf AG for previous year	–	–	-159	–	–	–	–	-159	–	-159
Change in non-controlling interests	–	–	–	–	–	–	–	–	-16	-16
Change in non-controlling interests without a change in control	–	–	-68	-2	–	–	–	-70	-2	-72
Dec. 31, 2022/Jan. 1, 2023	**252**	**47**	**7,725**	**-247**	**18**	**-10**	**–**	**7,785**	**20**	**7,805**
Total comprehensive income for the period	–	–	749	-45	-13	5	–	696	11	707
Reclassifications	–	–	–	–	–	–	–	–	–	–
Dividend of Beiersdorf AG for previous year	–	–	-159	–	–	–	–	-159	–	-159
Change in non-controlling interests	–	–	–	–	–	–	–	–	-14	-14
Dec. 31, 2023	**252**	**47**	**8,315**	**-292**	**5**	**-5**	**–**	**8,322**	**17**	**8,339**

[1] The cost of treasury shares amounting to €955 million has been deducted from retained earnings.

Notes to the Consolidated Financial Statements

Segment Reporting

(in € million)

		Consumer		tesa		Group	
		2022	2023	2022	2023	2022	2023
Net sales		**7,131**	**7,780**	**1,668**	**1,667**	**8,799**	**9,447**
Change (nominal)	(in %)	16.3	9.1	11.3	0.0	15.4	7.4
Change (organic)	(in %)	10.5	12.5	8.8	3.2	10.2	10.8
Share of Group sales	**(in %)**	**81.0**	**82.4**	**19.0**	**17.6**	**100.0**	**100.0**
EBITDA		**1,038**	**1,203**	**341**	**351**	**1,379**	**1,554**
Operating result (EBIT)		**828**	**834**	**264**	**271**	**1,092**	**1,105**
as % of sales		11.6	10.7	15.8	16.3	12.4	11.7
Operating result (EBIT, excluding special factors)[1]		**880**	**1,002**	**278**	**266**	**1,158**	**1,268**
as % of sales		12.3	12.9	16.7	16.0	13.2	13.4
Gross operating capital[1]		**5,385**	**5,668**	**1,250**	**1,195**	**6,635**	**6,863**
Operating liabilities[1]		**2,893**	**2,804**	**298**	**302**	**3,191**	**3,106**
EBIT return on net operating capital[1]	(in %)	33.2	29.1	27.6	30.4	31.7	29.4
Gross cash flow		**817**	**807**	**267**	**250**	**1,084**	**1,057**
Capital expenditure[2]		**1,054**	**418**	**83**	**99**	**1,137**	**517**
Depreciation and amortization		**210**	**369**	**77**	**80**	**287**	**449**
Research and development expenses		**216**	**241**	**75**	**79**	**291**	**320**
Employees	**(as of Dec. 31)**	**16,419**	**16,769**	**4,982**	**5,189**	**21,401**	**21,958**

[1] See the disclosures contained in the section entitled "Notes to the Segment Reporting."
[2] Figures comprise investments in intangible assets and property, plant, and equipment including acquisitions.

Regional Reporting

(in Mio. €)

		Europe		America		Africa/Asia/ Australia		Group	
		2022	2023	2022	2023	2022	2023	2022	2023
Net sales		**3,900**	**4,161**	**2,126**	**2,484**	**2,773**	**2,802**	**8,799**	**9,447**
Change (nominal)	(in %)	6.1	6.7	39.2	16.8	14.4	1.0	15.4	7.4
Change (organic)	(in %)	5.5	8.0	21.8	16.8	9.9	10.1	10.2	10.8
Share of Group sales	**(in %)**	**44.3**	**44.0**	**24.2**	**26.3**	**31.5**	**29.7**	**100.0**	**100.0**
EBITDA		**738**	**834**	**170**	**174**	**471**	**546**	**1,379**	**1,554**
Operating result (EBIT)		**583**	**654**	**108**	**5**	**401**	**446**	**1,092**	**1,105**
as % of sales		15.0	15.7	5.1	0.2	14.5	15.9	12.4	11.7
Operating result (EBIT, excluding special factors)[1]		**618**	**678**	**140**	**123**	**400**	**467**	**1,158**	**1,268**
as % of sales		15.9	16.3	6.6	5.0	14.5	16.7	13.2	13.4
Capital expenditure[2]		**444**	**337**	**521**	**107**	**172**	**73**	**1,137**	**517**
Depreciation and amortization		**155**	**180**	**62**	**169**	**70**	**100**	**287**	**449**
Employees	**(as of Dec. 31)**	**12,094**	**12,216**	**3,771**	**3,987**	**5,536**	**5,755**	**21,401**	**21,958**

[1] See the disclosures contained in the section entitled "Notes to the Segment Reporting."
[2] Figures comprise investments in intangible assets and property, plant, and equipment including acquisitions.

Material Accounting Policies

Information on the company and on the group

The registered office of Beiersdorf AG is located at Beiersdorfstrasse 1-9 in Hamburg (Germany), and the company is registered with the commercial register of the Hamburg Local Court under the number *HRB* 1787. Beiersdorf AG is included in the consolidated financial statements of maxingvest GmbH & Co KGaA, the (ultimate) parent company of the Group.

The activities of Beiersdorf AG and its affiliates (“Beiersdorf Group”) consist primarily of the manufacture and distribution of branded consumer goods in the area of skin and body care, and of the manufacture and distribution of technical adhesive tapes.

The consolidated financial statements of Beiersdorf AG for the fiscal year from January 1 to December 31, 2023, were prepared by the Executive Board on February 7, 2024, and subsequently submitted to the Supervisory Board for examination and approval.

General principles

The consolidated financial statements of Beiersdorf AG have been prepared in accordance with the International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB), including the IFRS Interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) and the supplementary provisions of German commercial law required to be applied under § 315e (1) *Handelsgesetzbuch* (German Commercial Code, *HGB*). All IFRSs and IFRICs endorsed by the European Commission and required to be applied as of December 31, 2023, were applied.

The consolidated financial statements were prepared using the historical cost convention. Exceptions to this rule relate to financial instruments assigned to the categories “at fair value through other comprehensive income” (FVOCI) and “at fair value through profit or loss” (FVPL), and derivative financial instruments, which are all measured at fair value.

The consolidated income statement was prepared using the cost of sales method.

Estimates and assumptions

Preparation of the consolidated financial statements requires management to make estimates and assumptions to a limited extent that affect the amount and presentation of recognized assets and liabilities, income and expenses, and contingent liabilities. Such estimates and assumptions reflect all currently available information. Significant estimates and assumptions were made in particular in relation to the following accounting policies: impairment testing of goodwill and indefinite-lived intangible assets (Note 11 “Intangible Assets”), impairments of financial assets (Note 29 “Additional Disclosures on Financial Instruments, Financial Risk Management, and Derivative Financial Instruments”), the actuarial assumptions for the defined benefit expense as well as for the present value of pension commitments (Note 26 “Provisions for Pensions and Other Post-employment Benefits”), the determination of the amount of eligible deferred tax assets (Note 09 “Income Taxes”), and the recognition of other provisions (Note 27 “Other Provisions”). Given the uncertainty that exists when recognizing the legal risks arising from claims for damages in particular as well as tax and custom risks (Note 30 “Contingent Liabilities, Other Financial Obligations, and Legal Risks”), significant discretion must be exercised in evaluating whether and to what extent potential damages have arisen and how large the claim could be. In determining the amount of possible damages, there is particular discretion in relation to determining the nature of the factors “overcharge” and “pass-on rate” on which the calculation is based. Furthermore, estimates and assumptions are made in particular when determining the useful lives of intangible assets and property, plant, and equipment, and when measuring inventories.

Other non-financial aspects, such as climate risks, do not currently have a significant impact on the planned cash flows used in the impairment tests.

Actual amounts may differ from these estimates. Changes to estimates are recognized in profit or loss when more recent knowledge becomes available.

Consolidation principles

Acquisition accounting uses the purchase method, under which the cost of the business combination is allocated to the identifiable assets acquired and identifiable liabilities and contingent liabilities assumed, measured at their fair values at the acquisition date. The cost of an acquisition is the sum of the consideration transferred, measured at fair value at the acquisition date, and the non-controlling interests in the acquiree. For each business combination, the non-controlling interests in the acquiree are measured either at fair value or at the proportionate share of the acquiree's identifiable net assets. Any excess of the cost of the business combination over the acquirer's interest in the net fair values of identifiable assets, liabilities, and contingent liabilities is recognized as goodwill. Costs incurred in the course of the business combination are recognized as an expense.

Profit and equity of subsidiaries attributable to non-controlling interests are presented separately in the consolidated income statement and as a component of equity in the consolidated balance sheet. Losses at a subsidiary are attributed to the non-controlling interests even if this results in a negative balance. In the case of successive purchases of the shares of subsidiaries, the difference between the cost of the new shares and the non-controlling interests previously recognized in the Group for these shares is recognized in other comprehensive income. In a business combination achieved in stages, the effects from acquisition-date fair value remeasurement of previously held equity interests in the acquiree are recognized either directly in equity (FVOCI) or in the income statement (FVPL), depending on their classification. Subsequent adjustments of contingent consideration are recognized in the income statement.

All intercompany balances, transactions, income, and expenses, and gains and losses on intragroup transactions that are contained in the carrying amounts of assets are eliminated in full.

The consolidated financial statements include Beiersdorf AG and the subsidiaries over which it has control within the meaning of IFRS 10. Control over an investee exists if Beiersdorf AG has direct or indirect power over the investee, is exposed to variable returns from its involvement with the investee, and has the ability to affect those returns through its power over the investee.

Currency translation

The consolidated financial statements have been prepared in euros. The euro is Beiersdorf AG's functional and presentation currency. Unless otherwise stated, all amounts are rounded to millions of euros (€ million). Each company in the Group defines its own functional currency. As the foreign subsidiaries operate as financially, economically, and organizationally independent entities, their functional currency is always the local currency. The items contained in the financial statements of the company concerned are measured using this functional currency. Foreign currency transactions are initially translated at the spot rate at the transaction date. Non-monetary items that are measured at cost in a foreign currency are translated at the exchange rate at the transaction date. Exchange differences arising from the translation of monetary items are recognized in profit or loss. Monetary assets and liabilities in foreign currency are translated into the functional currency at the closing rate.

At the balance sheet date, the assets and liabilities of foreign subsidiaries whose functional currency is not the euro are translated into euros at the closing rate. Income and expenses are generally translated at average exchange rates for the fiscal year. Exchange differences arising from this are recognized as a separate component of equity.

The following table shows the changes in the exchange rates for the currencies material to the consolidated financial statements:

Exchange Rate Changes
(€1 =)

	Average rates		Closing rates	
	2022	2023	2022	2023
Brazilian real (BRL)	5.4076	5.3867	5.6423	5.3626
Swiss franc (CHF)	1.0017	0.9711	0.9848	0.9257
Chinese yuan (CNY)	7.0736	7.6813	7.3631	7.8520
Pound sterling (GBP)	0.8548	0.8686	0.8869	0.8689
Japanese yen (JPY)	138.0567	153.0488	140.7200	156.3500
Mexican Peso (MXN)	21.0639	19.0661	20.8793	18.7374
Thai baht (THB)	36.8021	37.6977	36.8486	37.9564
US dollar (USD)	1.0505	1.0824	1.0673	1.1052

The accounting requirements of IAS 29 Financial Reporting in Hyperinflationary Economies were not applied due to immaterial effect on the Group's net assets, financial position and results of operations.

Changes in accounting policies

There were no material effects from the first-time application of new standards or interpretations in fiscal year 2023.

OECD Pillar Two model regulations

The Group falls within the scope of the OECD Pillar Two model regulations. The Ultimate Parent Entity (UPE) is maxingvest GmbH & Co. KGaA, based in Germany. The Pillar Two legislation was adopted in Germany and will enter into force on January 1, 2024. As the Pillar Two legislation was not yet in force at the reporting date, the Group is currently not subject to any tax burden in this respect. The Group makes use of the exemption from the recognition of deferred taxes in connection with Pillar Two income taxes, which was the subject of the amendment to IAS 12 published in May 2023.

According to the Pillar Two legislation, the Group must pay an additional tax per country in the amount of the difference between the GloBE effective tax rate and the minimum tax rate of 15%. Based on an average effective tax rate calculated in accordance with IAS 12.86 for all constituent entities of the maxingvest Group, the effective tax rates for the following countries are below 15%: Costa Rica, Croatia, Philippines, Switzerland and Taiwan.

Considering the allocation of a possible supplementary tax, the Beiersdorf Group has a notional burden in a range between €1 million and €2 million.

Due to the complexity regarding the application of the legislation and the calculation of GloBE income, the quantitative effects cannot yet be reliably estimated. Although the average effective tax rate in 2023 in the above-mentioned jurisdictions is below 15%, the Group may not have to pay Pillar Two income taxes. On the one hand, this may be due to safe harbor regulations. On the other hand, Pillar Two legislation provides for specific adjustments that result in deviations from the effective tax rates calculated in accordance with IAS 12.86. Even for companies with an effective tax rate of over 15%, Pillar Two could therefore trigger tax implications*.*

The IASB has also revised or issued further accounting standards and interpretations that must be applied in future. However, these will have no material effects on the consolidated financial statements.

Material accounting policies

Sales are recognized when goods and products are delivered, and control has transferred to the customer. Discounts, customer bonuses, and rebates are deducted from sales, as is consideration payable to trading partners in those cases in which the consideration is not matched by a distinct product or service supplied whose fair value can be estimated reliably. The probability of returns is reflected in the recognition and measurement of sales.

Cost of goods sold comprises the cost of internally produced goods sold and the purchase price of merchandise sold. The cost of internally produced goods includes directly attributable costs such as the cost of direct materials, direct labor, and energy, as well as production overheads, including depreciation of production facilities. The cost of goods sold also includes write-downs of inventories and operating expenses for distribution centers and freight shipments to customers.

Marketing and selling expenses comprise the costs of sales and marketing departments, expenditure on advertising, retail (point of sale) marketing, and similar items. This item also includes write-downs of trade receivables.

Research costs are recognized in profit or loss for the period. Development costs for new products are capitalized if the recognition criteria laid down in IAS 38 are met. This is normally not the case, as the expected future economic benefits cannot be measured reliably as long as the products are not market ready. **Other development costs** (e.g., for information systems) are capitalized as intangible assets if the recognition criteria laid down in IAS 38 are met. Once capitalized, they are amortized using the straight-line method over their expected useful lives.

Purchased **intangible assets** such as patents, trademarks, and software are measured at cost. The carrying amounts of finite-lived intangible assets are reduced by straight-line amortization over their expected useful lives. The useful lives, residual values, and amortization methods are reviewed regularly. Goodwill and indefinite-lived intangible assets are not amortized.

Goodwill and indefinite-lived intangible assets are **tested for impairmen**t at least once a year; such impairment tests are only conducted for finite-lived intangible assets and property, plant, and equipment if there are indications of impairment. An impairment loss is recognized in profit or loss if the recoverable amount of the asset is lower than its carrying amount. Recoverable amount is identified separately for each asset. If an asset does not generate cash inflows that are largely independent from other assets, recoverable amount is identified on the basis of a group of assets designated as the cash-generating unit. Recoverable amount is the higher of net realizable value and value in use. Net realizable value is the amount obtainable from the sale of an asset in an arm’s length transaction, less the costs of disposal. Value in use is calculated on the basis of estimated future cash flows expected to arise from the continuing use of an asset and its disposal at the end of its useful life, using the discounted cash flow method. Cash flows are derived from the business plans and reflect current developments. They are discounted to the date of the impairment test using capitalization rates for equivalent risks.

If the reasons for an impairment loss recognized in previous years no longer apply, the impairment loss (except for goodwill) is reversed up to a maximum of amortized cost.

With the exception of lease right-of-use assets, **property, plant, and equipment** is carried at cost and reduced by straight-line depreciation over the assets' expected useful lives. The useful lives, residual values, and depreciation methods are reviewed annually. The following useful lives are generally applied to the depreciation of items of property, plant, and equipment:

Useful Lives of Property, Plant, and Equipment

Buildings	10 to 33 years
Technical equipment and machinery	5 to 15 years
Office and other equipment	3 to 15 years

Production costs of internally manufactured items of property, plant, and equipment are calculated on the basis of attributable direct costs plus an appropriate share of production-related overheads. Interest on borrowings is recognized as a current expense unless it relates to the production of qualifying assets. Repair and maintenance costs for property, plant, and equipment are also expensed as incurred. Substantial renewals or enhancements that materially increase production capacity or significantly extend the useful life of an asset are capitalized. Components that were previously capitalized in this way and replaced by new measures to be capitalized are recognized accordingly as disposals. Government grants reduce the cost of acquisition or production.

Right-of-use assets from leases are reported within property, plant, and equipment. A lease exists if a contract entitles the Group to use an identifiable asset for an agreed period of time in return for payment. At Beiersdorf, leases relate primarily to office space and vehicles.

Lease liabilities are reported within financial liabilities. They are recognized at the inception of the lease at the present value of the lease payments not yet made. Discounting is generally determined using term- and currency-specific incremental borrowing rates.

Lease right-of-use assets are recognized at cost at the commencement of the lease term. The cost of the right-of-use asset comprises the present value of the total expected lease payments less lease incentives received, initial direct costs, and restoration obligations. Subsequent measurement is at amortized cost. Depreciation is on a straight-line basis over the term of the lease.

The term of the lease commences on the date that the asset is made available for use and includes any rent-free periods. In the case of leases that contain both a basic non-cancelable period and extension and termination options, determination of lease terms takes into account all the facts and circumstances that provide an economic incentive for the exercise of extension options or non-exercise of termination options. The exercise or non-exercise of these options is only factored into the lease term if it is reasonably certain to occur.

