



Around 12% of sales achieved with products with significantly reduced environmental impact.

Beiersdorf

Sustainability Review 2014

We care.

Our commitment to sustainability.

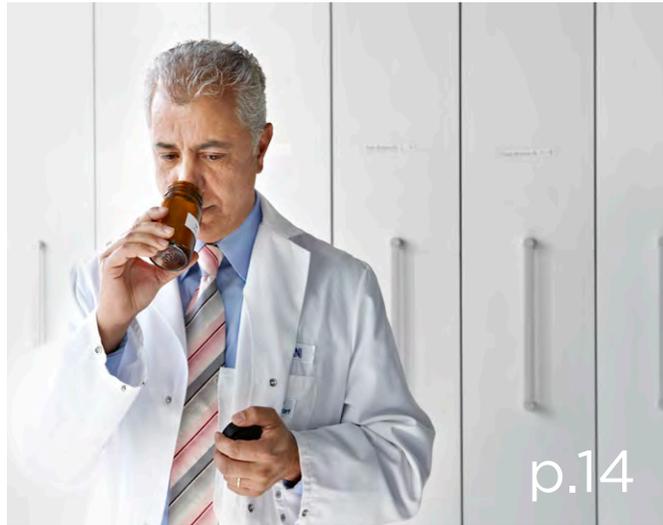


244,811 families sustainably supported through our global social commitment.



48% fewer CO₂ emissions per product sold, target already exceeded.

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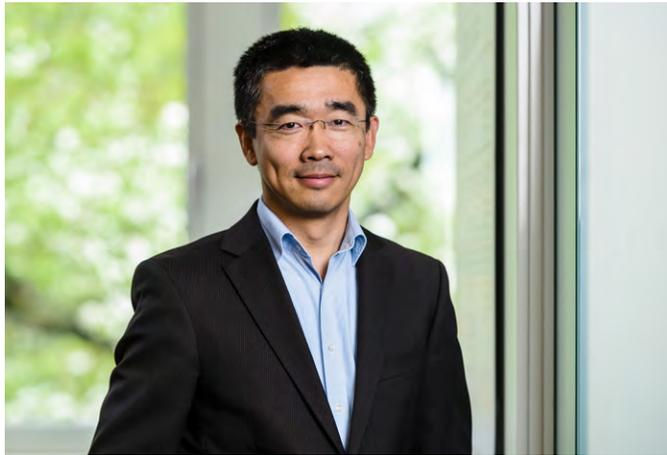
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BOARD STATEMENT



Our company is shaped by foresighted entrepreneurship and strong values our employees live and experience every day: Care, Simplicity, Courage, and Trust. This combination has not only made us successful over the past 130 years but has also guided us toward greater sustainability – in both our individual and collective actions.

OUR WE CARE. STRATEGY

With our “We care.” sustainability strategy we support our business goals whilst continuously reducing our environmental footprint. At the same time we are working to ensure that we give back to people both inside and outside the company. Our strategy responds to the issues that we face across our entire value chain, from ensuring that we are operating within raw material limitations, through safeguarding the health and safety of our employees, to responding to ever changing consumer expectations. Our ambitious 2020 commitments ensure that we are focused on the areas where we as a company have the greatest impact. In 2014 we made considerable progress towards achieving these goals.

OUR 2014 ACHIEVEMENTS

We carried out further life-cycle analyses to better understand our products’ environmental profile. The results were transferred to our NIVEA Face Care range – the second major product category where we have significantly cut our environmental impact. Following on from establishing NIVEA’s social commitment, we successfully kicked off Hansaplast’s social platform “Bringing First Aid Home”. This social platform engages employees and consumers around first aid in partnership with the Red Cross. We introduced a new sustainability management system to better measure our progress towards achieving our ambitious commitments whilst at the same time ensuring greater data transparency both internally and externally. These are just three examples of how we drove our commitment forward.

OUTLOOK 2015

We will continue to expand and refine our global sustainability commitment. As such we will roll out and fortify a variety of measures. We will implement a comprehensive framework for responsible sourcing. Our “Planet” focus will remain on energy efficiency – both in our own production sites and at those of our suppliers. We will also continue our efforts towards achieving our “Zero Accident” target and go on driving our brands’ social commitment by actively involving our consumers.

Although the global economic situation looks set to see only moderate improvement in 2015 and we will face uncertainties in crisis regions, we can approach the future with confidence. One reason for this is that we can rely on more than 13,300* employees who have already demonstrated their enthusiasm and ability to push our business and sustainability commitment globally. Their efforts also bring an important dimension of our core value “Care” to life. After all, “We care.” is the sum total of many individual “I care” commitments.

A handwritten signature in blue ink, appearing to read 'Zhengrong Liu'.

