

Updated Declaration of Compliance with the German Corporate Governance Code of December 2020 in accordance with § 161 of the Aktiengesetz (German Stock Corporation Act, AktG)

The Executive Board and Supervisory Board of Beiersdorf AG (“Company”) issued the most recent Declaration of Compliance in accordance with § 161(1) of the German Stock Corporation Act in December 2020. This Declaration has been updated as follows:

Recommendation B.3

In accordance with Recommendation B.3 of the German Corporate Governance Code in the version dated December 16, 2019 (“Code”), Executive Board members shall be initially appointed for a maximum term of three years.

Effective July 1, 2021, the Supervisory Board appointed Mr. Patrick Rasquinet as a member of the Executive Board for a term of four years. Mr. Rasquinet has held various functions at Beiersdorf since 1993, latterly as CEO of La Prairie since 2010, and will continue to hold key functions as the Executive Board member with responsibility for Pharmacy & Selective. As this is an internal appointment to the Executive Board, the Supervisory Board already had a comprehensive picture of Mr. Rasquinet’s knowledge and capabilities prior to his initial appointment. In the view of the Supervisory Board, a term of office longer than three years is therefore in the interest of the company.

Moreover, the Supervisory Board appointed Mr. Oswald Barckhahn as a member of the Executive Board effective October 15, 2021, until the end of December 31, 2024. After a transition phase, it is intended that he assumes responsibility for the cosmetics business in Europe and North America. In the view of the Supervisory Board, it was in the interest of management continuity that Mr. Barckhahn be appointed at the earliest possible date and that his term of office be aligned with the fiscal years, also in respect of settling his variable compensation. For this reason, slightly exceeding the three-year initial term is also in the interest of the company.

Recommendations G.8 and G.12:

In accordance with Recommendation G.8 of the Code, the performance targets or comparison parameters for variable compensation shall not be subsequently amended. Moreover, in accordance with Recommendation G.12 of the Code, if an Executive Board member's contract is terminated, the disbursement of any remaining variable remuneration components attributable to the period up until the termination of the contract shall be based on the originally agreed targets and comparison parameters as well as the due dates or holding periods stipulated in the contract.

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

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

Recommendation G.7 sentence 1:

In accordance with Recommendation G.7 sentence 1 of the Code, the Supervisory Board shall define the performance criteria for all variable compensation components for each Executive Board member for the fiscal year ahead.

In line with the compensation system approved by the Annual General Meeting 2021, the Supervisory Board is expected to define further strategic targets for the LTP that will be valid from the current fiscal year at its meeting at the end of August 2021. In light of the fact that the Annual General Meeting did not approve the compensation system until April 2021 and that the Executive Board will only finalize multi-year planning for 2021 to 2025 during the current fiscal year, the Supervisory Board considers it appropriate and fair to define the corresponding targets for the long-term compensation only after this has been done - and thus retroactively for the current fiscal year. For the aforementioned reasons, the individual targets for the short-term Variable Bonus for 2021 will only be finalized and defined in the course of the fiscal year.

Other than this, there are no changes to the Declaration of Compliance of December 2020. The implementation of the new compensation system for the Executive Board approved by the Annual General Meeting in 2021 will ensure future compliance with the other recommendations of Section G.I, especially with respect to the definition of maximum compensation within the meaning of Recommendation G.1 of the Code, unless any departure has been expressly explained in the Declaration of Compliance of December 2020 or in this Updated Declaration of Compliance.

Hamburg, July 2021

For the Supervisory Board For the Executive Board



Prof. Dr. Reinhard Pöllath



Vincent Warnery



Astrid Hermann