The leasing standard is not applied to rights held by a lessee under license agreements within the scope of IAS 38. In addition, Beiersdorf has exercised the option not to recognize low-value and short-term leases on the balance sheet and is instead continuing to treat these as operating expenses over the term of the lease.

Inventories are carried at the lower of cost or net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. The cost of inventories is measured using the average cost method. In addition to direct costs, production costs include a proportionate share of material and production overheads as well as production-related depreciation. It also includes the proportionate costs of company pension arrangements and voluntary social benefits, as well as production-related administrative expenses.

Cash comprises bank balances, cash-on-hand, and checks. **Cash equivalents** are short-term liquid investments that can be converted into a specified amount of cash at any time and are exposed to no more than insignificant fluctuations in value. In accordance with IFRS 9, cash and cash equivalents are designated as AC.

Non-current assets and disposal groups are classified as held for sale if their carrying amount is to be recovered principally through a sale transaction rather than through continuing use. Non-current assets and disposal groups held for sale are measured at fair value less costs to sell (level 3) if the value is lower than the carrying amount. The fair value less cost to sell is generally determined on the basis of (ongoing) purchase price negotiations with potential buyers.

The prerequisite for the classification as held for sale is that the assets and disposal groups can be sold in their current condition and that their sale is highly probable. The sale must be considered within one year from the date of classification. Before any assets are reclassified to assets and disposal groups held for sale, the relevant measurement rules for the balance sheet item are applied for the last time. After classification, depreciation is no longer recognized for the assets. Any expense resulting from the application of the above valuation principles in connection with the write-down to fair value less costs to sell is recognized under other operating expenses.

Financial instruments are contracts that give rise to a financial asset of one entity and a financial liability of another entity. Financial assets and financial liabilities are measured at fair value on initial recognition after deduction of transaction costs if not assigned to the FVPL category. Trade receivables are stated at the transaction price in accordance with IFRS 15.

Categories of financial assets under IFRS 9

The **"at amortized cost" (AC)** category comprises financial assets whose cash flows consist of interest and principal payments and that are held as part of a business model that aims to collect contractual cash flows. Following initial recognition, they are valued at amortized cost less any impairment losses using the effective interest method.

The **"at fair value through other comprehensive income" (FVOCI)** category comprises financial assets whose cash flows consist of interest and principal payments and that are held as part of a business model that generally aims to hold the assets but also allows them to be sold if required. These assets are measured at fair value. The resulting changes in value are recognized in a separate reserve in other comprehensive income. Upon disposal or impairment of these financial assets, the cumulative gains and losses recognized in equity are recognized in profit or loss. This category also includes equity instruments for which the one-time option to recognize changes in fair value directly in equity has been irrevocably exercised. Subsequent changes in value remain in equity upon disposal or impairment and are not reclassified to the income statement.

The **"at fair value through profit or loss" (FVPL)** category comprises financial assets that do not fall under the other categories. These assets are measured at fair value. The resulting changes in value are recognized in the income statement.

Financial assets are **tested for impairment** as of each reporting date. Under IFRS 9, a risk provision is recognized based on the expected credit losses over the next 12 months (expected loss model). The estimate is based on ratings and continuously updated risk indicators. Current CDS spreads and the issuers' bond spreads are also used in the calculation. Impairment of financial assets is immediately recognized in profit or loss. For financial assets in the AC category, the impairment reduces the asset's value on the balance sheet; for financial assets in the FVOCI category, the impairment is recognized in a special reserve in other comprehensive income. A simplified process for determining impairment is used for assets that do not contain a significant financing component (e.g., trade receivables). In this approach, expected credit losses over the entire lifetime of the financial instruments are determined. The estimated impairment on receivables is based primarily on the results of previous payment behavior and reflects the age structure, any substantial deterioration in creditworthiness, or a high probability of debtor insolvency, as well as changes in the political and macroeconomic environment. Given the very short terms (e.g., due on demand) and the creditworthiness of our contractual partners, no impairment is identified based on expected credit losses for financial assets such as cash and cash equivalents.

Financial liabilities are carried at amortized cost (AC) using the effective interest method after their initial recognition. Gains and losses resulting from amortization using the effective interest method and from derecognition of liabilities are recognized in profit or loss. Liabilities with remaining contractual maturities of more than one year are classified as non-current.

In accordance with IFRS 9, derivative financial instruments used for hedges are not assigned to a separate category; within the Beiersdorf Group, they are subsumed under “derivative financial instruments” (DFI).

Financial assets and financial liabilities are derecognized when control of the contractual rights is lost, when the obligation specified in the contract is discharged or cancelled, or when it has expired. Liabilities in connection with reverse factoring agreements are not subject to any substantial modification of the contractual terms and therefore continue to be accounted for as trade accounts payable. The payments made are subsequently shown in the statement of cash flows as cash flows from operating activities.

The Beiersdorf Group uses **derivative financial instruments** to manage current and future currency risks. The instruments concerned are mainly currency forwards. Derivative financial instruments are recognized at fair value. They are reported in the balance sheet in other financial assets or other financial liabilities.

The recognition of changes in the fair values of derivative financial instruments depends on whether these instruments are used as hedging instruments and meet the criteria for hedge accounting under IFRS 9. If the criteria are not met despite the existence of an economic hedge, changes in the fair values of derivative financial instruments are recognized immediately in profit or loss. The effectiveness of the hedge relationship is assessed using the critical terms method.

Derivatives classified as fair value hedges are measured at their fair value. Any resulting changes in fair value are recognized in profit or loss. The carrying amount of the hedged asset or liability is adjusted for the changes in fair value attributable to the hedged risk. Gains or losses resulting from changes in fair value are recognized in profit or loss for the period.

For derivative financial instruments designated as hedging instruments that qualify for hedging accounting as a cash flow hedge, the effective portion of the change in the fair value is recognized in other comprehensive income, net of the related tax effect. The ineffective portion is recognized in profit or loss. When the hedged item (underlying) is settled, the effective portion is also recognized in profit or loss.

The **fair value of financial instruments** is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When measuring fair value, it is assumed that the underlying transaction on which the price is based takes place in either the principal market or the most advantageous market that the Beiersdorf Group has access to. The price is measured using the assumptions that market participants would base pricing on. All financial instruments recognized at fair value in the financial statements are categorized into the following hierarchy levels in accordance with IFRS 13:

- Level 1: Fair values that are measured using quoted prices in active markets
- Level 2: Fair values that are measured using valuation techniques whose significant inputs are based on directly or indirectly observable market data
- Level 3: Fair values that are measured using valuation techniques whose significant inputs are not based on observable market data

Financial instruments regularly measured at fair value are reassessed at the end of the fiscal year to determine whether reclassifications have to be made between the levels of the hierarchy.

Provisions for pensions and other post-employment benefits comprise the provisions for defined benefit plans within the Group. Obligations are measured using the projected unit credit method. The expected benefits are spread over the entire length of service of the employees. The actuarial computation of the pension provisions is based on market rates of interest as well as projected wage/ salary and pension increases, and staff turnover trends. Measurement is performed using the relevant local inputs. In Germany, the mortality rate was based on Heubeck's 2018 G mortality tables, while international rates were based on locally recognized mortality tables. The various discount rates used are based on the yields of high-quality corporate bonds with appropriate maturities and currencies and a minimum of an AA rating. Actuarial reports are prepared annually. All assumptions are reviewed for appropriateness at each reporting date.

The amount recognized as a provision comprises the total present value of the defined benefit obligation less the fair value of plan assets available for immediate settlement of obligations. If the fair value of plan assets exceeds the present value of the defined benefit obligation, net assets are only recognized up to the amount of the asset ceiling.

Past service cost is recognized as a component of EBIT in line with the principle of functional allocation, while net interest income is recognized in the financial result. Actuarial gains and losses resulting from changes in actuarial assumptions and deviations between earlier actuarial assumptions and actual developments, as well as from changes in the return on plan assets, are recognized immediately and in full under retained earnings in consolidated equity. They are not recognized in profit or loss later on, but rather remain in consolidated equity.

In the case of defined contribution plans, contributions are made on a statutory, contractual, or voluntary basis to public or private pension insurance plans. The Group does not have any other payment obligations above and beyond the contributions. The contributions are recognized in profit or loss as a component of EBIT.

Other provisions take account of all identifiable future payment obligations, risks, and uncertain obligations of the Group resulting from current legal or constructive obligations arising from past events where the amount of the obligation can be measured reliably. Such other provisions are mainly due within one year. Non-current provisions expected to be settled after more than one year are discounted insofar as the interest effect is material.

Current **income tax** assets and liabilities for current and prior periods are recognized at the expected amount. The tax rates and tax legislation enacted at the reporting date are used to calculate the amount.

Deferred taxes result from temporary differences between the tax base of assets and liabilities and their carrying amounts in the IFRS balance sheet, and from tax loss carryforwards. Deferred taxes are measured using the balance sheet liability method on the basis of the tax rates expected to be enacted in the individual countries when the temporary differences reverse. These rates are based on the legislation in force at the balance sheet date. No deferred taxes are recognized for differences arising on the initial recognition of assets and liabilities that are not the result of business combinations, affect neither accounting or taxable profit and do not give rise to equal taxable and deductible temporary differences.

Deferred tax assets in respect of temporary differences, tax loss carryforwards, and tax credits are recognized where it is probable that sufficient taxable profit will be available in future periods against which they can be utilized. Recognized deferred taxes are tested for recoverability every year. Income taxes relating to items recognized in other comprehensive income are not recognized in the income statement but in other comprehensive income.

Current tax assets and liabilities, and deferred tax assets and liabilities, are offset against each other if the Group has a legally enforceable right to offset the actual tax assets against actual tax liabilities and these relate to income taxes levied on the same taxable entity by the same taxation authority.

Summary of Selected Measurement Policies

Balance sheet item	Measurement policy
Assets	
Goodwill	Lower of cost or recoverable amount
Other intangible assets	
indefinite-lived	Lower of cost or recoverable amount
finite-lived	(Amortized) cost
Property, plant, and equipment	(Amortized) cost
Financial assets	
"Amortized cost" (AC)	(Amortized) cost
"At fair value through other comprehensive income" (FVOCI)	At fair value through other comprehensive income
"At fair value through profit or loss" (FVPL)	At fair value through profit or loss
Inventories	Lower of cost or net realizable value
Trade receivables	(Amortized) cost
Cash and cash equivalents	(Amortized) cost
Non-current assets and disposal groups held for sale	Lower of (amortized) cost or net realizable value
Equity and liabilities	
Provisions	
Provisions for pensions and other post-employment benefits	Projected unit credit method
Other provisions	Settlement amount (best estimate)
Financial liabilities	(Amortized) cost
Trade payables	(Amortized) cost
Other liabilities	Settlement amount

Notes to the Cash Flow Statement

The cash flow statement has been prepared in accordance with IAS 7 and is classified into net cash flows from operating, investing, and financing activities.

Net cash flow from operating activities is determined using the indirect method, while net cash flows from investing and financing activities are determined using the direct method.

Cash funds are composed of cash and cash equivalents that can be converted into cash at any time and that are exposed to no more than insignificant fluctuations in value.

Notes to the Segment Reporting

Segment reporting in the Beiersdorf Group is based on the management of business operations. The breakdown of the Group into the Consumer and tesa Business Segments reflects the internal organizational structure and the reporting to the Executive Board and the Supervisory Board.

The Beiersdorf Group measures the success of its segments on the basis of organic sales growth and operating result (EBIT), adjusted for non-recurring, non-operating transactions (EBIT, excluding special factors) in conjunction with the corresponding EBIT margin.

In order to show the global breakdown of business activities in the Beiersdorf Group, information on the geographic regions is presented in addition to the operating segments. The external sales shown for the regions are based on the domiciles of the respective companies.

Group companies domiciled in Germany generated sales of €1,450 million in 2023 (previous year: €1,419 million) and reported non-current assets (not including financial instruments, deferred taxes, and plan assets) of €1,577 million (previous year: €1,492 million).

Organic sales growth is the nominal sales growth adjusted for exchange rate effects and structural effects from acquisitions and divestments.

EBIT excluding special factors represents the operating result (EBIT), adjusted for non-operating one-off business transactions.

EBITDA represents the operating result (EBIT) before depreciation, amortization, and impairment losses.

The **EBIT margin on net operating capital** is the ratio of the operating result (EBIT) to net operating capital.

Gross cash flow is the excess of operating income over operating expenses before any further appropriation of funds.

Net operating capital of €3,757 million (previous year: €3,444 million) consists of gross operating capital less operating liabilities. The following table shows the reconciliation of net operating capital to the balance sheet items:

Reconciliation of Net Operating Capital to Balance Sheet Items

(in € million)

Assets	Dec. 31, 2022	Dec. 31, 2023
Intangible assets	1,111	938
Property, plant, and equipment	2,201	2,541
Inventories	1,557	1,514
Trade receivables	1,508	1,598
Other receivables and other assets (not including tax receivables)	258	272
Gross operating capital	**6,635**	**6,863**
Gross non-operating assets	5,713	5,766
Total balance sheet assets	**12,348**	**12,629**

Equity and liabilities	Dec. 31, 2022	Dec. 31, 2023
Other provisions	760	779
Trade payables	2,328	2,234
Other liabilities (not including income tax liabilities)	103	93
Operating liabilities	**3,191**	**3,106**
Equity	7,805	8,339
Non-operating liabilities	1,352	1,184
Total balance sheet equity and liabilities	**12,348**	**12,629**

Consolidated Group, Acquisitions, and Divestments

Consolidated Group

In addition to Beiersdorf AG, the consolidated financial statements include 15 (previous year: 14) German and 169 (previous year: 171) international companies whose financial and business policies Beiersdorf AG is able to control either directly or indirectly.

In the year under review, three new companies were included in the consolidated financial statements. In addition, three companies were wound up and one company was sold.

Beiersdorf AG's shareholdings

Disclosures of Beiersdorf AG's shareholdings are made in the section entitled "Additional Information." The list shows those companies/equity interests in which Beiersdorf AG holds 5% or more of the shares and/or voting rights.

Significant acquisitions

The purchase price allocation of S-Biomedic was finalized in fiscal year 2023. This did not result in any significant changes. The cash-generating unit for S-Biomedic was defined as a group of companies through which marketing takes place in the individual markets and thus the cash flows are generated.

No acquisitions were made in the course of the fiscal year 2023.

Significant divestments

With effect from June 30, 2023, Beiersdorf CEE Holding GmbH sold its shares in the subsidiary Beiersdorf Daily Chemical (Wuhan) Co., Ltd. for a consideration of €27 million The subsidiary most recently held leasehold land (including buildings), the sale of which was the reason for the sale of the shares. The assets sold as part of the sale of the shares were most recently classified as non-current assets held for sale and recognized accordingly. The result from the sale of the company totalling €11 million is fully allocated to special factors.

There were no other significant divestments in the Group in the reporting year.

Exercise of exemption options

The following German affiliates included in the consolidated financial statements of Beiersdorf AG exercised the exemption option under § 264 (3) *HGB* in fiscal year 2023:

- Beiersdorf Manufacturing Hamburg GmbH, Hamburg
- Beiersdorf Manufacturing Berlin GmbH, Berlin
- Beiersdorf Manufacturing Waldheim GmbH, Waldheim
- La Prairie Group Deutschland GmbH, Baden-Baden
- Beiersdorf Shared Services GmbH, Hamburg

Notes to the Income Statement

01 Sales

Sales amounted to €9,447 million in fiscal year 2023 (previous year: €8,799 million). A breakdown of sales and their development can be found in the management report, the segment reporting, and regional reporting.

02 Cost of Goods Sold

The cost of goods sold amounted to €4,031 million (previous year: €3,842 million). This item includes disposed inventories expensed in the reporting period as well as direct expenses for distribution logistics.

03 Marketing and Selling Expenses

Marketing and selling expenses were €3,250 million (previous year: €2,998 million). The item includes expenditure on advertising, retail (point of sale) marketing, and similar items amounting to €2,076 million (previous year: €1,883 million).

04 Research and Development Expenses

Research and development expenses totaled €320 million (previous year: €291 million). Research and development expenses in the Consumer business were €241 million (previous year: €216 million). Research and development expenses in the tesa business area amounted to €79 million (previous year: €75 million).

05 General and Administrative Expenses

General and administrative expenses amounted to €570 million in the past fiscal year (previous year: €524 million). This item comprises personnel expenses and other administration costs, as well as the cost of external services that are not allocated internally to other functions.

06 Other Operating Income

(in € million)

	2022	2023
Gains on disposals of property, plant, and equipment, and other assets	17	13
Income from the reversal of provisions	82	73
Miscellaneous other income	167	177
	266	**263**

Gains on disposals of property, plant, and equipment, and other assets mainly resulted from the sale of the subsidiary Beiersdorf Daily Chemical (Wuhan) Co., Ltd. in the amount of €11 million. Income from the reversal of provisions resulted, among other things, from provisions for personnel, litigation risk and other provisions that were not required. These mainly include €15 million for the reversal of provisions for performance-related purchase price components in connection with the acquisition of Chantecaille in fiscal year 2022. The reversal of the performance-related purchase price component due to the reassessment of the contractually defined valuation parameters and the impairment of goodwill (see Note 11) was driven by both the delayed entry into the Chinese market and the general market development in China and South Korea, as well as the unfavorable development of the cost of capital with regard to the impairment. Other income includes income from the reversal of deferred liabilities that are not required as well as valuation allowances on receivables and other non-periodic income. Furthermore they include income of €24 million from insurance benefits relating to the technical incident on January 24, 2023 at the tesa plant Concagno. This is offset by other operating expenses in the amount of €10 million (see Note 07)

07 Other Operating Expenses

(in € million)

	2022	2023
Restructuring expenses	61	31
Exchange result on operating activities	69	47
Losses on disposal of non-current assets	5	6
Amortization and impairment of intangible assets from acquisitions	18	179
Miscellaneous other expenses	165	171
	318	**434**

Restructuring expenses relate in particular to measures in the supply chain organization and other ongoing reorganizations of the consumer business. The amortization and impairment of intangible assets from acquisitions show amortization of the goodwill of the cash-generating unit Chantecaille in the amount of €160 million and an impairment of €5 million (previous year: €8 million) on the remaining intangible assets allocated to the cash-generating unit tesa Twinlock B.V. from the purchase price allocation; the associated goodwill was already fully amortized in fiscal year 2022. There was also an amortization of goodwill in the amount of €4 million for the tesa unit nie wieder bohren GmbH.