Zhengrong Liu

Member of the Executive Board

Human Resources | Sustainability

*Number of employees in the Consumer Business Segment

BEIERSDORF PROFILE

We can look back on more than 130 years of experience in skin care and we stand for innovative, high-quality products with a worldwide reputation.

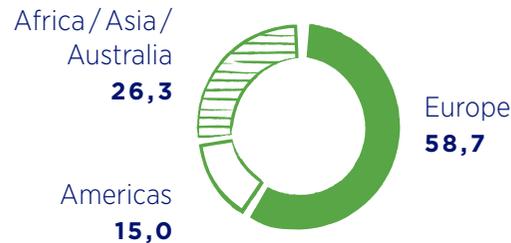
Beiersdorf AG is a leading international company in the skin care sector. Our brand portfolio includes our core brands NIVEA, Eucerin and La Prairie, alongside other successful brands, such as Labello, 8x4, Florena and Hansaplast/Elastoplast.

The history of Beiersdorf dates back to the 19th century, when pharmacist Paul C. Beiersdorf established his business in 1882 with a newly developed Guttapercha-plaster. In a matter of only a few years, he laid the foundations for the company that still bears his name. Since the 1920s, strong brands such as NIVEA and Hansaplast have helped the company grow into the global player that it is today. From the very beginning, Beiersdorf stood for sophisticated skin care products that were derived from targeted scientific research.

Today, the Group employs some 17,400 people in more than 150 affiliates worldwide, and generated consolidated sales of € 6.285 billion in 2014. Headquartered in Hamburg (Germany), Beiersdorf has been listed on the German Stock Exchange (DAX) since December 2008.

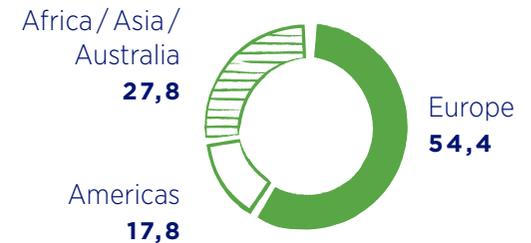


EMPLOYEES BY REGION (IN %)



as of Dec. 31: total 17,398 employees

SALES BY REGION (IN %)



Total sales: 6,285 million euros

Note: All figures on this page include the tesa Business Segment.

STRATEGY
We care.

For a sustainable future.



 Learn more about our “We care.” sustainability strategy



OUR “WE CARE.” STRATEGY

Responsible and sustainable growth is our response to the challenges of the future. Our “We care.” sustainability strategy guides our actions to align them harmoniously with people and the environment.

We strive for responsible growth in a business environment that is characterized by economic uncertainties, social pressures, and environmental challenges. With our “We care.” sustainability strategy we support our business goals, continuously reduce our environmental footprint and ensure that we give back to people both inside and outside the company.

OUR FOCUS: PRODUCTS, PLANET, PEOPLE

Our sustainability strategy focuses on three areas: “Products, Planet, People”. It involves topics that comprise the entire value chain, from procurement of raw materials to the health and safety of our employees and changing consumer expectations. We actively incorporate our stakeholders in assessing our sustainability strategy, and take their perspectives into consideration when defining our key strategic areas (see page 11).

PRODUCTS



Raw Materials

We incorporate sustainability criteria into our research, the procurement of raw materials, and the development of new formulas and applications.



Packaging

We contribute to the conservation of resources by minimizing packaging and developing alternative, more sustainable packaging solutions.



Consumer Engagement

We actively engage with our consumers and encourage them to adopt a more sustainable lifestyle.

PLANET



Energy

We systematically develop solutions to reduce energy use and to convert to more environmentally friendly sources where technically feasible.



Waste

We pursue a policy of “avoid, reduce, reuse and recycle” and work closely with our supply chain partners to identify and eliminate waste wherever possible.



Water

We constantly work to reduce our water consumption – in production processes, buildings and other areas.

PEOPLE



Employee Health & Safety

We have a company-wide “Zero Accident” program and a proactive approach to safeguarding the health and well-being of our employees.



Employee Engagement

We encourage our employees to get involved personally and we provide a framework within which they can grow.



Social Responsibility

We support local and global social initiatives that are consistent with our company’s strategic goals, values and global presence.

OUR COMMITMENTS FOR 2020

We have defined 2020 commitments for our three strategic focus areas of “Products, Planet, People,” and continuously measure our progress by using environmental and social performance indicators. This ensures our wide-ranging commitments and long-term impacts, while horizontally supporting Beiersdorf’s goal of being the No. 1 skin care company as outlined in our business strategy, the “Blue Agenda”.

 **Learn more about our “We care.” sustainability strategy**

OUR COMMITMENTS FOR 2020



PRODUCTS

Generating 50 % of our sales from products with a significantly reduced environmental impact.
(base year 2011)



PLANET

Reducing our CO₂ emission by 30 % per product sold.
(base year 2005)



PEOPLE

Reaching and improving the lives of one million families.
(base year 2013)



PROGRESS AGAINST OUR COMMITMENTS



OUR COMMITMENTS
for 2020

Generating 50 % of our sales from products with a significantly reduced environmental impact.

(base year 2011)

Reducing our CO₂ emissions by 30 % per product sold.

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Reaching and improving the lives of one million families.

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PROGRESS
against our commitments

Around 12 % of sales achieved with products with significantly reduced environmental impact.

(base year 2011)

48 % fewer CO₂ emissions per product sold, target already exceeded.

(base year 2005)

244,811 families sustainably supported through our global social commitment.

(base year 2013)

PROGRESS UNTIL NOW
by focus area



Raw Materials

Conversion process to RSPO certified raw materials (mass-balancing) begun.



Packaging

Reduction of at least -15 % in CO₂ emissions by converting to PP & PET (instead of glass) for all jars in our NIVEA Face Care range.



Consumer Engagement

Activating our consumers, e.g. via an upcycling contest in France or a fund-raising concept in Slovenia, to give children access to a quality education.



Energy

-46 % direct CO₂ emissions*
-31 % indirect CO₂ emissions*



Waste

-37 % waste*
“Zero Landfill” goal achieved at our European production sites**



Water

-30 % water consumption*
-13 % wastewater*

* in our production centers per production unit, base year 2005

** under the relevant national legislation - legally mandated remainder amount in Poland



Employee Health & Safety

-60 % occupational accidents in our worldwide production sites.*



Employee Engagement

Teams from almost 40 countries organized a variety of activities aimed at supporting local families during the second “NIVEA Family Days”.



Social Responsibility

46 countries implement social initiatives.