In addition, expenses of €10 million are included as a result of a technical incident on January 24, 2023 at the tesa plant Concagno. This is offset by other operating income totaling €24 million (see Note 06).

Miscellaneous other expenses included expenditure of €8 million (previous year: €5 million) in connection with the “Care Beyond Skin” donation program and expenditure of €7 million (previous year: €6 million) relating to the integration of the newly acquired Chantecaille business. The prior year includes miscellaneous other expenses from the sale of tesa Labtec GmbH of €6 million. Other expenses also include additions to provisions for legal and other risks and other operating expenses.

08 Financial Result

(in € million)

	2022	2023
Interest income	36	43
Interest expense	-16	-26
Net pension result	-10	-12
Other financial result	-6	-5
	4	**–**

Interest income primarily resulted from “cash and cash equivalents”, “current securities”, and “non-current securities”. It includes interest income from financial investments recognized at amortized cost of €15 million (previous year: €15 million). The interest income from financial investments recognized at fair value through other comprehensive income amounted to €2 million (previous year: €2 million). In addition, interest income also includes income relating to tax reassessments. Interest expense includes, among other things, interest expenditure relating to tax reassessments as well as interest expenditure from lease liabilities in the amount of €6 million (previous year: €1 million). The pension result includes expenses from the compounding of the net pension obligation entered into in previous years. The other financial result includes positive effects from financial assets and from the change in the fair value of current securities categorized as "at fair value through profit or loss" (FVPL). This is offset by negative effects from financial transactions, exchange rate developments and impairment losses on operating investments.

09 Income Taxes

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

(in € million)

	2022	2023
Current income taxes		
Germany	65	109
International	272	307
	337	**416**
Deferred taxes	-12	-60
	325	**356**

Reconciliation to effective income tax expense

Given an effective tax rate of 32.2% (previous year: 29.6%), the effective income tax expense is €106 million (previous year: €59 million) higher than the expected income tax expense. The expected tax rate is calculated as the weighted average of the tax rates of the individual Group companies and amounts to 22.6% (previous year: 24.3%).

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

Effective Income Tax Expense

(in € million)

	2022	2023
Expected income tax expense given a tax rate of 22.6% (previous year: 24.3%)	266	250
Prior-year taxes	-4	12
Decrease in tax expense due to changes in tax-free income	-19	-24
Increase in tax expense due to non-tax-deductible impairment of goodwill	2	9
Increase in tax expense due to other non-deductible expenses	55	65
Decrease in tax expense due to the utilization/recognition of previously unrecognized tax loss carryforwards	-5	-17
Increase in tax expense due to non-recognition of tax loss carryforwards	11	19
Other tax effects	19	42
Effective income tax expense	**325**	**356**

The decrease in the expected income tax expense and the simultaneous increase in withholding taxes under other tax effects are both related to the introduction of our new business model.

No deferred tax assets have been recognized for tax loss carryforwards and unused tax credits of €271 million (previous year: €272 million), whose expiration dates are given below.

Expiration Dates of Tax Loss Carryforwards and Unused Tax Credits

(in € million)

	Dec. 31, 2022	Dec. 31, 2023
Expiration date within		
1 year	1	–
2 years	4	9
3 years	6	12
more than 3 years	54	90
Unlimited carryforward period[1]	207	160
	272	**271**

[1] Prior year figures adjusted to reflect current assessment.

Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits. Given the positive assessments of future business development, it is assumed there is a reasonable probability that future taxable income will be sufficient to allow utilization of the deferred tax assets.

Deferred taxes relate to the following balance sheet items and matters:

Allocation of Deferred Taxes

(in € million)

	Deferred tax assets		Deferred tax liabilities	
	Dec. 31, 2022	Dec. 31, 2023	Dec. 31, 2022	Dec. 31, 2023
Non-current assets	19	37	104	112
Inventories	44	42	–	–
Receivables and other current assets	17	31	25	52
Provisions for pensions and other post-employment benefits	40	39	54	67
Other provisions	66	75	36	26
Liabilities	145	198	3	9
Retained earnings	–	–	24	29
Loss carryforwards	36	44	–	–
	367	**466**	**246**	**295**
Offset deferred taxes	-109	-162	-109	-162
Deferred taxes recognized in the balance sheet	**258**	**304**	**137**	**133**

Total net deferred tax assets amounted to €171 million for the year under review (previous year: €121 million). Of the year-on-year increase of €50 million (previous year: decrease of €133 million), €4 million was recognized directly in other comprehensive income, decreasing equity (previous year: decrease in equity of €148 million). Income of €60 million (previous year: €12 million) was recognized in profit or loss. Currency effects decreased this item by €6 million (previous year: €3 million).

Deferred taxes are not recognized for retained earnings at foreign affiliates, as these profits are intended to be reinvested indefinitely in those operations from today's perspective. Where distributions are planned, their tax consequences are deferred. The liability is calculated based on the withholding tax rates applicable in each case, taking into account the German tax rate applicable to distributed corporate dividends, where appropriate. Deferred tax liabilities of €29 million (previous year: €24 million) were recognized for this in the reporting period.

Income tax receivables at the balance sheet date are the result of refund claims and receivables recorded in connection with uncertain tax positions in accordance with IFRIC 23.

10 Basic/Diluted Earnings per Share

Earnings per share for 2023 amounted to €3.24 (previous year: €3.33). The basis for calculation is profit after tax excluding profit attributable to non-controlling interests. Beiersdorf AG holds 25,181,016 treasury shares (unchanged). These were deducted from the total of 252,000,000 shares when calculating earnings per share, which resulted in earnings being calculated on the unchanged basis of 226,818,984 shares. As there are no outstanding financial instruments that can be exchanged for shares, there is no difference between diluted and basic earnings per share.

Notes to the Balance Sheet

11 Intangible Assets

Cost

(in € million)

	Finite-lived intangible assets	Indefinite-lived intangible assets	Goodwill	Total
Jan. 1, 2022	**487**	**243**	**271**	**1,001**
Currency translation adjustment	5	–	31	36
Acquisitions	75	–	499	574
Divestments	-28	–	-1	-29
Additions	5	–	–	5
Disposals	-16	–	–	-16
Transfers	2	–	–	2
Dec. 31, 2022/Jan. 1, 2023	**530**	**243**	**800**	**1,573**
Currency translation adjustment	-3	–	-19	-22
Acquisitions	–	–	–	–
Divestments	–	–	–	–
Additions	41	–	–	41
Disposals	-7	–	-6	-13
Transfers	9	–	-3	6
Dec. 31, 2023	**570**	**243**	**772**	**1,585**

Amortization/Impairment Losses

(in € million)

	Finite-lived intangible assets	Indefinite-lived intangible assets	Goodwill	Total
Jan. 1, 2022	**386**	**50**	**27**	**463**
Currency translation adjustment	1	–	–	1
Acquisitions	–	–	–	–
Divestments	-27	–	-1	-28
Additions	33	–	8	41
Disposals	-15	–	–	-15
Transfers	–	–	–	–
Dec. 31, 2022/Jan. 1, 2023	**378**	**50**	**34**	**462**
Currency translation adjustment	-1	–	-1	-2
Acquisitions	–	–	–	–
Divestments	–	–	–	–
Additions	37	–	161	198
Disposals	-5	–	-6	-11
Transfers	–	–	–	–
Dec. 31, 2023	**409**	**50**	**188**	**647**

Carrying Amounts

(in € million)

	Finite-lived intangible assets	Indefinite-lived intangible assets	Goodwill	Total
Dec. 31, 2022	**152**	**193**	**766**	**1,111**
Dec. 31, 2023	**160**	**193**	**585**	**938**

Goodwill and intangible assets

The carrying amounts of goodwill decreased by €181 million compared with the previous year to €585 million (previous year: €766 million).

The year-on-year change is mainly attributable to impairment losses recognized at the Chantecaille cash-generating unit. Goodwill after impairment amounted to €300 million (previous year: €473 million) for the Chantecaille cash-generating unit. The change in goodwill of Chantecaille compared to the previous year is due to the impairment of €157 million and currency effects. Goodwill in the Consumer Business Segment also includes goodwill of €162 million (previous year: €168 million) in the North America cash-generating unit and goodwill of €63 million (previous year: €59 million) attributable to Beiersdorf AG (Switzerland). The change versus the previous year was attributable to currency effects.

Indefinite-lived intangible assets mainly include acquired trademarks from the acquisition of the Coppertone business amounting to €188 million (previous year: €188 million). The trademarks of €188 million (previous year: €188 million) are established in their markets and will continue to be advertised in the future. They therefore represent indefinite-lived intangible assets.

Trademarks and customer relationships identified as part of the acquisition of Chantecaille were classified in their entirety as finite-lived intangible assets and will be amortized over their useful lives. As of the reporting date, the carrying amount was €59 million (previous year: €70 million).

Impairment tests were performed as of December 31, 2023, on the goodwill as well as indefinite-lived intangible assets recognized for all relevant cash-generating units. The indefinite-lived intangible assets relate to the Maestro trademark in China. Forecast cash flows were used to calculate value in use in order to determine the recoverable amount.

The main estimates on which the impairment tests were based included market shares and rates of sales growth, price trends for commodities, gross profit margins, and corresponding discount rates. The detailed planning anticipates moderate sales growth and a typical EBIT margin for the Group. Based on the sales achieved in 2023, the detailed planning for the Chantecaille cash-generating unit predicts significant above-average sales growth, particularly due to the launch of new products and further market penetration, as well as an increasing rise in the EBIT margin due to efficiency improvements and the discontinuation of negative one-off effects in 2023. Estimated future cash flows were based on financial planning with a five-year horizon. Cash flows beyond the planning period were extrapolated using an individual growth rate taking into account external macroeconomic and business-specific factors. Beyond the planning horizon, this growth rate (terminal growth rate) was assumed to be 1.0% (previous year: 1.0%) for North America and Switzerland and 2.5% (previous year: 2.5%) for Chantecaille. This is due to growth in the selective cosmetics market. The weighted pre-tax discount rate used to discount the estimated cash flows was 7.8% for North America (previous year: 6.9%), 5.1% for Switzerland (previous year: 5.0%), and 9.2% for Chantecaille (previous year: 8.3%).

In fiscal year 2023, an impairment loss on goodwill of €157 million (€160 million including currency translation effects) arising from the Chantecaille cash-generating unit was recognized; this amount is attributable to the Consumer Business Segment. The carrying amount of the Chantecaille cash-generating unit amounted to €608 million at that time. The need to recognize an impairment loss arises primarily from the unfavorable trend in the capital charge and a change in assumptions in the financial planning of the Chantecaille cash-generating unit. The change in assumptions in the financial planning of the Chantecaille cash-generating unit is derived from the overall market trend in China and the performance of the travel retail business in South Korea, as well as the delayed entry into the Chinese market. The impairment losses were recognized in other operating expenses. Brand rights and customer relationships were subject to regular amortization of €8 million (previous year: €8 million).

In the nie wieder bohren GmbH cash-generating unit, the declining, but still positive, market trend and the resulting subdued cash flow expectations meant that the impairment test gave rise to an impairment loss of €4 million on goodwill. The impairment loss arising from the impairment test was recognized in other operating expenses and is attributable to the tesa Business Segment.

Due to the persistently increased competitive pressure as well as rising procurement prices and the associated poorer expected cash flows in the tesa Twinlock B.V. cash-generating unit, the impairment test showed an impairment of goodwill amounting to €5 million on the assets remaining after the cash price allocation and allocated to the cash-generating unit; the associated goodwill had been written down in full in fiscal year 2022. The impairment loss required to be recognized was allocated to the assets on the basis of their relative fair values. The impairment is attributable to the tesa Business Unit and recognized under other operating expenses.

The impairment tests for the other cash-generating units did not reveal any need for impairment of goodwill or trademarks in the reporting year.

The 2023 fiscal year was affected by high inflation, especially in the first half of the year, and this eroded the purchasing power of private households and caused the central banks to raise key interest rates sharply. A slight recovery was, however, noticeable in the course of the year. The supply-side bottlenecks increasingly lost significance, but persistently high energy prices, as well as the conflicts in Ukraine and the Middle East had an adverse effect on the global economy. With regard to the global economy, we are affected in particular by the subdued economic performance in China, which had an unfavorable impact, especially on the travel retail business. For fiscal year 2024, we are still anticipating a decline in the global economy, with a slow recovery toward the middle of the year, which will have a positive influence on interest rates and therefore also on consumer spending. The effects described above and the associated uncertainties were examined for the impairment tests as part of a sensitivity analysis. For the impairment tests, sensitivity analysis was used to examine the effect of the above developments. If we increased the weighted cost of capital by 1% in isolation, the impairment loss required to be recognized on the Chantecaille cash-generating unit would rise by €62 million. If only the long-term growth rate was reduced by 1%, the impairment loss required to be recognized would be €49 million higher. If only the 1% reduction in the long-term EBIT return was considered, the impairment loss required to be recognized would increase by €15 million. A 1% decline in the medium-term growth rate would lead to a €16 million increase in the impairment loss required to be recognized. For all other cash-generating units, the Group assumes that the recoverable amount will exceed the carrying amount of the goodwill, even in the event of reasonably possible changes in the key assumptions used in impairment testing.

12 Property, Plant, and Equipment

Property, plant, and equipment – owned

Cost

(in € million)

	Land, land rights, and buildings	Technical equipment and machinery	Office and other equipment	Advance payments and assets under construction	Total
Jan. 1, 2022	**992**	**1,245**	**767**	**527**	**3,531**
Currency translation adjustment	12	7	4	5	28
Acquisitions	8	3	5	–	16
Divestments	-5	-15	-5	-1	-26
Additions	12	39	50	441	542
Disposals	-41	-48	-52	-6	-147
Transfers	11	38	31	-164	-84
Dec. 31, 2022/Jan. 1, 2023	**989**	**1,269**	**800**	**802**	**3,860**
Currency translation adjustment	2	-2	-6	21	15
Acquisitions	–	–	–	–	–
Divestments	–	–	–	–	–
Additions	48	32	65	331	476
Disposals	-6	-74	-45	-6	-131
Transfers	320	131	61	-518	-6
Dec. 31, 2023	**1,353**	**1,356**	**875**	**630**	**4,214**

Depreciation/Impairment Loss

(in € million)

	Land, land rights, and buildings	Technical equipment and machinery	Office and other equipment	Advance payments and assets under construction	Total
Jan. 1, 2022	**442**	**839**	**590**	**-1**	**1,870**
Currency translation adjustment	3	4	2	–	9
Acquisitions	1	–	3	–	4
Divestments	-2	-12	-4	-1	-19
Additions	35	70	72	–	177
Disposals	-34	-46	-50	–	-130
Transfers	-41	-16	-7	–	-64
Dec. 31, 2022/Jan. 1, 2023	**404**	**839**	**606**	**-2**	**1,847**
Currency translation adjustment	–	-1	-3	–	-4
Acquisitions	–	–	–	–	–
Divestments	–	–	–	–	–
Additions	34	80	67	–	181
Disposals	-5	-72	-44	–	-121
Transfers	–	–	–	–	–
Dec. 31, 2023	**433**	**846**	**626**	**-2**	**1,903**

Carrying Amounts

(in € million)

	Land, land rights, and buildings	Technical equipment and machinery	Office and other equipment	Advance payments and assets under construction	Total
Dec. 31, 2022	**585**	**430**	**194**	**804**	**2,013**
Dec. 31, 2023	**921**	**510**	**248**	**632**	**2,311**

The carrying amounts of property, plant, and equipment amounted to €2,311 million (previous year: €2,013 million). Investments in property, plant, and equipment totaled €476 million (previous year: €542 million). They primarily related to the plants of the two business segments, Consumer and tesa. The largest investment projects included the new construction of the plant locations in Germany (Leipzig), Poland and Mexico (€149 million). The construction of the new Group headquarters resulted in additions of €29 million.

Right-of-use assets – leased

Cost

(in € million)

	Land, land rights, and buildings	Technical equipment and machinery	Office and other equipment	Advance payments and assets under construction	Total
Jan. 1, 2022	**288**	**5**	**45**	**–**	**338**
Currency translation adjustment	3	–	1	–	4
Acquisitions	3	–	–	–	3
Additions	57	1	12	–	70
Disposals	-20	-1	-15	–	-36
Transfers	–	–	–	–	–
Dec. 31, 2022/Jan. 1, 2023	**331**	**5**	**43**	**–**	**379**
Currency translation adjustment	-9	–	–	–	-9
Acquisitions	–	–	–	–	–
Additions	97	–	19	–	116
Disposals	-28	–	-14	–	-42
Transfers	–	–	–	–	–
Dec. 31, 2023	**391**	**5**	**48**	**–**	**444**

Depreciation/ Impairment Loss

(in € million)

	Land, land rights, and buildings	Technical equipment and machinery	Office and other equipment	Advance payments and assets under construction	Total
Jan. 1, 2022	**126**	**2**	**26**	**–**	**154**
Currency translation adjustment	1	–	–	–	1
Acquisitions	–	–	–	–	–
Additions	55	1	13	–	69
Disposals	-18	–	-15	–	-33
Transfers	–	–	–	–	–
Dec. 31, 2022/Jan. 1, 2023	**164**	**3**	**24**	**–**	**191**
Currency translation adjustment	-5	–	–	–	-5
Acquisitions	–	–	–	–	–
Additions	56	1	13	–	70
Disposals	-28	–	-14	–	-42
Transfers	–	–	–	–	–
Dec. 31, 2023	**187**	**4**	**23**	**–**	**214**

Carrying Amounts

(in € million)

	Land, land rights, and buildings	Technical equipment and machinery	Office and other equipment	Advance payments and assets under construction	Total
Dec. 31, 2022	**167**	**2**	**19**	**–**	**188**
Dec. 31, 2023	**203**	**2**	**25**	**–**	**230**

Carrying Amounts Property, Plant, and Equipment total

(in € million)

	Land, land rights, and buildings	Technical equipment and machinery	Office and other equipment	Advance payments and assets under construction	Total
Dec. 31, 2022	**752**	**432**	**213**	**804**	**2,201**
Property, plant, and equipment – owned	585	430	194	804	2,013
Right of use assets – leased	167	2	19	–	188
Dec. 31, 2023	**1,124**	**512**	**273**	**632**	**2,541**
Property, plant, and equipment – owned	921	510	248	632	2,311
Right of use assets – leased	203	2	25	–	230

The Beiersdorf Group leases real estate, mainly in the form of office space, retail stores, and warehouses. The terms of the lease agreements are diverse and individually negotiated. Lease agreements are generally concluded for a period of three to ten years and may contain extension or termination options. The “Office and other equipment” category mainly comprises leased vehicles.

Further information regarding the right-of-use assets, lease liabilities, and lease expenses can be found in the section "Material Accounting Policies" as well as in Notes 08 and 30.

13 Inventories

(in € million)

	Dec. 31, 2022	Dec. 31, 2023
Raw materials, consumables, and supplies	366	363
Work in progress	78	77
Finished goods and merchandise	1,109	1,069
Advance payments	4	5
	1,557	**1,514**

Inventories decreased by €43 million compared with the previous year to €1,514 million, €217 million of which (previous year: €218 million) was carried at net realizable value. Write-downs of inventories amounted to €139 million as of the reporting date (previous year: €105 million).

14 Trade Receivables

(in € million)

	Dec. 31, 2022	Dec. 31, 2023
Carrying amount	**1,508**	**1,598**
Of which past due:		
1 to 30 days	115	116
31 to 60 days	18	6
more than 60 days	74	59

Under IFRS 9, trade receivables belong to the "at amortized cost" measurement category. They are measured at cost less impairment.

The following changes in valuation allowances on receivables were recorded:

Valuation Allowances

(in € million)

	2022	2023
Jan.1	**50**	**54**
Currency translation adjustment	1	-2
Additions	10	22
Utilized	-1	–
Reversals	-6	-6
Dec. 31	**54**	**68**

Further information on calculation is contained in Note 29 "Additional Disclosures on Financial Instruments, Financial Risk Management, and Derivative Financial Instruments."

15 Other Assets and Non-current Assets and Disposal Groups Held for Sale

Other non-current assets comprise investments in associated companies, investments in non-consolidated affiliates, other investments and other assets. Other current financial assets include other receivables, derivative financial instruments and financial receivables. Other current assets mainly comprise other tax receivables and prepaid expenses.

Non-current assets and disposal groups held for sale amount to €1 million as of December 31, 2023 (previous year: €35 million).

These include assets of €1 million from the subsidiary Beiersdorf Manufacturing Waldheim GmbH. These are to be sold in the course of fiscal year 2024.

The measurement of assets and disposal groups held for sale to at fair value less costs to sell below the carrying amount resulted in an expense of €1 million in 2023. The resulting valuation effect is fully attributable to restructuring expenses in connection with supply chain organization measures (Note 07).

The past fiscal year included primarily the sale of a production site (disposal group of €26 million consisting of fixed assets and raw materials and supplies) in North America and the planned sale of leasehold land (including buildings) of €9 million in Asia for the Consumer Business Segment. The production site was sold on February 1, 2023, and the leasehold land was sold on June 30, 2023.

16 Securities

(in € million)

	Dec. 31, 2022	Dec. 31, 2023
Non-current securities	3,184	2,675
Amortized cost	3,184	2,675
Current securities	771	1,227
Amortized cost	533	755
Fair value through other comprehensive income	155	184
Fair value through profit or loss	83	288
	3,955	**3,902**

In total, the Beiersdorf Group holds €3,902 million (previous year: €3,955 million) in listed government and corporate bonds, commercial paper, near-money market retail funds, and equity funds. Securities with a carrying amount of €2,675 million (previous year: €3,184 million) are expected to be realized more than 12 months after the reporting date. During the year €777 million of securities were reclassified from Non-current to Current in line with their remaining maturities. Non-current securities have a term of up to six years.

Impairments on securities measured at amortized cost and at fair value through other comprehensive income are recognized based on expected credit losses over the next 12 months. At the end of the period, total impairment was €5 million (previous year: €7 million). Please refer to Note 29 "Additional Disclosures on Financial Instruments, Financial Risk Management, and Derivative Financial Instruments."

17 Cash and Cash Equivalents

(in € million)

	Dec. 31, 2022	Dec. 31, 2023
Cash	1,004	1,044
Cash equivalents	76	89
	1,080	**1,133**

Cash comprises bank balances, cash-on-hand, and checks. Cash equivalents are short-term liquid investments that can be converted into cash at any time and are exposed to no more than insignificant fluctuations in value. Given the very short terms (e.g., due on demand) and the creditworthiness of our contractual partners, no impairment was identified based on expected credit losses.

As of December 31, 2023 (as in the previous year), cash and cash equivalents did not include any significant amounts over which the Group has restricted access as a result of foreign exchange controls.

18 Capital Management Disclosures

The Beiersdorf Group aims to sustainably secure its capital base and generate an appropriate return on its invested capital. As of December 31, 2023, the equity ratio was 66% (previous year: 63%), while the EBIT return on net operating capital was 29.4% (previous year: 31.7%). The total dividends distributed in fiscal year 2023 amounted to €173 million (previous year: €175 million). In the case of the dividend of €159 million (previous year: €159 million) paid by Beiersdorf AG, this corresponds to a distribution of €0.70 per no-par-value share bearing dividend rights (previous year: €0.70).

19 Share Capital

The share capital of Beiersdorf Aktiengesellschaft amounts to €252 million (previous year: €252 million) and is composed of 252 million no-par-value bearer shares, each with an equal share in the company's share capital. Since the settlement of the share buyback program on February 3, 2004, and following implementation of the share split in 2006, Beiersdorf Aktiengesellschaft holds 25,181,016 no-par-value shares, corresponding to 9.99% of the company's share capital.

20 Authorized Capital

The Annual General Meeting on April 29, 2020, authorized the Executive Board to increase the share capital with the approval of the Supervisory Board in the period until April 28, 2025, by up to a total of €92 million (Authorized Capital I: €42 million; Authorized Capital II: €25 million; Authorized Capital III: €25 million) by issuing new no-par-value bearer shares on one or several occasions. In this context, the dividend rights for new shares may be determined by a different method than that set out in § 60 (2) *AktG*.

Shareholders shall be granted pre-emptive rights. However, the Executive Board is authorized, with the approval of the Supervisory Board, to disapply shareholders' pre-emptive rights in the following cases:

1. to eliminate fractions created as a result of capital increases against cash contributions (Authorized Capital I, II, III);
2. to the extent necessary to grant the holders or creditors of convertible bonds or bonds with warrants issued by Beiersdorf Aktiengesellschaft, or companies in which it holds a direct or indirect majority interest, rights to subscribe for new shares in the amount to which they would be entitled

after exercising their conversion or option rights, or after fulfilling their conversion obligation (Authorized Capital I, II, III);

3. if the total amount of share capital attributable to the new shares for which pre-emptive rights are to be disapplied does not exceed 10% of the share capital existing at the time this authorization comes into effect or, in the event that this amount is lower, at the time the new shares are issued and the issue price of the new shares is not materially lower than the quoted market price of the existing listed shares at the time when the issue price is finalized, which should be as near as possible to the time the shares are placed. If, during the term of the authorized capital, other authorizations to issue or sell shares in the company or to issue rights that enable or oblige the holder to subscribe for shares in the company are exercised while disapplying pre-emptive rights pursuant to or in accordance with § 186 (3) sentence 4 *AktG*, this must be counted toward the above mentioned 10% limit (Authorized Capital II);
4. in the case of capital increases against non-cash contributions for the purpose of acquiring companies, business units of companies, or equity interests in companies (Authorized Capital III).

The Executive Board may only exercise the above authorizations to disapply pre-emptive rights to the extent that the total proportionate interest in the share capital attributable to the shares issued while disapplying pre-emptive rights does not exceed 10% of the share capital at the time these authorizations become effective or at the time these authorizations are exercised. If other authorizations to issue or sell shares in the company or to issue rights that enable or oblige the holder to subscribe for shares in the company are exercised while disapplying pre-emptive rights during the term of the authorized capital until such time as it is utilized, this must be counted toward the above-mentioned limit.

The Executive Board was also authorized to determine the further details of the capital increase and its implementation with the approval of the Supervisory Board.

21 Contingent Capital

In addition, the Annual General Meeting on April 29, 2020, resolved to contingently increase the share capital by up to a total of €42 million, composed of up to 42 million no-par-value bearer shares. In accordance with the underlying resolution of the Annual General Meeting, the contingent capital increase will be implemented only if:

1. the holders or creditors of conversion and/or option rights attached to the convertible bonds and/or bonds with warrants issued in the period until April 28, 2025, by Beiersdorf Aktiengesellschaft or companies in which it holds a direct or indirect majority interest, choose to exercise their conversion or option rights, or
2. the holders or creditors of convertible bonds giving rise to a conversion obligation issued in the period until April 28, 2025, by Beiersdorf Aktiengesellschaft, or companies in which it holds a direct or indirect majority interest, comply with such obligation,

and the contingent capital is required for this in accordance with the terms and conditions of the bonds.

The new shares bear dividend rights from the beginning of the fiscal year in which they are created as a result of the exercise of conversion or option rights, or as a result of compliance with a conversion obligation.

The Executive Board was authorized to determine the further details of the implementation of a contingent capital increase.

22 Additional Paid-in Capital

Additional paid-in capital comprises the premium arising from the issue of shares by Beiersdorf AG.

23 Retained Earnings

Retained earnings comprise the net profit for the fiscal year and undistributed profits generated in prior periods by companies included in the consolidated financial statements. In addition, this item contains the actuarial gains and losses on remeasurements of defined benefit obligations in previous years. The retained earnings are reduced by the cost of the 25,181,016 treasury shares held by Beiersdorf AG amounting to €955 million.

24 Accumulated Other Comprehensive Income

Currency translation adjustment

The currency translation adjustment equity account serves to recognize differences resulting from the translation of the financial statements of affiliates that do not have the euro as their functional currency.

Hedging instruments from cash flow hedges

Changes in the fair value of financial instruments used to hedge future cash flows are reported under this item. As of the reporting date, market values amounting to €7 million (previous year: €26 million) after deduction of deferred taxes of €2 million (previous year: €8 million) were recognized in other comprehensive income.

Debt and equity instruments

This item includes fair value changes amounting to €-8 million (previous year: €-15 million) on securities in the "at fair value through other comprehensive income" category after deduction of deferred taxes of €3 million (previous year €5 million). It also includes impairment of securities in the "at fair value through other comprehensive income" category.

Changes in the fair value of equity instruments allocated to the "at fair value through other comprehensive income" category under IFRS 9 are also recognized here. Changes in the fair value of equity instruments of €3 million were recognized in other comprehensive income in the last fiscal year. Due to the inclusion of S-Biomedic NV in the consolidation group, €4 million of this amount was reclassified to retained earnings. No changes in the fair value of equity instruments were recognized in other comprehensive income for this fiscal year.

25 Dividends

In accordance with the German Stock Corporation Act, dividends are distributed from net retained profits reported in the *HGB* single-entity financial statements of Beiersdorf AG. The Executive Board and Supervisory Board will propose a dividend of €1.00 per no-par-value share bearing dividend rights to the Annual General Meeting. The proposed distribution must be approved by the shareholders at the Annual General Meeting and therefore is not reported as a liability in the consolidated financial statements.

In accordance with the resolution by the Annual General Meeting on April 13, 2023, a dividend of €0.70 per no-par-value share bearing dividend rights was distributed in 2023 from the net retained profits for fiscal year 2022.

26 Provisions for Pensions and other post-employment benefits

Group companies provide retirement benefits under both defined contribution and defined benefit plans. With the exception of net interest, the defined benefit and defined contribution expenses are included in the costs of the respective functions. Net pension interest is reported in the financial result.

Defined contribution expenses also contain contributions to statutory or state pension insurance funds. There was no material income or expense from the termination of pension plans or the curtailment and transfer of pension benefits in the year under review. Past service cost arose in Germany in 2022 in connection with a one-time benefit introduced by the sponsoring companies of the TROMA foundation for the existing pensioners and future retirees.

Pension Benefit Expenses

(in € million)

	2022			2023		
	Germany	Other countries	Group	Germany	Other countries	Group
Current service cost	41	15	56	21	11	32
Past service cost	9	–	9	–	–	–
Defined benefit expense (EBIT)	**50**	**15**	**65**	**21**	**11**	**32**
Net interest result attributable to defined benefit plans (pension expense (+)/pension income (-))	**9**	**–**	**9**	**12**	**–**	**12**
Total expenses for defined benefit plans	**59**	**15**	**74**	**33**	**11**	**44**
Defined contribution expense (EBIT)	41	21	62	46	23	69
Total pension expense	**100**	**36**	**136**	**79**	**34**	**113**

Defined benefit pension plans

The structure of the plans varies depending on the legal, economic, and tax situation in the country in question, and the plans are generally based on the employees' length of service, salary, and status, as well as their own contributions. The largest plans can be found at the German companies.

International defined benefit plans are largely spread across the sites in the United Kingdom, Switzerland, and the United States. The present value of the defined benefit obligations and the balance sheet provisions were attributable to Germany and the other countries as follows as of the reporting date:

Provisions for Pensions and Other Post-employment Benefits

(in € million)

	Dec. 31, 2022			Dec. 31, 2023		
	Germany	Other countries	Group	Germany	Other countries	Group
Present value of defined benefit obligations	1,224	235	1,459	1,272	253	1,525
Fair value of plan assets	-868	-246	-1,114	-949	-255	-1,204
Net obligation	**356**	**-11**	**345**	**323**	**-2**	**321**
Amounts not recognized due to asset ceiling	–	15	15	–	7	7
Other recognized amounts	–	22	22	–	22	22
Provisions for pensions and other post-employment benefits	**356**	**26**	**382**	**323**	**27**	**350**

A majority of the defined benefit obligations within the Beiersdorf Group relate to employees in Germany. These are primarily obligations in relation to retirement pensions, disability pensions, and surviving dependents' pensions granted as a supplement to the statutory pension insurance. Pension commitments in Germany largely consist of direct and indirect commitments by Beiersdorf AG and direct commitments by tesa SE. The benefits depend on the employees' length of service and their average salary over the three years immediately preceding the date on which the pension becomes payable. The pension payments to the beneficiaries are adjusted for inflation by at least 1% per annum; this is performed annually in some cases or at the latest every three years.

Defined benefit obligations are funded exclusively by employer payments. Although there is no minimum funding requirement in Germany, both Beiersdorf AG and tesa SE have transferred plan assets to a separate entity. In addition, the benefit plans are protected against the consequences of insolvency in accordance with the *Gesetz zur Verbesserung der betrieblichen Altersversorgung* (German Occupational Pensions Improvement Act, *BetrAVG*); annual contributions are made to the *Pensions-Sicherungs-Verein* (German Pension Protection Fund) for this.

Beiersdorf AG has transferred plan assets to an entity with the legal form of a foundation (TROMA *Alters- und Hinterbliebenenstiftung*, Hamburg). The board of trustees of the foundation is composed of representatives of the company and of the Group Works Council. The board of trustees is responsible for setting and implementing the investment strategy. The strategy is regularly reviewed and adjusted as necessary in light of the latest developments.

Plan assets of tesa SE are invested and managed by an independent trustee via a contractual trust agreement (CTA). An investment committee consisting of representatives of the company and of the Works Council sets the investment strategy. Portfolio performance and the current situation are analyzed at regular intervals and, where necessary, the investment strategy is amended to reflect changed conditions.

To mitigate the risk of changes in capital market conditions and demographic developments, the old pension plans were closed to tesa employees in 2005 and to Beiersdorf employees in 2008. Employees joining the companies after this date can join employee-financed benefit plans. Under these plans, they can save part of their pensionable pay and also receive an employer contribution. The plan assets are invested and managed by independent trustees via a CTA. The employer guarantees a minimum return on contributions of 3.25% per annum until retirement. As from 2019, new entrants at Beiersdorf are guaranteed a minimum return of 1.8%. For new entrants at tesa, a minimum interest rate of 1.5% is guaranteed from 2022 onwards. The pension can be paid in the form of an annuity or as a lump sum.

The expenses for defined benefit plans and the present value of pension commitments are determined on the basis of actuarial calculations.

Measurement is based on the following assumptions:

Actuarial Assumptions

(in %)

	2022		2023	
	Germany	Other countries	Germany	Other countries
Discount rates	3.70	3.68	3.50	3.42
Projected wage and salary growth	3.25	2.73	3.25	3.01
Projected pension growth[1]	2.25	1.85	2.25	2.24
Projected staff turnover	2.14	9.08	2.14	9.06

[1] In Germany provided the contractual agreement of 1% does not apply.

The figures given are averages. The local parameters were weighted using the present values of the relevant defined benefit obligations. During the period under review, the present value of the defined benefit obligations changed as shown in the table below.