* incl. headquarters | 2012 vs 2014

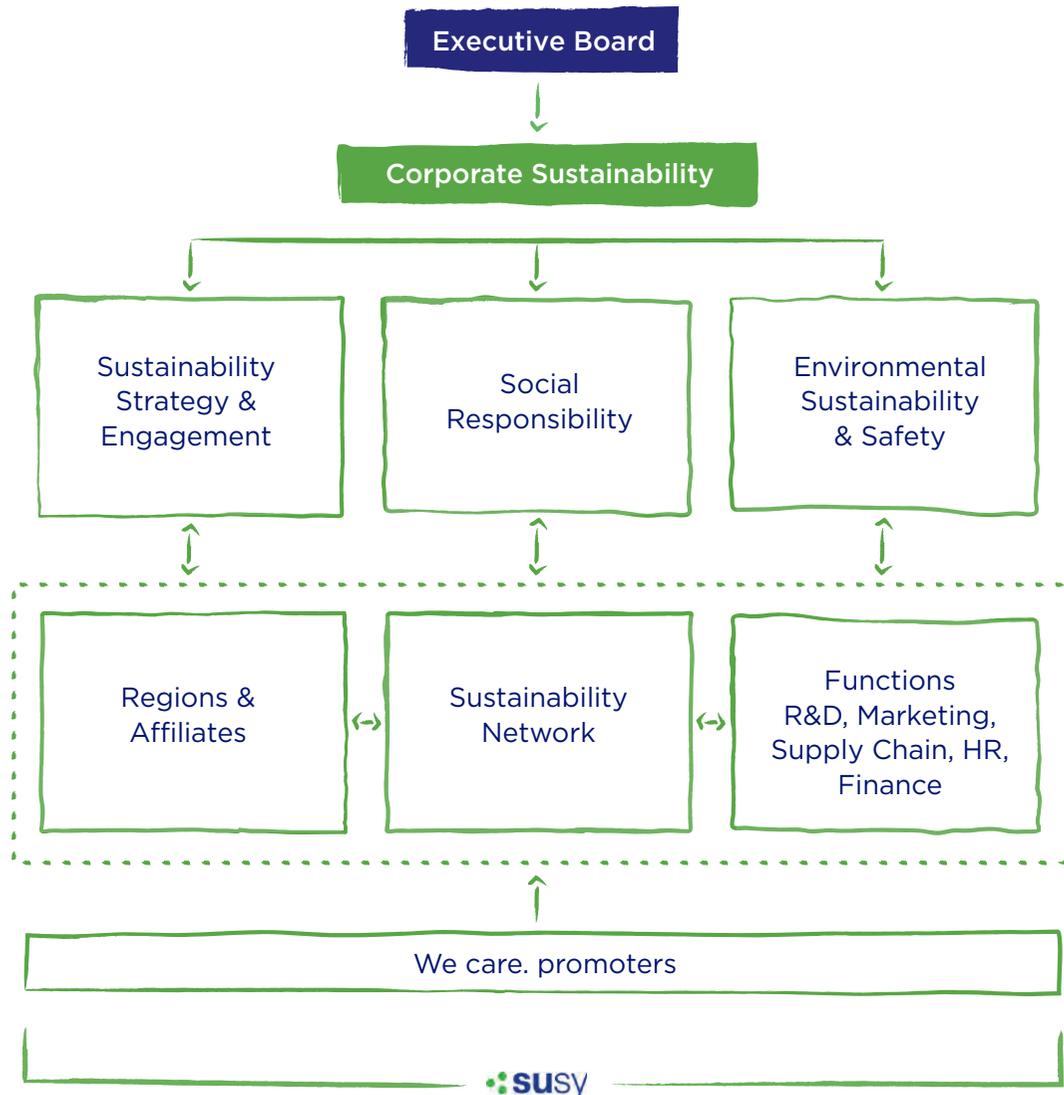
OUR SUSTAINABILITY MANAGEMENT

Sustainability is a key focus for Beiersdorf worldwide. We manage sustainability on a global basis that includes all our locations.

Our sustainability strategy is implemented by the Corporate Sustainability department which reports directly to the Executive Board and is supported by a global network of sustainability experts and promoters. One key task in our sustainability management is to inform our employees about our strategy and targets. We can only achieve our objectives through the active and daily commitments of everyone.

NEW SOFTWARE FOR MORE TRANSPARENCY

Since 2014, global sustainability management at Beiersdorf has been supported by the new **susy** software application. **susy** (short for “sustainability system”) records and analyzes sustainability indicators worldwide, providing a better audit trail for progress and improvements. The system also monitors targets and streamlines data preparation for our annual reporting, for example, in compliance with the Global Reporting Initiative (GRI) standard. All business segments that participate in our sustainability initiatives benefit from **susy**.



ON-SITE ENVIRONMENT AND OCCUPATIONAL SAFETY MANAGEMENT SYSTEMS

Environmental protection and occupational safety are top priorities at all Beiersdorf locations. Our internal “Environmental Protection and Safety Management Audit Scheme” (ESMAS) ensures compliance with global standards. Since 2013, ESMAS audits have been conducted at our production facilities by a global certification agency relying on the international standards ISO 14001 for environmental management and OHSAS 18001 for occupational health and safety. The system audit is always accompanied by an evaluation of the management system and an inspection tour of the facility. It is based on the company-wide Standard Operating Procedures (SOP), documenting requirements concerning occupational safety, fire protection and emission control.

We currently operate in more than 18 production sites in Europe, the Americas, the Near East (including Africa) and the Far East regions, where we manufacture products for the regional markets.

Twelve of our production facilities have gone through the audit program at least once and have received certification. In 2014, two production facilities in Germany (Berlin and Hamburg) and our affiliates in Indonesia and Thailand were audited. Auditing of the production facilities in Malaysia, Spain and Kenya is planned for 2015. Supplier management is also governed by strict requirements for high quality standards, good working conditions, and responsible environmental protection. Their compliance is reviewed by means of a structured process (see page 13).



STAKEHOLDER DIALOGUE

For a company with a worldwide reputation for high-quality skin care and whose relationship with people goes deeper than “skin-deep”, an open dialog with stakeholders is essential.

Our stakeholders include employees, consumers, business partners, investors, research scientists, policy makers, and public administrations, as well as our neighboring communities and non-governmental organizations (NGOs). We cultivate relationships with them via a wide range of approaches, globally and locally, on a daily basis or at regular intervals. Our goal is to promote a transparent, open, and constructive dialog in order to build strong relationships in the long term. Environmental protection and animal welfare are particular focus areas, as well as health, safety, and social issues.

STRONG PARTNERSHIPS

We work together with other companies and players on many of these issues – together we can achieve more. We are a member of the “Roundtable on Sustainable Palm Oil” (RSPO) and the German “Forum for Sustainable Palm Oil” (FONAP), organizations that are both committed to sustainable palm oil production (see page 16). We are also a founding member of the “European Partnership for Alternative Approaches to Animal Testing” (EPAA), launched in 2006. Established by the European Commission and the cosmetic, pharmaceutical, chemical and agrochemical industries, this organization is dedicated to the development of alternatives



for animal testing (see page 18). Our partnership with “AIM-PROGRESS” enabled us to optimize our responsible purchasing guidelines. Beiersdorf is also a member of the “European Aerosol Federation” (FEA), an expert

institution that advises the industry on improvements in the use of aerosols, and recently contributed to the publication of “Guidelines on Basic Safety”.

 **Learn more about our stakeholder dialogue**

MATERIALITY ANALYSIS

Much has changed since the launch of our sustainability strategy in 2011, prompting us to reassess the core topics that are relevant to our stakeholders and the priorities for the success of our company.

We want to identify the key factors by which our activities and products can impact people and the environment and to what extent these factors shape our core business. We therefore conducted a materiality analysis in cooperation with thinkstep 2014. The process included a comprehensive online survey for external and internal stakeholders, internationally and in various functions, as well as in-depth interviews with external sustainability experts, and internal workshops with engaging discussions that evaluated the results.