Present Value of Defined Benefit Obligations

(in € million)

	2022			2023		
	Germany	Other countries	Group	Germany	Other countries	Group
Jan. 1	**1,647**	**287**	**1,934**	**1,224**	**235**	**1,459**
Current service cost	41	15	56	21	11	32
Past service cost	9	–	9	–	–	–
Net interest expense	20	4	24	44	8	52
Actuarial gains (-) and losses (+)	-455	-72	-527	27	5	32
Of which experience adjustments	49	6	55	-9	-1	-10
Of which due to changes in financial assumptions	-558	-75	-633	35	7	42
Of which due to changes in demographic assumptions	54	-3	51	1	-1	–
Contributions by plan participants	10	3	13	9	4	13
Pension benefits paid	-45	-14	-59	-53	-14	-67
Currency translation adjustment	–	4	4	–	5	5
Other changes	-3	8	5	–	-1	-1
Dec. 31	**1,224**	**235**	**1,459**	**1,272**	**253**	**1,525**

The funded status of the present value of the Group's defined benefit obligations as of the reporting date was as follows:

Funded Status of Present Value of Defined Benefit Obligations

(in € million)

	Dec. 31, 2022			Dec. 31, 2023		
	Germany	Other countries	Group	Germany	Other countries	Group
Partly or wholly funded defined benefit obligations	1,219	218	1,437	1,267	235	1,502
Unfunded defined benefit obligations	5	17	22	5	18	23
Present value of defined benefit obligations	**1,224**	**235**	**1,459**	**1,272**	**253**	**1,525**

The change in plan assets during the period under review was as follows:

Fair Value of Plan Assets

(in € million)

	2022			2023		
	Germany	Other countries	Group	Germany	Other countries	Group
Jan. 1	**864**	**288**	**1,152**	**868**	**246**	**1,114**
Return on plan assets	11	4	15	32	8	40
Actuarial gains (+) and losses (-)	-14	-56	-70	50	-5	45
Actual return on plan assets	**-3**	**-52**	**-55**	**82**	**3**	**85**
Employer contributions	4	9	13	4	8	12
Contributions by plan participants	13	4	17	13	4	17
Pension benefits paid	-8	-11	-19	-18	-12	-30
Currency translation adjustment	–	3	3	–	7	7
Other changes	-2	5	3	–	-1	-1
Dec. 31	**868**	**246**	**1,114**	**949**	**255**	**1,204**

In fiscal year 2024, employer contributions to plan assets are expected to amount to €22 million. The breakdown of the plan assets as of the reporting date was as follows:

Composition of Plan Assets

(in € million)

	Dec. 31, 2022			Dec. 31, 2023		
	Germany	Other countries	Group	Germany	Other countries	Group
Equity instruments	76	82	158	122	81	203
Debt instruments	265	86	351	329	73	402
Real estate	169	30	199	216	33	249
Cash and cash equivalents	317	21	338	253	14	267
Other	41	27	68	29	54	83
Total plan assets	**868**	**246**	**1,114**	**949**	**255**	**1,204**

The plan assets serve exclusively to meet the benefit obligations. The funding provided for these benefit obligations represents a provision for future cash outflows. The overarching investment policy and investment strategy are based on the goal of generating a return on plan assets in the medium term which, taken together with the contributions, is sufficient to meet the pension obligations. The plan assets are invested in a variety of different asset classes so as to avoid risk clusters.

The equity instruments comprise investments in equity funds and direct investments. In general, these have quoted market prices in a liquid market. Passive index tracker equities funds may contain a limited number of Beiersdorf shares. No Beiersdorf shares are held directly. Of the equity instruments in Germany, all are attributable to the mature markets.

Debt instruments may comprise investments in funds and direct investments in bonds. In general, these have quoted market prices in a liquid market. In Germany, 60% are attributable to corporate bonds and 40% to government bonds.

The real estate consists of residential and commercial properties. Investments can take the form of both investments in listed real estate funds and directly held properties. As of the reporting date, the portfolio included buildings held and used in the amount of €0 million (previous year: €41 million) as a result of the move to the new Beiersdorf Headquarters.

Cash and cash equivalents comprise both cash at banks and units in money market funds. This position also includes a short-term deposit of TROMA Alters- und Hinterbliebenenstiftung with Beiersdorf AG in the amount of €163 million (previous year: €204 million).

The following overview provides a breakdown of the weighted average duration of the present values of the defined benefit obligations and a maturity analysis of expected pension payments:

Duration and Maturity Analysis

	Dec. 31, 2022			Dec. 31, 2023		
	Germany	Other countries	Group	Germany	Other countries	Group
Duration of the present value of the pension obligations (in years)	**15**	**13**	**14**	**15**	**13**	**14**
Maturity analysis of the expected pension payments (in € million)						
Up to 1 year	57	12	69	54	10	64
More than 1 and up to 2 years	54	12	66	57	10	67
More than 2 and up to 5 years	198	39	237	205	31	236
More than 5 and up to 10 years	331	69	400	339	50	389

The following sensitivity analysis shows the effect of individual changes in assumptions on the present value of the defined benefit obligations:

Sensitivity of the Defined Benefit Obligations

Change in present value of defined benefit obligations

(in € million)

	Dec. 31, 2022			Dec. 31, 2023		
	Germany	Other countries	Group	Germany	Other countries	Group
Discount rate						
+0.50%	-80	-10	-90	-85	-6	-91
-0.50%	91	9	100	96	7	103
Projected wage and salary growth						
+0.25%	2	1	3	2	–	2
-0.25%	-2	-1	-3	-2	–	-2
Projected pension growth						
+0.25%	21	3	24	21	2	23
-0.25%	-21	-2	-23	-22	-1	-23
Projected staff turnover						
+0.25%	–	-1	-1	–	-1	-1
-0.25%	–	1	1	–	1	1
Life expectancy						
Increase of one year	46	3	49	49	2	51
Decrease of one year	-44	-3	-47	-46	-2	-48

The sensitivity analysis is based on realistic potential changes as of the end of the reporting period. It was performed using a methodology that extrapolates the effect of realistic changes in the key assumptions at the end of the reporting period on the defined benefit obligation. Each change in the key actuarial assumptions was analyzed separately. No interdependencies were taken into account.

27 Other Provisions

(in € million)

	Personnel	Marketing and selling	Litigation and similar risks	Miscella-neous	Total
Jan. 1, 2023	**371**	**83**	**130**	**176**	**760**
Of which non-current	70	–	40	36	146
Currency effects	-2	-2	2	-6	-8
Additions	265	56	21	86	428
Utilized	223	50	7	64	344
Reversals	23	8	13	13	57
Dec. 31, 2023	**388**	**79**	**133**	**179**	**779**
Of which non-current	89	–	38	23	150

Provisions are recognized if an obligation toward a third party exists, the outflow of resources is probable, and the likely amount of the obligation can be estimated reliably. The calculation of provisions is determined based on the best possible estimation of the parameters. Long-term provisions are discounted using a discount rate dependent on when they are expected to be settled, provided the interest effect is material.

Provisions for personnel expenses primarily comprise provisions for annual bonuses, vacation pay, anniversary payments, and severance agreements. The provisions for marketing and selling expenses relate in particular to cooperative advertising allowances and other marketing- or customer-related obligations. Provisions for litigation and similar risks include provisions for litigation in Brazil amounting to €32 million (previous year: €27 million), risks in connection with customs audits amounting to €10 million (previous year: €12 million), patent risks amounting to €16 million (previous year: €16 million) and for risks relating to other legal disputes of €74 million (previous year: €75 million). The miscellaneous provisions relate to a wide variety of matters and companies and also include provisions for restructuring. The performance-related purchase price components resulting from the Chantecaille acquisition are also reported under other provisions.

28 Liabilities

The following table gives a breakdown of current liabilities

Current Liabilities
(in € million)

	Dec. 31, 2022	Dec. 31, 2023
Trade payables (AC)	2,328	2,234
Other current financial liabilities	**525**	**333**
Other financial liabilities (AC)	515	318
Negative fair value of derivatives (DFI)	10	15
Other current liabilities	**111**	**156**
Other tax liabilities	94	132
Social security liabilities	11	20
Other miscellaneous liabilities	6	4
	2,964	**2,723**

Other financial liabilities primarily comprise short-term bank loans amounting to €20 million (previous year: €163 million), lease liabilities of €82 million (previous year: €78 million), and liabilities to TROMA Alters- und Hinterbliebenenstiftung of €163 million (previous year: €204 million) from investment activities involving TROMA plan assets. At €156 million (previous year: €111 million), other current liabilities are largely unchanged in amount and composition. As the current liabilities have remaining contractual maturities of less than 12 months as of the reporting date, their carrying amounts at the balance sheet date correspond approximately to their fair value. As part of its strategic supplier management, Beiersdorf offers selected suppliers around the world the opportunity to participate in a supply chain financing program. Once participating suppliers invoice Beiersdorf, Beiersdorf posts the invoices on a bank platform so that the participating suppliers have the opportunity to sell these invoices to the organizing bank and thus generate a faster cash inflow. Beiersdorf does not know to what extent this option to sell the receivables be used, and Beiersdorf does not incur any costs as a result. Beiersdorf considers this liability as part of its working capital management and, since Beiersdorf has no knowledge of whether the respective supplier has sold this receivable to the organizing bank, Beiersdorf continues to classify this liability as a trade payable. Liabilities to participating suppliers totaled €127 million (previous year: €149 million) at the reporting date. The average payment term for these liabilities was 102 days.

Non-current liabilities are comprised as follows:

Non-current Liabilities

(in € million)

	Dec. 31, 2022	Dec. 31, 2023
Non-current financial liabilities	**117**	**153**
Other non-current liabilities	**–**	**–**
	117	**153**

Non-current financial liabilities primarily comprise non-current lease liabilities.

29 Additional Disclosures on Financial Instruments, Financial Risk Management, and Derivative Financial Instruments

The table below shows the carrying amounts and fair values of the Group's financial instruments as of December 31, 2022, and December 31, 2023:

(in € million)

		Measurement category under IFRS 9			
2022	Carrying amount Dec. 31	Amortized cost	Fair value recognized in OCI	Fair value through profit or loss	Fair value Dec. 31
Assets					
Amortized cost (AC)	6,438	6,438	–	–	6,116
Non-current financial assets	29	29	–	–	29
Trade receivables	1,508	1,508	–	–	1,508
Other current financial assets	104	104	–	–	104
Cash and cash equivalents	1,080	1,080	–	–	1,080
Securities	3,717	3,717	–	–	3,395
Fair value through other comprehensive income (FVOCI)	158	–	158	–	158
Non-current financial assets	3	–	3	–	3
Securities	155	–	155	–	155
Fair value through profit or loss (FVPL)	85	–	–	85	85
Non-current financial assets	2	–	–	2	2
Securities	83	–	–	83	83
Derivative financial instruments used for hedges (DFI)	43	–	35	8	43
Derivative financial instruments not included in a hedging relationship (FVPL)	–	–	–	–	–
Liabilities					
Other financial liabilities (AC)	2,960	2,960	–	–	2,960
Non-current financial liabilities	117	117	–	–	117
Trade payables	2,328	2,328	–	–	2,328
Other current financial liabilities	515	515	–	–	515
Derivative financial instruments used for hedges (DFI)	10	–	9	1	10
Derivative financial instruments not included in a hedging relationship (FVPL)	–	–	–	–	–

2023	Carrying amount Dec. 31	Measurement category under IFRS 9			Fair value Dec. 31
		Amortized cost	Fair value recognized in OCI	Fair value through profit or loss	
Assets					
Amortized cost (AC)	6,320	6,320	–	–	6,129
Non-current financial assets	27	27	–	–	27
Trade receivables	1,598	1,598	–	–	1,598
Other current financial assets	132	132	–	–	132
Cash and cash equivalents	1,133	1,133	–	–	1,133
Securities	3,430	3,430	–	–	3,239
Fair value through other comprehensive income (FVOCI)	189	–	189	–	189
Non-current financial assets	5	–	5	–	5
Securities	184	–	184	–	184
Fair value through profit or loss (FVPL)	292	–	–	292	292
Non-current financial assets	4	–	–	4	4
Securities	288	–	–	288	288
Derivative financial instruments used for hedges (DFI)	25	–	17	8	25
Derivative financial instruments not included in a hedging relationship (FVPL)	3	–	–	3	3
Liabilities					
Other financial liabilities (AC)	2,705	2,705	–	–	2,705
Non-current financial liabilities	153	153	–	–	153
Trade payables	2,234	2,234	–	–	2,234
Other current financial liabilities	318	318	–	–	318
Derivative financial instruments used for hedges (DFI)	15	–	10	5	15
Derivative financial instruments not included in a hedging relationship (FVPL)	–	–	–	–	–

The following overview shows the IFRS 13 fair value hierarchy levels used to classify financial instruments that are measured at fair value on a recurring basis:

(in € million)

	Fair Value Hierarchy under IFRS 13			
Dec. 31, 2022	Level 1	Level 2	Level 3	Total
Assets				
Fair value through other comprehensive income (FVOCI)	155	–	3	158
Non-current financial assets	–	–	3	3
Securities	155	–	–	155
Fair value through profit or loss (FVPL)	83	–	2	85
Non-current financial assets	–	–	2	2
Securities	83	–	–	83
Derivative financial instruments used for hedges (DFI)	–	43	–	43
Derivative financial instruments not included in a hedging relationship (FVPL)	–	–	–	–
Liabilities				
Derivative financial instruments used for hedges (DFI)	–	10	–	10
Derivative financial instruments not included in a hedging relationship (FVPL)	–	–	–	–

	Fair Value Hierarchy under IFRS 13			
Dec. 31, 2023	Level 1	Level 2	Level 3	Total
Assets				
Fair value through other comprehensive income (FVOCI)	184	–	5	189
Non-current financial assets	–	–	5	5
Securities	184	–	–	184
Fair value through profit or loss (FVPL)	288	–	4	292
Non-current financial assets	–	–	4	4
Securities	288	–	–	288
Derivative financial instruments used for hedges (DFI)	–	25	–	25
Derivative financial instruments not included in a hedging relationship (FVPL)	–	3	–	3
Liabilities				–
Derivative financial instruments used for hedges (DFI)	–	15	–	15
Derivative financial instruments not included in a hedging relationship (FVPL)	–	–	–	–

In the Beiersdorf Group, securities carried at fair value are allocated to fair value hierarchy Level 1 and are measured at quoted prices on the balance sheet date.

Derivative financial instruments are assigned to fair value hierarchy Level 2. The fair values of currency forwards are calculated using the exchange rate as of the reporting date and discounted to the reporting date on the basis of their respective yield curves.

Fair value hierarchy Level 3 mainly comprises fair values of equity investments. These are allocated to the “at fair value through other comprehensive income” (FVOCI) category.

During 2023, Beiersdorf sold bonds with a book value of €330 million from the "at amortized cost" (AC) category. This resulted in a loss of €3 million, which is recognized within "Other financial result."

Financial instruments that are not measured at fair value predominantly have remaining contractual maturities of less than 12 months as of the reporting date. Therefore, their carrying amounts at the balance sheet date correspond approximately to their fair value. Securities belonging to the "at amortized cost" (AC) category are an exception. The fair values for this item have been assigned to fair value hierarchy Level 1.

Risk management principles

As a result of its operations, the Beiersdorf Group is exposed to various risks such as currency risk, interest rate risk, and default risk. These risks are countered by active treasury management based on a global directive. They are managed and hedged centrally to a very large extent.

Derivative financial instruments are used to hedge the operational business and material financial transactions. The transactions are conducted exclusively with marketable instruments. IFRS 7 requires sensitivity analyses, which show the effects of hypothetical changes in relevant risk variables on profit or loss and equity, to be used in presenting market risk. For the Beiersdorf Group, this mainly relates to currency risk. The effects are ascertained by applying the hypothetical changes in risk variables to the portfolio of financial instruments as of the balance sheet date. It is assumed that the portfolio at the reporting date is representative for the full year.

Currency risk

Currency risk is the risk of fluctuations in the fair value or future cash flows of a financial instrument as a result of changes in exchange rates.

Currency risk within the meaning of IFRS 7 arises through monetary financial instruments that are reported in a currency other than the functional currency. Exchange rate differences arising from the translation of financial statements of affiliates into the Group currency are not included. Relevant risk variables are therefore basically all non-functional currencies in which financial instruments are held by the Beiersdorf Group. As a result of the Beiersdorf Group's international orientation with an emphasis on the eurozone, the euro serves as the key currency. Consequently, the Beiersdorf Group is exposed to risks through financing measures and operational activities when other currencies fluctuate against the euro.

As a matter of principle, currency risks relating to cross-border intragroup financing are hedged centrally in full and at matching maturities using currency forwards (fair value hedges). Owing to these hedging activities, the Beiersdorf Group is not exposed to any significant currency risks in its financing activities as of the balance sheet date. Gains and losses on these currency forwards are offset in full by gains and losses on the hedged items.

With regard to operations, a majority of cash flows in non-functional currencies in the Beiersdorf Group are generally hedged for the next 12 months using standard currency forwards. These transactions are recorded, measured, and managed centrally in the treasury management system. As a result, the Beiersdorf Group is not exposed to any significant currency risks in its operations as of the balance sheet date.

Since material non-derivative financial instruments are either denominated directly in the functional currency or transformed into the functional currency through the use of derivatives, changes in the exchange rate do not have any material effects on profit or loss or equity. Consequently, the Beiersdorf Group is primarily only exposed to risks arising from currency forwards which are designated as hedging instruments, and which meet the criteria for recognition as cash flow hedges on forecasted transactions. Changes in market prices largely affect the hedging reserve in equity and the fair values of the hedging transactions.

The fair value of the currency forwards at the balance sheet date was €13 million (previous year: €33 million), and their notional value was €2,167 million (previous year: €1,712 million). Currency forwards with a market value of €2 million have a remaining maturity of more than one year; the remaining forward contracts have a remaining maturity of up to one year. In the previous year all contracts had a remaining maturity of under one year. The notional values represent the aggregate of all purchase and selling amounts for derivatives. The notional values shown are not netted.

If the euro had appreciated by 10% against all currencies as of December 31, 2023, the fair values of the currency forwards recognized directly within the hedging reserves in equity would have increased by €62 million (previous year: €42 million). If the euro had depreciated by 10%, the fair values of the currency forwards recognized directly within the hedging reserves in equity would have decreased by €73 million (previous year: €49 million). An appreciation of the euro by 10% would have decreased the value of currency forwards not included in a hedging relationship by €4 million within financial result. A corresponding decrease in the value of the euro by 10% would have increased the financial result by €7 million.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument may fluctuate as a result of changes in market interest rates.

Beiersdorf has only a small volume of non-current financial instruments that are not measured at amortized cost and does not have any interest rate derivatives. Changes in fair values are therefore of no more than minor significance for the Beiersdorf Group. These are subject to interest rate risk within the meaning of IFRS 7 for the entire fiscal year.

If the interest rates at the quarter-ends of the fiscal year had been 100 basis points higher (lower) in each case than the yield curve, the financial result would have been €10 million (previous year: €5 million) higher (lower). This would have had no impact on accumulated other comprehensive income within equity.

Default risk

The Beiersdorf Group is exposed to default risk within the Scope of its financing activities and in its operations. The maximum default risk can be seen from the carrying amount of each financial asset recognized in the balance sheet. The total carrying amount of the financial assets was €6,829 million as of December 31, 2023 (previous year: €6,724 million).

The simplified process is used for determining impairments on trade receivables under IFRS 9. In this approach, expected credit losses over the entire lifetime of the financial instruments are determined. Expected losses are estimated based on analyses of historical defaults and the age structure of the receivables as well as current economic developments and an assessment of the credit quality of individual customers.

Given that historical and expected default rates are low, the impairments did not have a material impact on assets or equity. We counter the risk of bad debts through detailed monitoring of our customer relationships, active receivables management, and the selective use of trade credit insurance.

Potential default risks relating to the investment of the Group’s liquid funds are limited by only making investments with counterparties deemed reliable. Counterparty risk is monitored on the basis of ratings and the counterparties’ liable capital, as well as continuously updated risk indicators. These parameters are used to determine maximum amounts for investments with partner banks and securities issuers (counterparty limits), which are compared regularly with the investments actually made throughout the Group. We have invested the majority of our liquidity in low-risk investments (such as government and corporate bonds).

Impairments based on expected credit losses over the next 12 months are recognized on securities measured at amortized cost or at fair value through other comprehensive income. The estimate is based on ratings and continuously updated risk indicators. Current CDS spreads and the issuers' bond spreads are also used in the calculation.

Valuation Allowances

(in € million)

	2022	2023
Securities in the "at amortized cost" category	6	5
Securities in the "at fair value through other comprehensive income" category	1	–
	7	**5**

Financial assets such as cash and cash equivalents include bank balances and very short-term liquid investments. These belong to the "at amortized cost" category. Given the very short terms (e.g., due on demand) and the creditworthiness of our contractual partners, no impairment was identified based on expected credit losses.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulties in meeting the obligations associated with its financial liabilities. As a result of the large amount of cash and cash equivalents as well as securities held as of the balance sheet date, the Beiersdorf Group is not currently exposed to any liquidity risk. Additionally, in order to ensure the liquidity and financial flexibility of the Beiersdorf Group at all times, liquidity reserves are maintained in the form of credit lines.

Other Disclosures

30 Contingent Liabilities, Other Financial Obligations, and Legal Risks

(in € million)

	Dec. 31, 2022	Dec. 31, 2023
Contingent liabilities		
Liabilities under guarantees	99	107
Other financial obligations		
Obligations under purchase commitments	523	412
Due within the next year	217	220
Due in 1 to 5 years	306	192

Other financial obligations

The aggregate nominal amount of the other financial obligations was €412 million (previous year: €90 million).

As of December 31, 2023, future undiscounted lease liabilities with a remaining term of up to one year amounted to €61 million (previous year: €61 million) and those with a remaining term of more than one year to €182 million (previous year: €140 million).

Lease expenses in 2023 include expenses for short-term leases of €27 million (previous year: €26 million), expenses for leases of low-value assets of €3 million (previous year: €2 million), and expenses from variable lease payments of €10 million (previous year: €6 million). Total cash outflow for leases in 2022 was €108 million (previous year: €102 million).

The future cash outflows from extension options, whose future exercise was not taken into account in the measurement of the lease liabilities due to the lack of reasonable certainty amount to around €98 million (previous year: €104 million).

Legal risks

The claim for damages from the liquidator of Schlecker e. K. following closed antitrust proceeding by the Bundeskartellamt, which has been pending since 2016, was rejected by the courts of first and second instance. Upon a complaint against denial of leave to appeal by the plaintiff, the appeal was granted without reasoning by the Federal Court of Justice (*BGH*). The *BGH* overturned the appeal judgment and referred the case back to the second instance for a new decision. The proceedings are also directed against six other companies. The claim for compensation, which involves joint and several liability of all defendants, amounts to approximately €200 million plus interest. Decisions on other claims for damages made in and out of court in connection with this concluded antitrust proceeding are pending. In one of these proceedings, the Schleswig-Holstein Higher Regional Court issued an indicative court order in which it provided indications on the concretization of a possible damage. Beiersdorf contests these claims.

The state of São Paulo is demanding retroactive tax payments of €86 million (previous year: €77 million) from our Consumer Business Segment's Brazilian affiliates for the years 2005 to 2009. This amount has increased from the previous year owing mostly to interest and changes in the exchange rate. State tax authorities allege that VAT on imports should have been paid in São Paulo state instead of the Brazilian state of landing. All cases are in financial court proceedings. Potential claims for back taxes for the years 2010 to 2017 are now time-barred, which means no further notices demanding additional tax payments can be issued for this period. The Brazilian tax authorities also issued additional, in our view unjustified, VAT demands on at least a similar scale in relation to various matters. Our affiliates are appealing these claims through official processes. The Brazilian courts are not expected to reach a definitive decision in any of these cases for several years. The Group has provisions of €30 million (previous year: €27 million) for these cases.

Some of our affiliates are currently undergoing tax audits. In accordance with IFRIC 23, disputed tax items have been recognized with their most probable cash outflow. In one case, a liquidation loss that had been recognized was not accepted for tax purposes by the tax authorities in Austria. We filed appeals against the tax notices for the affected years. We are convinced that our view will prevail in legal proceedings. However, a final decision cannot be expected for several years. A final non-recognition of the tax-deductible loss would reduce Group profit by approximately €57 million (previous year: €47 million).

In addition, some of our affiliates are currently undergoing customs audits. The Group has recognized provisions of €10 million (previous year: €12 million) for the risks resulting from these audits.

Assessments of the course and results of legal disputes as well as tax and customs audits are associated with considerable difficulty and uncertainty. Results that differ from our expectations may have an effect on the amount of the recognized costs and provisions or liabilities. As of the balance sheet date, we assume, based on the currently available information, that no further significant charges for the Group are to be expected.

31 Employees and Personnel Expenses

The breakdown of employees by function is as follows:

Number of Employees as of Dec. 31

	2022	2023
Production, supply chain, and quality management	8,253	8,403
Marketing and sales	7,644	7,815
Research and development	1,591	1,686
Other functions	3,913	4,054
	21,401	**21,958**

Average Number of Employees during the Year

	2022	2023
Production, supply chain, and quality management	8,166	8,313
Marketing and sales	7,681	7,779
Research and development	1,573	1,660
Other functions	3,813	3,991
	21,233	**21,743**

Personnel expenses amounted to €1,788 million (previous year: €1,747 million). This amount breaks down into wages and salaries of €1,474 million (previous year: €1,404 million), social security expense of €213 million (previous year: €217 million), and pension expense of €101 million (previous year: €126 million). A breakdown of employees by business segment can be found in the segment reporting.

32 Auditor's Fees

The Annual General Meeting on April 13, 2023, elected EY GmbH & Co. KG Wirtschaftsprüfungsgesellschaft as the auditors for the annual and consolidated financial statements for fiscal year 2023.

The following table gives an overview of the total fee charged by EY GmbH & Co. KG Wirtschaftsprüfungsgesellschaft (EY GmbH & Co. KG):

Fees Paid to the Group Auditors

(in € thousand)

	2022	2023
Audit services	4,615	5,339
thereof EY GmbH & Co. KG	1,719	2,216
Other assurance services	419	338
thereof EY GmbH & Co. KG	252	252
Tax advisory services	58	173
thereof EY GmbH & Co. KG	–	–
Other services	158	213
thereof EY GmbH & Co. KG	–	198
Total	**5,250**	**6,063**
Total – thereof EY GmbH & Co. KG	**1,971**	**2,666**

Non-audit services in fiscal year 2023 mainly comprised the voluntary limited assurance engagement on the combined Non-financial Statement, agreed-upon procedures, and other legally prescribed, contractually agreed, or voluntarily requested assurance services.

33 Declaration of Compliance with the German Corporate Governance Code

In December 2023, Beiersdorf Aktiengesellschaft's Executive Board and Supervisory Board issued their Declaration of Compliance with the recommendations of the Government Commission on the German Corporate Governance Code for fiscal year 2023 in accordance with § 161 *AktG*. The Declaration of Compliance was made permanently accessible to shareholders on the company's website at www.beiersdorf.com/declaration_of_compliance.

34 Related Party Disclosures – Individuals

The requirements of IAS 24 apply to key management personnel of the company and their immediate family members, as well as the companies they control. In the Beiersdorf Group, the key management personnel are the members of the Executive and Supervisory Boards of Beiersdorf Aktiengesellschaft.

For fiscal year 2023, the members of the Supervisory Board received remuneration totaling €1,664 thousand (previous year €1,673 thousand) and the members of the Executive Board received remuneration totalling €21,947 thousand (previous year: €27,412 thousand), in each case in accordance with the provisions of German commercial law. Of the total compensation of the members of the Executive Board, €11,912 thousand (previous year: €15,406 thousand) relates to long-term benefits (changes in provisions for the LTP and any multi-year bonuses). The short-term benefits (Fixed Basic Remuneration and Variable Bonus) including ancillary benefits amounted to €10,035 thousand (previous year: €12,006 thousand). For information on the principles of the system governing Executive and Supervisory Board remuneration and the amount of members' individual remuneration, please refer to the remuneration report in the section "Additional Information" in the Annual Report. This remuneration report is not part of the combined management report. Payments to former members of the Executive Board and their surviving dependents amounted to €6,721 thousand (previous year: €5,128 thousand). Provisions for pension commitments to former members of the Executive Board and their surviving dependents totalled €50,845 thousand (previous year: €54,674 thousand).

With the exception of the granting of the remuneration disclosed in the remuneration report, there were no material transactions between the members of Beiersdorf Aktiengesellschaft's Executive Board or Supervisory Board and the companies of the Beiersdorf Group in fiscal year 2023. The same applies to the immediate family members of these persons.

35 Related Party Disclosures – Entities

Since March 30, 2004, maxingvest GmbH & Co. KGaA has held more than 50% of Beiersdorf Aktiengesellschaft's share capital. Accordingly, Beiersdorf Aktiengesellschaft is a dependent company within the meaning of § 312 (1) sentence 1 in conjunction with § 17 (2) *AktG*. Since no control agreement exists between Beiersdorf Aktiengesellschaft and maxingvest GmbH & Co. KGaA, the Executive Board of Beiersdorf Aktiengesellschaft prepares a report on dealings among Group companies in accordance with § 312 (1) sentence 1 *AktG*. In fiscal year 2023, as in the previous year, Beiersdorf Aktiengesellschaft and its affiliated companies as well as maxingvest GmbH & Co. KGaA and its affiliated companies pooled purchase volumes to achieve cost benefits and sourced products and services from each other at standard market terms to an extent that is not material. There was also limited collaboration in various areas.

36 Shareholdings in Beiersdorf Aktiengesellschaft

The following shareholdings were reported to Beiersdorf Aktiengesellschaft in accordance with the provisions of the *Wertpapierhandelsgesetz* (German Securities Trading Act, *WpHG*) up to the date of preparation of the financial statements.

1.

With voting rights notifications pursuant to §§ 33 et seq. *WpHG* dated June 16, 2023, Max und Ingeburg Herz Stiftung (Hamburg, Germany), IH Zweite GmbH (Hamburg, Germany) as well as Wolfgang Herz, Michael Herz, Alexander Herz, Benjamin Herz, Maximilian Herz, Paul Herz, and Svenja Haux each disclosed that they had exceeded the 50% threshold as of June 15, 2023. The notifying parties indicated for themselves – and in the case of Michael Herz, Wolfgang Herz, and Max und Ingeburg Herz Stiftung also for a number of subsidiaries – that they each held a total share of voting rights of 51.19% (128,991,406 voting rights).

2.

During fiscal year 2023, BlackRock, Inc., Wilmington, DE, USA, submitted several voting rights notifications in accordance with § 33 et seq. *WpHG* through which BlackRock, Inc. – on its own behalf and on behalf of a number of subsidiaries – disclosed on several occasions that the companies listed in the notifications had exceeded or fallen below the threshold of 3% of the voting rights in Beiersdorf Aktiengesellschaft. According to the latest notification dated November 1, 2023, on October 27, 2023, a 3.34% share of voting rights stemming from shares in Beiersdorf Aktiengesellschaft was attributable to BlackRock, Inc. and a number of its subsidiaries in accordance with § 34 *WpHG*. In addition, at this point in time, BlackRock, Inc. and a number of its subsidiaries were direct or indirect holders of financial instruments pursuant to § 38 *WpHG* relating to 0.03% of voting rights stemming from shares in Beiersdorf Aktiengesellschaft.

3.

In accordance with § 25 (1) sentence 3 in conjunction with § 21 (1) sentence 1 *WpHG* (former version), Beiersdorf Aktiengesellschaft also announced that it had exceeded the threshold of 5% of the voting rights in its own company on February 3, 2004, and that a share of 9.99% has been attributable to it since then. The own shares held by the company do not bear voting or dividend rights in accordance with § 71b *AktG*.

All releases on voting rights notifications in accordance with § 40 (1) *WpHG* that Beiersdorf Aktiengesellschaft has made since January 3, 2018, are available under www.beiersdorf.com/investors/financial-reports/voting-rights-notifications.

Report on Post-balance Sheet Date Events

On February 5, 2024, the Executive Board has resolved – with the approval of the Supervisory Board – to buy back shares in the Company in an amount of up to EUR 500 million. The share buyback program is expected to begin in May 2024 and to be completed by the end of 2024. The Company will announce further details on the share buyback program in accordance with the statutory provisions before the start of the share buyback program. Treasury shares held by the Company will be cancelled to the extent necessary to carry out the share buyback program.

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Beiersdorf Aktiengesellschaft Boards

Supervisory Board

Name	Profession	Memberships
Hong Chow	Head of China & International, Healthcare, Merck KGaA	
Reiner Hansert	Business Partner tesa & La Prairie Group Corporate Brand Protection Unit, Beiersdorf AG, Data Protection Officer, Beiersdorf AG	Member of the Supervisory Board: maxingvest GmbH & Co. KGaA[1]
Wolfgang Herz	General Manager Participia Holding GmbH	Chairman of the Supervisory Board: Blume 2000 SE[1] TOPP Holding AG[1] Deputy Chairman of the Supervisory Board: Libri GmbH[1] Member of the Supervisory Board: maxingvest GmbH & Co. KGaA[1] TCHIBO GmbH[1]
Uta Kemmerich-Keil	Member of the Supervisory Board / Advisory Board / Administrative Board of various companies	Member of the Supervisory Board: Biotest AG[2] Schott AG[1] Affimed NV, Netherlands[2] Karo Healthcare AB, Sweden[1] Member of the Administrative Board (Verwaltungsrat): Klosterfrau Zürich AG, Switzerland[1]
Andreas Köhn	Chairman of the Works Council, Beiersdorf Manufacturing Hamburg GmbH	
Jan Koltze	Regional Head, Industriegewerkschaft Bergbau, Chemie, Energie (IG BCE)	Member of the Supervisory Board: Aurubis AG[2] ExxonMobil Central Europe Holding GmbH[1] maxingvest GmbH & Co. KGaA[1]
Dr. Dr. Christine Martel	Business Executive Officer (BEO) / General Manager, Nestlé Suisse S.A.	
Olaf Papier	Chairman of the Works Council, Beiersdorf AG	
Frédéric Pflanz* Deputy Chairman	Chief Financial Officer, maxingvest GmbH & Co. KGaA	Member of the Administrative Board (Verwaltungsrat): Cambiata Schweiz AG, Switzerland[1] (until June 21, 2023) Member of the Board of Directors: Cambiata Ltd., British Virgin Islands[1] (until January 31, 2024)
Prof. Dr. Reinhard Pöllath Chairman	Lawyer, P+P Pöllath + Partners	Chairman of the Supervisory Board: Elektrobau Mulfingen GmbH [1] maxingvest GmbH & Co. KGaA[1] Wanzl GmbH & Co. KGaA[1] Member of the Supervisory Board: TCHIBO GmbH (until December 31, 2023)[1] Wanzl GmbH & Co. Holding KG[1]
Prof. Manuela Rousseau* Deputy Chairwoman	Senior Advisor Global Diversity & Inclusion, Beiersdorf AG, Professor at the Academy of Music and Theatre, Hamburg	
Kirstin Weiland	Member of the Works Council, tesa SE	Member of the Supervisory Board: tesa SE (intragroup)[1]

[1] Non-listed.
[2] Listed.
* The Supervisory Board's diversity officers.