We were able to identify 20 global ecological and social challenges of major significance for our stakeholders and for our company. The matrix below depicts the estimated relevance of these sustainability issues for Beiersdorf:

 [Learn more about our materiality analysis](#)



RESPONSIBILITY IN THE SUPPLY CHAIN

Establishing long-term, equitable relationships with our suppliers is beneficial to both parties. We have high standards and consider outstanding product quality, fair working conditions, and environmental protection as priority topics.

Guaranteeing that our suppliers act responsibly and ethically strengthens consumers' trust in our products. We are committed to mandatory standards in our supplier relations and purchasing policy in order to achieve this goal.

Beiersdorf has been engaged in sustainable procurement initiatives since 2010.

We also include our suppliers in product development to better enable us to achieve our "Products" target and structure our raw materials base more sustainably. You can find more information on this topic in the section on Raw Materials (see page 16).



SUPPLIER CODE OF CONDUCT

We have developed a Code of Conduct for our suppliers which defines uniform and mandatory criteria for ethical behavior and forms the basis for our cooperation. It allows us to prevent corruption, ensure compliance with human rights, and promote environmental protection. Beiersdorf also expects all sub-suppliers to meet these requirements. Audits based on the international "Sedex" platform enable us to verify supplier compliance with the Code of Conduct, and how they achieve it, which significantly boosts transparency for the purchasing function.

SUSTAINABILITY IN PROCUREMENT

In 2010, Beiersdorf joined forces with 30 international companies in the consumer goods industry within the "AIM-PROGRESS" working group founded by the European Brands Association for Procurement Processes. The objective is to improve standards through cooperative partnerships. This international forum under the umbrella of the "European Brands Association" (AIM), works together with the US "Grocery Manufacturers Association" (GMA) to improve sustainability throughout the supply chain and to develop ethical purchasing principles. The forum focuses on four areas: human rights and workplace safety standards, health and safety, environmental management, and integrity in business practices.



Learn more about our responsible sourcing



PRODUCTS

**HIGH-QUALITY
SKIN CARE**

Because we care about
our consumers.



Learn more about our product engagement

PRODUCTS HIGH-QUALITY SKIN CARE

We successfully manage our brands with outstanding products that our consumers trust. We are therefore committed to ethical conduct – ranging from the procurement of raw materials to packaging and consumer involvement – for safe and sustainable products.

OUR MEASURES IN 2014

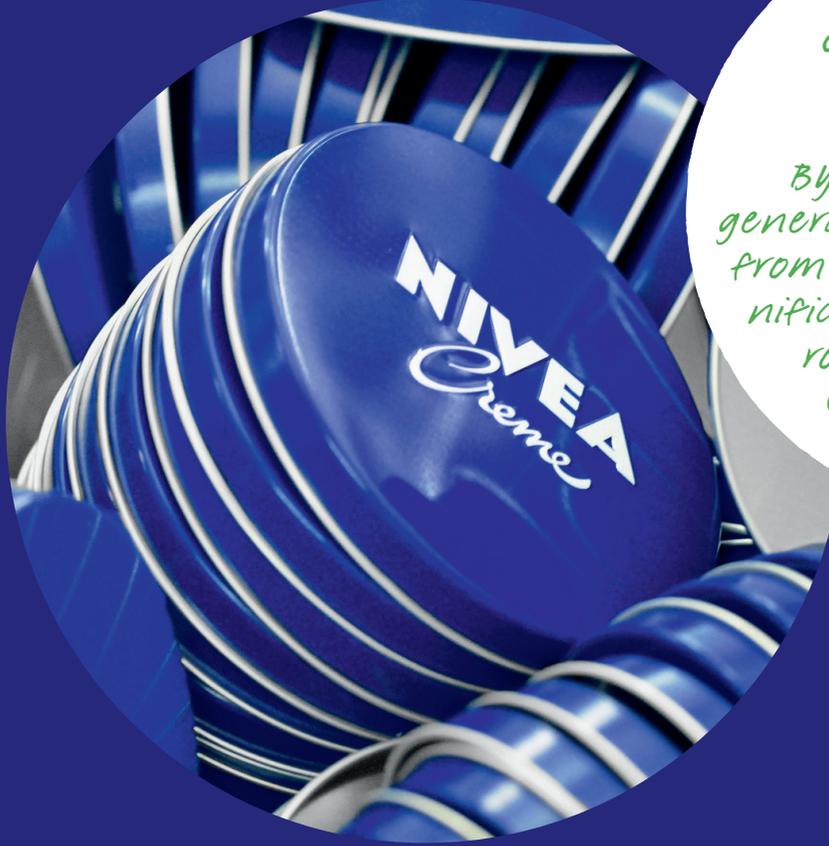
- Identify quantifiable potential savings for select formulas in the framework of the joint “Eco-Design Project” to improve the sustainability performance of our formulas
- Convert our entire NIVEA Face Care range from glass to plastic jars. The completed life-cycle analysis demonstrated that plastic made of polyethylene terephthalate (PET) and polypropylene (PP) reduces packaging’s greenhouse gas potential by up to 16% (PET) or even as much as 28% (PP)