Supervisory Board Committees

Members of the Presiding Committee	Members of the Audit Committee	Members of the Finance Committee	Members of the Nomination Committee	Members of the Mediation Committee	Members of the Personnel Committee
Prof. Dr. Reinhard Pöllath Chairman	**Dr. Dr. Christine Martel** Chairwoman	**Frédéric Pflanz** Chairman	**Prof. Dr. Reinhard Pöllath** Chairman	**Prof. Dr. Reinhard Pöllath** Chairman	**Frédéric Pflanz** Chairman
Wolfgang Herz	**Reiner Hansert**	**Reiner Hansert**	**Hong Chow**	**Olaf Papier**	**Hong Chow**
Frédéric Pflanz	**Uta Kemmerich-Keil**	**Uta Kemmerich-Keil**	**Dr. Dr. Christine Martel**	**Frédéric Pflanz**	**Reiner Hansert**
Prof. Manuela Rousseau	**Olaf Papier**	**Dr. Dr. Christine Martel**	**Frédéric Pflanz**	**Prof. Manuela Rousseau**	**Uta Kemmerich-Keil** (since April 13, 2023)
	Frédéric Pflanz	**Olaf Papier**			**Andreas Köhn**
					Prof. Dr. Reinhard Pöllath (until April 13, 2023)
					Kirstin Weiland

Executive Board

Name	Function	Responsibilities	Memberships[1]
Vincent Warnery	CEO	Corporate Development & Strategy Internal Audit Supply Chain & Quality Assurance Research & Development Derma Health Care Corporate Communication Sustainability Greater China / South Korea Japan	
Oswald Barckhahn	Europe USA/Canada	Europe USA/Canada	
Astrid Hermann	Finance tesa SE	Finance & Financial Control Legal & Compliance IT tesa SE	Deputy Chairwoman of the Supervisory Board: tesa SE (intragroup)[2] Member of the Supervisory Board: Stora Enso Oyj, Finland (since March 16, 2023)[3]
Nicola Lafrentz	Human Resources	Human Resources General Services & Real Estate (Labor Director)	
Grita Loebsack	NIVEA	Brand Management Digital Marketing	
Ramon A. Mirt	Emerging Markets	Latin America Africa Asia (excluding Greater China) Russia	
Patrick Rasquinet	Luxury	La Prairie Chantecaille	Member of the Supervisory Board: Silhouette International Schmied AG, Austria (since July 14, 2023)[2]

[1] In connection with their Group management and supervisory duties, the members of the Executive Board of Beiersdorf Aktiengesellschaft also hold offices in comparable supervisory bodies at Group companies and other associated companies.
[2] Non-listed.
[3] Listed.

Hamburg, February 7, 2024

Beiersdorf Aktiengesellschaft

The Executive Board

Attestations

Independent Auditor's Report

To Beiersdorf Aktiengesellschaft

Report on the audit of the consolidated financial statements and of the group management report

Audit Opinions

We have audited the consolidated financial statements of Beiersdorf Aktiengesellschaft, Hamburg, and its subsidiaries (the Group), which comprise the consolidated balance sheet as at December 31, 2023, and the consolidated income statement, consolidated statement of comprehensive income, consolidated cash flow statement and consolidated statement of changes in equity for the fiscal year from January 1 to December 31, 2023, and notes to the consolidated financial statements, including a summary of significant accounting policies. In addition, we have audited the group management report of Beiersdorf Aktiengesellschaft, which is combined with the management report of the company, for the fiscal year from January 1 to December 31, 2023. In accordance with the German legal requirements we have not audited the components of the group management report stated in the annex.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying consolidated financial statements comply, in all material respects, with the IFRSs as adopted by the EU, and the additional requirements of German commercial law pursuant to Sec. 315e (1) of the German Commercial Code (HGB) and, in compliance with these requirements, give a true and fair view of the assets, liabilities, and financial position of the Group as at December 31, 2023, and of its financial performance for the fiscal year from January 1 to December 31, 2023, and
- The attached Group Management Report provides an accurate picture of the Group's position overall. In all material respects, this Group Management Report is consistent with the consolidated financial statements, complies with German legal requirements, and suitably presents the opportunities and risks associated with the company's future performance. We have not issued an audit opinion on the components of the Group Management Report referred to in the Annex.

Pursuant to Sec. 322 (3) sentence 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the group management report.

Basis for the audit opinions

We conducted our audit of the consolidated financial statements and of the group management report in accordance with Sec. 317 HGB and the EU Audit Regulation (No 537/2014, referred to subsequently as "EU Audit Regulation") and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements and of the group management report" section of our auditor's report. We are independent of the Group entities in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements.

In addition, in accordance with Article 10 (2) f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions on the consolidated financial statements and on the group management report.

Key audit matters in the audit of the consolidated financial statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the fiscal year from January 1 to December 31, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon; we do not provide a separate opinion on these matters.

Below, we describe what we consider to be the key audit matters:

1) Recognizing revenue from the sale of goods and products

Reasons why the matter was determined to be a key audit matter

The consolidated financial statements of Beiersdorf Aktiengesellschaft recognize revenue from the sale of goods and products, less discounts, customer bonuses, and rebates, and taking into account returns, when control over the goods and products has transferred to the customer. Considerations payable to trading partners are also deducted from revenue in those cases in which the consideration is not matched by a distinct product or service supplied and its fair value can be estimated reliably. Given the large number of different contractual arrangements and the judgment to be exercised as regards determining rebates, customer bonuses, discounts, and the terms and conditions of returns, there is an elevated risk of material misstatement in the recognition of revenue from the sale of goods and products on an accrual basis. Auditing of the recognition of revenue from the sale of goods and products was therefore one of the key audit matters.

Auditor's response

As part of our audit, we examined the accounting policies applied in the consolidated financial statements of Beiersdorf Aktiengesellschaft for the recognition of revenue from the sale of goods and products using the criteria defined in IFRS 15. We walked through the process for revenue recognition implemented by the executive directors of Beiersdorf Aktiengesellschaft for the Beiersdorf Group and the accruals for expected rebates, customer bonuses, discounts, and expected returns using selected transactions from order receipt to recognition in the consolidated financial statements. Moreover, we performed an examination on a test basis to determine whether the contractually agreed and awarded rebates, customer bonuses, and discounts, actual returns, as well as payments to trading partners without identifiable consideration were deducted from sales revenue on an accrual basis. In addition, we analyzed the calculation of still expected returns of goods and products and their deduction from sales revenue by comparing the plan and actual figures for the assumptions made in previous years, taking into account the contractual agreements made with customers. To prove the existence of sales revenue, we performed, among other things, an examination with the aid of data analyses to establish whether it led to the recognition of trade receivables and whether these receivables were in turn settled by payments received. We examined postings in December 2023 which involved large amounts compared with the average for the year in order to determine whether there were irregularities in respect of the accruals principle.

Our audit procedures did not give rise to any reservations in respect of the recognition of revenue from the sale of goods and products.

Reference to related disclosures

For the accounting policies applied in relation to the recognition of revenue from the sale of goods and products and for the associated disclosures on the exercise of judgment, we refer to the information in the notes to the consolidated financial statements, section "Significant Accounting Policies" in the chapter of the same name.

2) Current and deferred income taxes, import sales taxes and customs duties

Reasons why the matter was determined to be a key audit matter

The Beiersdorf Group operates its business activities in countries with different local tax and customs law, with the associated complexity in relation to the recognition of current and deferred income taxes and the accounting treatment of risks from import sales taxes and customs duties, namely the transfer prices applied, intragroup financing, and changing tax and customs laws. The calculation of provisions for income tax liabilities and of deferred tax items, and the accounting treatment of risks from import sales taxes and customs duties require the executive directors of Beiersdorf Aktiengesellschaft to exercise significant judgment in evaluating tax- and customs-related matters and to estimate tax and customs law risks as well as the recoverability of deferred tax assets.

Given the risks and their potential impact on the consolidated financial statements from current and deferred income taxes and from import sales taxes and customs duties, the complexity of the individual matters and the existing discretion in exercising judgment, auditing the current and deferred income taxes and import sales taxes and customs duties was one of the key audit matters.

Auditor's response

As part of the audit, we obtained an understanding of the Beiersdorf Group's processes for assessing tax and customs law risks. As part of these processes, the executive directors of Beiersdorf Aktiengesellschaft regularly engage external tax experts to provide professional statements on individual matters. We involved our tax and customs experts with knowledge of the relevant local tax and customs law for the countries in question to evaluate the tax- and customs-related assessments made by the executive directors of Beiersdorf Aktiengesellschaft, taking into account any professional statements from external experts where these had been provided. We also examined the correspondence with the competent tax and customs authorities and the latest status of ongoing appeal proceedings and court cases. We examined the assumptions used to calculate current income tax provisions and deferred taxes and to account for risks from import sales taxes and customs duties, taking particular account of the transfer prices used, on the basis of our knowledge and experience of the current application of the relevant legal provisions by authorities and courts. We examined the assumptions about the recoverability of deferred tax assets on tax loss carryforwards and temporary differences by testing the plausibility of the underlying forecasts using the development of the relevant companies' results over recent years and publicly available information on the expected development of the markets concerned. We also evaluated the information in the notes to the consolidated financial statements of Beiersdorf Aktiengesellschaft on current and deferred income taxes and risks from import sales taxes and customs duties.

Our audit procedures did not give rise to any reservations in respect of the recognition of current and deferred income taxes or the accounting treatment of risks from import sales taxes and customs duties.

Reference to related disclosures

For information on the accounting policies applied to current and deferred income taxes and the presentation of risks arising from import sales taxes and customs duties, as well as related disclosures on management discretion and sources of estimation uncertainty, please refer to the disclosures in the Notes to the consolidated financial statements in the "Basis of Preparation and Methods" section under

"Significant accounting policies," in the "Notes to the Income Statement" section under Note 09, and in the "Other Disclosures" section under Note 30.

3) Legal disputes in connection with concluded antitrust proceedings

Reasons why the matter was determined to be a key audit matter

In October 2016, a lawsuit was filed against Beiersdorf Aktiengesellschaft by the insolvency administrator of Anton Schlecker e. K. i.I., Ehingen (Donau), seeking damages in connection with German antitrust proceedings concluded in 2013. In addition to Beiersdorf Aktiengesellschaft, the lawsuit was also filed against six other companies. The total value of the claim filed jointly and severally by the insolvency administrator of Anton Schlecker e. K. i.I., Ehingen (Donau), against all defendants amounts to approximately 200 million euros plus interest. This lawsuit was dismissed by the court of first instance in fiscal 2018 and by the court of second instance in fiscal 2020, without the possibility to appeal to Germany's Federal Court of Justice (BGH), the country's supreme court. The insolvency administrator of Anton Schlecker e. K. i.I., Ehingen (Donau), has filed appeal against this denial of leave to appeal with BGH against the judgment rendered by the court of second instance. In response to the plaintiff's appeal against the denial of leave to appeal, the BGH granted leave to appeal without stating any reasons in January 2022. The BGH granted the appeal against the denial of leave to appeal, reversed the decision by the court of second instance, and referred the case back for a new hearing. In connection with the aforementioned concluded antitrust proceedings, further domestic and foreign customers of the Beiersdorf Group filed claims for damages against companies of the Beiersdorf Group in fiscal years 2016 and 2017, respectively, or asserted claims for damages out of court. Due to the existing uncertainties, the presentation of the legal risks arising from the claims for damages asserted in the consolidated financial statements requires Beiersdorf Aktiengesellschaft's executive directors to exercise significant discretion in assessing whether and to what extent a potential loss has been incurred, and with regard to the extent of any potential claim arising from joint and several liability. In determining the extent of a possible loss, they have, in particular, considerable discretion with respect to the assumptions regarding what is known as the "overcharge" and the "pass-on rate." The "overcharge" corresponds to the percentage difference between the prices actually seen on the market and the prices expected in the absence of a cartel. The "pass-on rate" corresponds to the percentage extent to which price increases by suppliers were passed on to customers.

Given the risks and potential impact on the consolidated financial statements from the legal disputes in connection with the concluded antitrust proceedings, the complexity of the individual matters, and the existing discretion in exercising judgment, auditing the legal disputes in connection with concluded antitrust proceedings was one of the key audit matters.

Auditor's response

We obtained an understanding of the Beiersdorf Aktiengesellschaft's processes for assessing legal risks. As part of these processes, the executive directors of Beiersdorf Aktiengesellschaft commissioned external lawyers to provide professional statements evaluating the legal basis for the claims filed and the potential joint and several liability, as well as reports from an external expert calculating the extent of potential damages. In addition, the executive directors used a court ruling relating to a comparable claim case (indicative court order of October 12, 2023, file reference 16 U 97/22 Kart, of the Cartel Division of the Schleswig-Holstein Higher Regional Court – hereinafter referred to as "indicative court order" for short) in substantiating the amount of potential damages.

We obtained confirmations from the external lawyers commissioned by Beiersdorf Aktiengesellschaft. We critically examined and evaluated these confirmations, supplementary internal documentation of Beiersdorf Aktiengesellschaft, and the indicative court order to ascertain whether there were possible changes from the original risk assessment and in the calculation of possible damages. Supported by our internal legal experts, we examined the existing claims for damages, statements of defense, replies to the statements of defense, court rulings, and other correspondence to determine whether these had been taken into account in the risk assessment by the executive directors of Beiersdorf Aktiengesellschaft. Furthermore, we obtained an understanding of the calculation of potential damages in relation to the amount of the overcharge and the level of the pass-on rate by evaluating the external expert's methodology with the support of our internal expert, taking account of the interpretation and reasons for these assumptions in the indicative court order. We also evaluated the professional qualifications, skills and objectivity of the external expert. In addition, our audit procedures involved assessing the disclosures in the notes to the consolidated financial statements of Beiersdorf Aktiengesellschaft on the legal risks arising from the damages claims filed.

Our audit procedures did not give rise to any reservations in respect of the accounting treatment of the legal risks arising from legal disputes in connection with antitrust proceedings already concluded.

Reference to related disclosures

For the disclosures concerning legal risks in connection with one concluded case of antitrust proceedings, we refer to the information in the notes to the consolidated financial statements, note 30 in the chapter "Other Disclosures."

4) Recoverability of the goodwill of the Chantecaille Group

Reasons why the matter was determined to be a key audit matter

The determination of a potential impairment loss on the goodwill of the Chantecaille Group by conducting an impairment test is highly dependent on the executive directors' assessment and discretionary judgments about the amount of future cash flows, the cost of capital used, and the growth rates; it requires estimates and assumptions that are subject to considerable uncertainties. The assumptions about the long-term development of the underlying contributions to earnings, in particular, are subject to discretion and have a material influence on the outcome of the impairment test on the goodwill of the Chantecaille Group (cash-generating unit). Given the lack of observable inputs, the recoverable amount of the cash-generating unit is always determined on the basis of value in use using the discounted cash flow model.

In 2023, general economic performance in China, Chantecaille's delayed entry into the Chinese domestic market, and the trend in the travel retail business in South Korea in particular had a negative impact on the planned cash inflows of the Chantecaille Group in the relevant evaluation period. Furthermore, the capital market interest rates relevant for determining the discount rate, and therefore the weighted cost of capital, increased overall. These developments resulted in the need to recognize a material impairment loss in the fiscal year.

Against this backdrop, the materiality of goodwill in relation to total assets, the complexity to which its measurement is subject, as well as the existing considerable discretion in exercising judgment and the associated significant risk of material misstatements, the recoverability of the goodwill of the Chantecaille Group was one of the key matters of our audit.

Audit procedure

As part of our audit, we evaluated the methodology applied to conducting the impairment test against the background of the appropriate rules in IAS 36 with the involvement of internal valuation experts. We analyzed the processes implemented and controls introduced by the executive directors of the Beiersdorf Group to plan future expected cash flows, to determine the fair values of assets, and to test the recoverability of goodwill as of the reporting date in order to identify potential risks of error and to obtain an understanding of the steps they took in this process. We assessed the plausibility of the expected future cash flows used for the goodwill impairment test on the basis of past earnings and the information provided to us by the Beiersdorf Group's executive directors regarding the expected future performance of the Chantecaille Group. Similarly, we also assessed the forecasts for expected future cash inflows and outflows by comparing them with the Group's internal system-based budget planning and by reviewing the expectations of analysts and industry associations with respect to general economic and market-specific developments. A random comparison of historical planning data with actual results was carried out to assess planning accuracy. Furthermore, we reconciled the budget plans approved by the Executive Board with the assessments presented to us.

With the assistance of our internal valuation specialists, we analyzed the assumptions and discretionary estimates used in the impairment test (in particular growth rates and country-specific costs of capital) to determine value in use to ascertain whether they correspond to general economic parameters and industry-specific market expectations. We compared the assumptions regarding the underlying cost of debt, among other factors, with current interest rate trends; with regard to the cost of equity, we assessed the beta coefficient applied, in particular via the composition of the peer companies used, and compared the interest rate on equity with available market data. In addition, we obtained an understanding of the mathematical accuracy of the valuation model used.

With respect to the recoverability of the goodwill of the Chantecaille Group, we assessed the composition of the carrying amounts of the cash-generating unit for completeness, in particular using the criteria defined in IAS 36. Furthermore, we performed an audit of the calculation of the carrying amounts of the cash-generating unit and its inclusion in the consolidated financial statements. We also audited the comparison of the recoverable amount to the carrying amount of the cash-generating unit. In order to understand the potential impact of changes in the calculation parameters applied as well as in the expected cash flows to the recoverable amount and therefore to assess a possible impairment risk, we assessed the level of uncertainty of future financial cash inflows and outflows based on scenarios and ranges of results and also performed our own sensitivity analyses to verify our client's result.

Further, we examined the disclosures in the Notes to the consolidated financial statements regarding the goodwill impairment test in accordance with IAS 36 with respect to the requirements resulting from the IFRS rules.

Our audit procedures did not give rise to any reservations regarding the recoverability of the goodwill of the Chantecaille Group.

Reference to related disclosures

For information on the disclosures and accounting policies applied to the recoverability of the goodwill of the Chantecaille Group, please refer to the disclosures in the notes to the consolidated financial statements in the section "Intangible assets" under Note 11.