OUR ACHIEVEMENTS IN 2014

- 100% coverage of our palm-based raw materials with “GreenPalm” certificates
- Reducing NIVEA SUN packaging saves more than 31 tons of plastic annually and reduces transport-related CO₂ emissions by 275 tons

OUR NEXT STEPS

- Expand conversion to RSPO certified (mass-balanced) raw materials
- Continue the joint “Eco-Design Project” for optimization of additional product formulas
- Replace polyethylene particles in all our products by the end of 2015



*Our
commitment
for 2020*

*By 2020, we aim to
generate 50% of our sales
from products with a sig-
nificantly reduced envi-
ronmental impact.
(base year 2011)*

PRODUCTS RAW MATERIALS

A responsible approach to raw materials is the starting point in our product development. Availability and the quality of our raw materials are the determining factors for outstanding products.

This is not just our view but also that of an increasing number of consumers. We therefore set high standards in selecting our raw materials and ensuring the safety and efficacy of our formulations for our skin care products.

HIGH-QUALITY STANDARDS FOR THE PROCUREMENT OF RAW MATERIALS

Conserving scarce resources and reducing environmental impacts are key aspects of our approach for our innovations. We address these topics by incorporating sustainability criteria into our research, raw materials procurement, and the development of new formulations and applications.

Our Raw Materials Policy was drawn up in 2006 and defines uniform international criteria for the selection and procurement of raw materials. This means we only use raw materials that have passed through a multi-stage selection process involving experts from various fields.



Raw Materials Policy: drawn up in 2006, it defines uniform international criteria for the selection and procurement of raw materials.

SUSTAINABLE PALM OIL

As a manufacturing company in the cosmetics industry, Beiersdorf does not source any palm oil or palm kernel oil for its products, nor manufacture any refined materials based on these oils. Nevertheless, Beiersdorf uses essential ingredients such as emulsifiers and surfactants for the production of its cosmetics products, which may contain palm oil or palm kernel oil. Such ingredients are manufactured using mineral and vegetable oils, and may include oils such as coconut oil, rapeseed oil, palm oil, and palm kernel oil.

More Transparency in the Supply Chain

We collaborate with our suppliers for more transparency in the supply chain. Our objective is to create a clear audit trail from the source to the processing stage. In this manner, we want to support the expansion of sustainably cultivated palm oil and palm kernel oil, goals that we pursue through our membership in the "Roundtable on Sustainable Palm Oil" (RSPO) and our commitment to the German "Forum for Sustainable Palm Oil" (FONAP). We focus on achieving strict certification criteria with a particular emphasis on ending cultivation on peat soil or soils with a high carbon content, we want to ban harmful pesticides, and we have set ourselves ambitious greenhouse gas reduction targets.

PALM OIL - SOME USEFUL DEFINITIONS



Segregated sources: This is when you purchase an amount of sustainably sourced material, like palm oil, and it is kept separate throughout the supply chain. So the sustainably sourced palm oil is fully traceable from source.

Mass balance: This is when you purchase an amount of sustainably sourced material, like palm oil, but that palm oil is mixed with regular palm oil in the supply chain. So although you may have contributed to the sustainable sourcing of a set volume of palm oil, not all of that sustainably sourced palm oil will be in the palm base of the materials you buy.

GreenPalm certificates: When RSPO certified farmers produce a tonne of sustainable palm oil they can convert this into a certificate. Buyers can then purchase this certificate to cover, or offset the impact of buying regular palm oil.

From Certificates to Certified Raw Materials

Our objective for 2020 is to confine ourselves to using only raw materials based on palm oil of verifiable origin (“Certified Sustainable Palm Kernel Oil”) and to switch to segregated or at least mass-balanced palm oil, palm kernel oil, and derivatives. We began the process of physical conversion of the first raw materials based on mass-balanced palm kernel oil in 2014.

Until this conversion is completed, Beiersdorf will purchase “GreenPalm” certificates to cover the proportion of raw materials not yet converted to at least mass-balance-certified materials. Purchase of these certificates supports sustainable palm oil production promoted by RSPO. In 2014, 100% of the palm oil and palm kernel oil equivalents contained in our raw materials were covered by certificates.

PROJECT FOR ENVIRONMENTAL PRODUCT OPTIMIZATION

Upstream raw material processes can have a significant impact on the environment. In collaboration with Evonik, we have therefore worked on an ecological optimization project for our products. With the help of the “Eco Design Project” we have been able to identify criteria to guide us in making our products more sustainable. Life-cycle analyses form a key aspect of this approach (see page 19). Our raw materials selection process will allow us to contribute to reducing the environmental impact and to improve our ecological footprint. This collaboration makes an excellent foundation which allows us to highlight to what extent a life-cycle has an impact and to discover opportunities for optimization in order to respond with adequate solutions. With such promising results, we are continuing our collaboration with Evonik and will include relevant findings in our product evaluations.

FLORENA: CERTIFIED ORGANIC

Our Florena brand is centered on care products that appeal to consumers who value natural ingredients, where possible sourced from certified organic farming. The “Shea Butter & Argan Oil” range uses organically produced argan oil from the Marogania cooperative in Morocco, an initiative that promotes the cultivation of argan trees to protect these endangered plants from extinction while also hemming in the expansion of the desert in the Essaouira region. Women, in particular, benefit from this engagement as they work for the cooperative in exchange for fair wages. Profits from the sale of argan oil are channeled into community projects, such as providing equipment for schools.

We source red rice from the Camargue region in France for the Florena “Green Tea & Rice Powder” day cream. Cultivating rice removes salt from the soil and helps to maintain biological equilibrium in this region. This has been repeatedly studied and demonstrated. The rice cultivation is certified by the Ecocert organization and complies with the international ISO 022000 standard.



NO MORE PLASTIC MICROBEADS IN THE SEA

The debate on the issue of tiny pieces of micro-plastic – smaller than five millimeters – in the marine environment is gaining momentum. These particles can originate from a wide range of different sources with only a small proportion of these micro-plastics coming from cosmetic products. Up until now, we have been using skin-compatible polyethylene particles in some of our body and facial products to produce a gentle cleansing effect and remove dead skin cells. We want to contribute to the protection of oceans, and will therefore have replaced all polyethylene particles in our products by the end of 2015.



By the end of 2015, we will have replaced all polyethylene particles in our products.

COMMITTED TO ALTERNATIVES TO ANIMAL TESTING FOR MORE THAN 20 YEARS

Beiersdorf refrained from using animal testing in the development of its cosmetic products long before the European Union banned animal tests in 2004, and of course complies with the marketing ban in force since 2013 prohibiting products containing ingredients that have been tested on animals. We use alternative methods to verify the safety and efficacy of our products and are one of the world's leading companies in this area of research. Development of such methods is extremely challenging as complex biological processes must be simulated and new methods require extensive approval procedures. This lends each step forward in this area even more importance.



Our track record of more than 20 years in this area of research includes successful work as a member of expert panels and associations developing in-vitro alternatives to animal testing. We work together with associations and project teams of the German and European cosmetics industry and also cooperate with the “European Union Reference Laboratory for Alternatives to Animal Testing” (EURL ECVAM). Beiersdorf is also an active contributor to the “European Society of Toxicology In Vitro” (ESTIV) and a founding member of the “European Partnership for Alternative Approaches to Animal Testing” (EPAA) formed in 2006, a joint organization of the European Commission and seven industrial sectors.

Alternative Method that is True-to-Life

The “Human-on-a-chip” technology that we continuously move forward together with the biotech company TissUse holds strong potential as an alternative method.

The aim of the technology is to permit toxicological investigations on complex human-like tissue and organ models on a scale of 1:100,000. Important functional units from organs, such as the liver, intestine or skin, are cultivated in individual compartments of a chip. Interactions between these organs can be simulated by connecting the “organoids” using micropumps, channels and membranes. In the future, this will allow us to directly analyze the effects of substances on skin and organs and to investigate metabolic processes within the model system. In 2013, more than 20 academic and industrial research institutions – including Beiersdorf – successfully tested the two-organ chip. This method is evaluated in the context of a toxicological research pilot project since 2014.



Learn more about our raw materials

PRODUCTS PACKAGING

Packaging plays an important role in the presentation of our products and in ensuring our products' quality. Our aim is to manufacture high-quality packaging that is also resource-friendly.

We work continuously to reduce the use of materials in our packaging – whether it is plastic, glass, metal, cardboard or paper. Such savings make sense not only economically but also in environmental terms, as it diminishes the environmental burden caused by transport and waste. Since 2009, sustainability has been a core aspect of our packaging development. Wherever possible, we follow our guiding principle of “avoid, reduce, reuse, and recycle” while we maintain safety, stability, and quality. The figures show that we are successful: almost 100 % of our packaging materials are recyclable.

LIFE-CYCLE ANALYSES: PLANNING CO₂ REDUCTION

We use life-cycle analyses (LCA) to assess the environmental impacts associated with every phase of a product's life-cycle. The model we use is based on the ISO standards 14040 and 14044 and examines raw materials, manufacturing processes, transport, product application, recycling, and disposal. Our LCA of NIVEA Face Care products showed that, from an environmental perspective, it made sense to switch from glass to plastic jars. The results of the study in Europe indicated that using jars made of polyethylene terephthalate (PET) and polypropylene (PP) reduces the packaging's green-

house gas potential by up to 16 % and 28 % respectively, although this reduction does not apply to the potential for ozone formation.