Other information

The Supervisory Board is responsible for its own report. The executive directors and the Supervisory Board are responsible for the declaration on the German Corporate Governance Code in accordance with Sec. 161 of the German Stock Corporation Act (AktG), which is part of the Group's Corporate Governance Statement, and for the remuneration report in accordance with Sec. 162 AktG. The executive directors are responsible for the remaining other information. Other information comprises the components of the group management report stated in the annual report.

Our opinions on the consolidated financial statements and on the group management report do not cover the other information, and consequently we do not express an opinion or any other form of assurance conclusion thereon.

In connection with our audit, it is our responsibility to read the other information and to assess whether the other information is:

- Materially inconsistent with the consolidated financial statements, the Group Management Report or our knowledge obtained in the course of the audit, or
- Otherwise materially misrepresented.

If, on the basis of the activities that we have performed, we conclude that there has been a material misstatement of this other information, we are obliged to report that fact. We have nothing to report in this respect.

Responsibilities of the executive directors and the Supervisory Board for the consolidated financial statements and the group management report

The executive directors are responsible for the preparation of the consolidated financial statements, which comply in all material respects with IFRS as adopted by the EU and the additional requirements of German law pursuant to Section 315e(1) of the German Commercial Code (HGB), and for being satisfied that the consolidated financial statements present a true and fair view of the net assets, financial position, and results of operations of the Group in accordance with these requirements. Furthermore, the executive directors are responsible for the internal controls that they have determined are necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error (i.e., manipulation of the financial statements and misstatement of assets).

In preparing the consolidated financial statements, the executive directors are responsible for assessing the Group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting, unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, the executive directors are responsible for the preparation of the group management report that, as a whole, provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a group management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the group management report.

The Supervisory Board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and of the group management report.

Auditor's responsibilities for the audit of the consolidated financial statements and of the group management report

Our objective is to be reasonably certain that the consolidated financial statements as a whole are free from material misstatements, whether due to fraud or error, and that the Group Management Report as a whole provides a suitable view of the Group's position and is consistent, in all material respects, with the consolidated financial statements and with our audit findings, complies with German legal requirements, and suitably presents the opportunities and risks as they pertain to the Group's future performance, and to issue an audit opinion that includes our audit assessments of the consolidated financial statements and the Group Management Report.

Reasonable certainty is a high level of certainty, but is not a guarantee that an audit conducted in accordance with Section 317 HGB and the EU-APrVO and in compliance with German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and the Group Management Report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatements, whether due to fraud or error, in the consolidated financial statements and the Group Management Report, plan and perform audit procedures in response to such risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk that material misstatements will not be detected is greater in the case of fraudulent acts than in the case of errors, as fraudulent acts may involve fraudulent collusion, falsification, intentional incompleteness, misrepresentation, or suspension of internal controls;
- Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures (systems) relevant to the audit of the group management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of these systems.
- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.
- Conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the group management report or, if such disclosures are inadequate, to modify our respective opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position, and financial performance of the Group in compliance with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to Sec. 315e (1) HGB.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express opinions on the consolidated financial statements and on the group management report. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our opinions.
- Evaluate the consistency of the group management report with the consolidated financial statements, its conformity with the law, and the view of the Group's position it provides.
- Perform audit procedures on the prospective information presented by the executive directors in the group management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from

these assumptions. We do not express a separate opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Other legal and regulatory requirements

Report on the audit of the electronic reproductions of the consolidated financial statements and of the group management report prepared for the purposes of disclosure in accordance with Sec. 317 (3a) HGB

Audit opinion

In accordance with Sec. 317 (3a) HGB, we have performed a reasonable assurance engagement to determine whether the reproductions of the consolidated financial statements and the Group management report contained in the "Beiersdorf_AG_KA+KLB_ESEF_2023-12-31.zip" and prepared for disclosure purposes (hereinafter also referred to as the "ESEF documents") comply in all material respects with the requirements of Sec. 328 (1) HGB regarding the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this audit extends only to the conversion of the information in the consolidated financial statements and the group management report into the ESEF format and therefore neither to the information contained in these reproductions nor to any other information contained in the above-mentioned file.

In our opinion, the electronic versions of the consolidated financial statements and the group management report included in the file referred to above and prepared for disclosure purposes comply, in all material respects, with the provisions of Sec. 328 (1) HGB concerning the electronic reporting format. We do not express any opinion on the information contained in these reproductions or on the other information contained in the above-mentioned file other than our opinion on the accompanying consolidated financial statements and on the accompanying group management report for the fiscal year from January 1 to December 31, 2023 contained in the preceding "Report on the audit of the consolidated financial statements and Group Management Report".

Basis for the audit opinion

We conducted our audit of the reproductions of the consolidated financial statements and the group management report contained in the above-mentioned file in accordance with Sec. 317 (3a) HGB and IDW Auditing Standard: Auditing of Electronic Reproductions of Financial Statements and Management Reports Prepared for the Purpose of Disclosure pursuant to Sec. 317 (3a) HGB (IDW PS 410 (06.2022)). Our responsibility thereafter is further described in the section "Auditor's Responsibility for the Audit of the ESEF Documents". Our auditing practice has complied with the requirements for the quality assurance system of the IDW Quality Assurance Standard: Requirements for Quality Assurance in the Auditing Practice (IDW QS 1).

Responsibilities of the executive directors and the Supervisory Board for the ESEF documents
The Company's executive directors are responsible for preparing the ESEF documents with the electronic reproductions of the consolidated financial statements and of the group management report in accordance with Sec. 328 (1) sentence 4 no. 1 HGB and for marking up the consolidated financial statements in accordance with Sec. 328 (1) sentence 4 no. 2 HGB.

In addition, the Company's executive directors are responsible for such internal control as they have determined necessary to enable the preparation of the ESEF documents that are free from material violations, whether due to fraud or error, of the requirements for the electronic reporting format stipulated in Sec. 328 (1) HGB.

The Supervisory Board is responsible for overseeing the process of the preparation of the ESEF documents as part of the financial reporting process.

Responsibility of the auditor of the consolidated financial statements for the audit of the ESEF documents
Our objectives are to obtain reasonable assurance about whether the ESEF documents are free from material violations, whether due to fraud or error, of the requirements stipulated in Sec. 328 (1) HGB. We exercise professional judgment and maintain professional skepticism throughout the audit. We also

- Identify and assess the risks of material violations of the requirements stipulated in Sec. 328 (1) HGB, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain an understanding of internal control relevant to the audit of the ESEF documents in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of such control.
- Assess the technical validity of the ESEF documents, i.e. whether the file containing the ESEF documents meets the requirements relating to the technical specification for this file stipulated in the Delegated Regulation (EU) 2019/815 in the version applicable on the balance sheet date.
- Assess whether the ESEF documents enable reproduction of the audited consolidated financial statements and audited group management report with the identical content in XHTML format.
- Assess whether marking up of the ESEF documents with Inline XBRL technology (iXBRL) in accordance with Articles 4 and 6 of the Delegated Regulation (EU) 2019/815 in the version applicable on the balance sheet date enables an appropriate and full machine-readable XBRL copy of the XHTML reproduction.

Further Information pursuant to Article 10 of the EU Audit Regulation

We were elected as group auditor by the annual general meeting on April 13, 2023. We were engaged by the supervisory board on June 30, 2023. We have been the group auditor of Beiersdorf Aktiengesellschaft without interruption since fiscal year 2006.

We declare that the opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Art. 11 of the EU Audit Regulation (long-form audit report).

Other Matters – Use of the Auditor's Report

Our auditor's report must always be read in connection with the audited consolidated financial statements, the audited group management report and the audited ESEF documents. The consolidated financial statements and group management report converted into the ESEF format – also the versions to be disclosed in the company register – are only electronic reproductions of the audited consolidated financial statements and the audited group management report and do not replace them. In particular, the ESEF report and our opinion in it must be used only in conjunction with the audited ESEF documents provided in electronic form.

German Public Auditor responsible for the engagement

The German Public Auditor responsible for the engagement is Britta Siemer.

Annex to the auditor's report:

1. Components of the group management report not included in the audit

The following components of the group management report, which are part of "Other information," were not included in the audit:

- Non-financial Statement
- "Corporate Governance Statement" chapter and "Declaration by the Executive Board and the Supervisory Board of Beiersdorf Aktiengesellschaft on the Recommendations of the 'Government Commission on the German Corporate Governance Code' in accordance with § 161 of the Aktiengesetz (German Stock Corporation Act, AktG)"

Furthermore, we have not audited the content specified below that is not a required part of the Group Management Report. Non-required disclosures in the Group Management Report are disclosures that are not required under Sections 315, 315a, or 315b to 315d of the German Commercial Code (HGB):

- "Building on strong foundations: Culture – Core Values – Capabilities – Care Beyond Skin" section of the "Business and Strategy" chapter
- The sections on "Product highlights"; "tesa – product and technology development" in the "Research and Development" chapter
- "People at Beiersdorf" chapter
- "Sustainability" chapter
- "Appropriateness and effectiveness of the internal control and risk management systems" section of the "Risk Report" chapter.

2. Additional other information

"Other information" also includes other components intended for the annual report made available to us until we issued the auditor's report, in particular the following sections:

- Executive Board's Responsibility Statement in accordance with Sec. 297 (2) sentence 4 HGB
- Report by the Supervisory Board in accordance with Sec. 171 (2) AktG
- the sections "Magazine," "Letter from the Chairman," and "Beiersdorf's Shares and Investor Relations"

but excludes the consolidated financial statements, the disclosures in the group management report included in the audit, and our related auditor's report.

Hamburg, February 21, 2024
EY GmbH & Co. KG
Wirtschaftsprüfungsgesellschaft

Dr. Janze	**Siemer**
German Public Auditor	German Public Auditor

Independent Auditor’s Report on a Limited Assurance Engagement

The assurance engagement performed by EY relates exclusively to the German version of the combined non-financial statement 2023 of Beiersdorf AG. The following text is a translation of the original German independent assurance report.

To Beiersdorf AG, Hamburg

We have performed a limited assurance engagement on the non-financial statement of Beiersdorf AG, Hamburg, (hereinafter the “Company”), which is combined with the non-financial statement of the Group, consisting of the section “Non-financial Statement 2023” as well as the disclosures marked with the symbol ↧↥ in the sections “Business and Strategy” and “People at Beiersdorf” of the Combined Management Report, for the period from 1 January 2023 to 31 December 2023 (hereinafter the “non-financial Reporting”).

Not subject to our assurance engagement are other references to disclosures made outside the non-financial Reporting.

Responsibilities of the executive directors

The executive directors of the Company are responsible for the preparation of the non-financial Reporting in accordance with Sec. 315c in conjunction with Secs. 289c to 289e HGB ["Handelsgesetzbuch": German Commercial Code] and Art. 8 of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment and amending Regulation (EU) 2019/2088 (hereinafter the “EU Taxonomy Regulation”) and the Delegated Acts adopted thereunder as well as in accordance with their own interpretation of the wording and terms contained in the EU Taxonomy Regulation and the Delegated Acts adopted thereunder as set out in section “EU Taxonomy Reporting” of the non-financial Reporting.

These responsibilities of the Company’s executive directors include the selection and application of appropriate methods for the preparation of the non-financial Reporting and making assumptions and estimates about individual non-financial disclosures that are reasonable in the circumstances. Furthermore, the executive directors are responsible for such internal control as the executive directors consider necessary to enable the preparation of a non-financial Reporting that is free from material misstatement, whether due to fraud (manipulation of the non-financial Reporting) or error.

The EU Taxonomy Regulation and the Delegated Acts adopted thereunder contain wording and terms that are still subject to considerable interpretation uncertainties and for which clarifications have not yet been published in every case. Therefore, the executive directors have disclosed their interpretation of the EU Taxonomy Regulation and the Delegated Acts adopted thereunder in section “EU Taxonomy Reporting” of the non-financial Reporting. They are responsible for the defensibility of this interpretation. Due to the immanent risk that undefined legal terms may be interpreted differently, the legal conformity of the interpretation is subject to uncertainties.

Independence and quality assurance of the auditor’s firm

We have complied with the German professional requirements on independence as well as other professional conduct requirements.

Our audit firm applies the national legal requirements and professional pronouncements - in particular the BS WP/vBP ("Berufssatzung für Wirtschaftsprüfer/vereidigte Buchprüfer": Professional Charter for German Public Accountants/German Sworn Auditors) in the exercise of their Profession and the IDW Standard on Quality Management issued by the Institute of Public Auditors in Germany (IDW): Requirements for Quality Management in the Audit Firm (IDW QS 1) and accordingly maintains a comprehensive quality management system that includes documented policies and procedures with regard to compliance with professional ethical requirements, professional standards as well as relevant statutory and other legal requirements.

Responsibilities of the auditor

Our responsibility is to express a conclusion with limited assurance on the non-financial Reporting based on our assurance engagement.

We conducted our assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised): "Assurance Engagements other than Audits or Reviews of Historical Financial Information" issued by the IAASB. This standard requires that we plan and perform the assurance engagement to obtain limited assurance about whether any matters have come to our attention that cause us to believe that the Company's non-financial Reporting is not prepared, in all material respects, in accordance with Sec. 315c in conjunction with Secs. 289c to 289e HGB and the EU Taxonomy Regulation and the Delegated Acts adopted thereunder as well as the interpretation by the executive directors disclosed in section "EU Taxonomy Reporting" of the non-financial Reporting. Not subject to our assurance engagement are other references to disclosures made outside the non-financial Reporting.

In a limited assurance engagement, the procedures performed are less extensive than in a reasonable assurance engagement, and accordingly, a substantially lower level of assurance is obtained. The selection of the assurance procedures is subject to the professional judgment of the auditor.

In the course of our assurance engagement we have, among other things, performed the following assurance procedures and other activities:

- Gain an understanding of the structure of the sustainability organization and stakeholder engagement,
- Inquiries of the executive directors and relevant employees regarding the selection of topics for the non-financial Reporting, the impact and risk assessment and the policies of the Company and the Group for the topics identified as material,
- Inquiries of the executive directors and relevant employees involved in the preparation of the non-financial Reporting about the preparation process, about the internal controls related to this process as well as disclosures in the non-financial Reporting,
- Inspection of the relevant documentation of the systems and processes for collecting, aggregating and validating relevant data in the reporting period,
- Identification and assessment of risks of material misstatement in the non-financial Reporting,
- Analytical procedures on selected disclosures in the non-financial Reporting,
- Inquiries, inspection of sample documents and obtaining evidence relating to the collection and reporting of selected disclosures in the non-financial Reporting,
- Reconciliation of selected disclosures with the corresponding data in the annual financial statements and management report,

- Evaluation of the process to identify the economic activities taxonomy-eligible and taxonomy-aligned as well as the corresponding disclosures in the non-financial Reporting,
- Evaluation of the presentation of disclosures in the non-financial Reporting.

In determining the disclosures in accordance with Art. 8 of the EU Taxonomy Regulation, the executive directors are required to interpret undefined legal terms. Due to the immanent risk that undefined legal terms may be interpreted differently, the legal conformity of their interpretation and, accordingly, our assurance engagement thereon are subject to uncertainties.

Assurance conclusion

Based on the assurance procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the non-financial Reporting of the Company for the period from 1 January 2023 to 31 December 2023 is not prepared, in all material respects, in accordance with Sec. 315c in conjunction with Secs. 289c to 289e HGB and the EU Taxonomy Regulation and the Delegated Acts adopted thereunder as well as the interpretation by the executive directors as disclosed in section "EU Taxonomy Reporting" of the non-financial Reporting.

We do not express an assurance conclusion on the other references to disclosures made outside the non-financial Reporting.

Restriction of use

We draw attention to the fact that the assurance engagement was conducted for the Company's purposes and that the report is intended solely to inform the Company about the result of the assurance engagement. As a result, it may not be suitable for another purpose than the aforementioned. Accordingly, the report is not intended to be used by third parties for making (financial) decisions based on it. Our responsibility is to the Company alone. We do not accept any responsibility to third parties. Our assurance conclusion is not modified in this respect.

General Engagement Terms and Liability

The enclosed "General Engagement Terms for Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften [German Public Auditors and Public Audit Firms]" as issued by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] on 1 January 2017 are applicable to this engagement and also govern our relations with third parties in the context of this engagement (www.de.ey.com/general-engagement-terms). In addition, please refer to the liability provisions contained there in no. 9 and to the exclusion of liability towards third parties. We accept no responsibility, liability or other obligations towards third parties unless we have concluded a written agreement to the contrary with the respective third party or liability cannot effectively be precluded.

We make express reference to the fact that we will not update the report to reflect events or circumstances arising after it was issued, unless required to do so by law. It is the sole responsibility of anyone taking note of the summarized result of our work contained in this report to decide whether and in what way this information is useful or suitable for their purposes and to supplement, verify or update it by means of their own review procedures.

Hanover, February 21, 2024
EY GmbH & Co. KG
Wirtschaftsprüfungsgesellschaft

Dr. Christian Janze	**Annette Johne**
German Public Auditor	German Public Auditor

Responsibility Statement by the Executive Board

To the best of our knowledge, and in accordance with the applicable reporting principles, the consolidated financial statements give a true and fair view of the assets, liabilities, financial position, and profit or loss of the Group, and the Group Management Report, which has been combined with the Management Report for Beiersdorf Aktiengesellschaft, includes a fair review of the development and performance of the business and the position of the Group, together with a description of the material opportunities and risks associated with the expected development of the Group.

Hamburg, February 7, 2024

The Executive Board

Vincent Warnery
Chairman of the Executive Board

Oswald Barckhahn
Member of the Executive Board

Astrid Hermann
Member of the Executive Board

Nicola D. Lafrentz
Member of the Executive Board

Grita Loebsack
Member of the Executive Board

Ramon A. Mirt
Member of the Executive Board

Patrick Rasquinet
Member of the Executive Board