Dorle Bahr, Head of Environmental Sustainability & Safety, explains in a short video how we arrived at this conclusion.

 **Learn more about our life-cycle analyses in the video**

Expanding the Use of LCA

Life-cycle analyses offer a wealth of opportunities. It enables us to launch even more environmentally-friendly products in the marketplace and, in doing so, we achieve our “Products” target for 2020. However, these analyses often show that the most severe repercussions are caused at the stage of procurement or application and are thus outside our direct control. This is an important finding and we want to further expand our LCA activities so as to continuously integrate their results into the development and evaluation of our products.

NEW PACKAGING: REDUCTION IS POSSIBLE

The new packaging for NIVEA SUN shows what can be achieved: the amount of material used for the packaging was reduced, which corresponds to a reduction of more than 31 tons of plastics per year plus about 275 tons of CO₂ emissions that would have been caused by transport. We have also achieved a 10 % reduction in cardboard material for folding boxes for Hansaplast, Elastoplast and Curitas at our Spanish affiliate in Argenton, where more than 50 % of our plasters sold around the world are manufactured.



Promising Restraint

Today, almost 100 % of our packaging materials are already recyclable and we work with accredited regional and national waste disposal companies to further enhance our recycling rate. These companies provide professional collection, sorting, and recycling of a range of different packaging materials.

We have been significantly reducing our cardboard consumption for many years and increasing our use of FSC-certified cardboard made from sustainably managed forests. We have reduced the use of folding boxes for our Florena products with annual savings of nine tons of cardboard. The raw materials for the remaining cardboard packaging carry the "FSC Mix" logo. Florena has also eliminated package information leaflets - when

possible - and so-called "crowners" - advertising labels used in addition to actual packaging. We have also begun to introduce FSC-certified cardboard for all NIVEA folding boxes.

100 Years of Refill Packs

We offer practical refill packs for products with high-quality, long-lasting packaging, such as soap dispensers. This approach has a long tradition - Beiersdorf launched the first product of this type in the market more than 100 years ago with NIVEA powder. Back then, the powder tins were made of actual tin sheeting - a raw material that was in short supply after the outbreak of the First World War in 1914. Beiersdorf introduced refill packs in order to be able to continue selling the product.

The use of refill packs continued until the 1970s and was in high demand among our consumers before it steadily began to decline. Rising environmental awareness in the 1990s breathed new life into the idea. Since then, refill packs such as for NIVEA Creme Soft hand soap have conquered the market. This benefits both consumers and the environment, because refilling existing product packaging reduces waste - around 75 % in the case of NIVEA Cream Soft Shower - as well as saving money.

 [Learn more about our packaging](#)



100 YEARS OF REFILL PACKS



PRODUCTS SAFE AND COMPATIBLE PRODUCTS

Beiersdorf has been the leading expert for skin care for more than 130 years. Outstanding product quality and consumer health and safety have always been and continue to be our top priorities.

Achieving an ever better understanding of human skin so that we can develop products that provide the best possible care – this is our major goal. It guides our efforts in every area, from research and development to purchasing, marketing and sales. The ingredients we use must meet high standards of quality and purity. They have to be safe, skin-compatible and must produce tangible measurable effects.

We take it very seriously when ingredients are the subject of critical discussion in the public domain, always carefully following the debate and taking all aspects into account in order to make informed decisions for or against the use of a substance.

We also know that our consumers are diverse and have a variety of skin care needs, so we market the broadest possible range of products, provide transparent information about ingredients and offer alternatives. This empowers our consumers to decide for themselves which product and which constellation of ingredients suit them best.

RESEARCH AND PRODUCT SAFETY

We stay up to date with the latest developments in science and research by embracing the latest research findings of our own laboratories, from universities and external research facilities. We also communicate intensively with researchers, government authorities, and public institutions, and continuously analyze the safety relevance of new findings and indications from scientific literature, media reports, and information provided by special-interest groups.

Ensuring the skin tolerance and safety of our products is one of our experts' central tasks. Research & Development and the Product Safety Department work together closely to achieve this objective. Every single substance and combination of substances is assessed for its safety. Studies performed on cell cultures and the precise evaluation of toxicological data play an important role.



Each ingredient is assessed regarding its safety.

Our quality management defines the requirements of the studies in use. We are constantly improving our methods in Research and Development by comparing them to state-of-the-art studies and test designs as well as by cooperating with universities and external experts. No new product is introduced until the prototypes have met Beiersdorf's strict quality management requirements.



Learn more about our research & development

PRODUCT LAUNCHES BASED ON CLEAR STANDARDS

Before a product is rolled out to the market it passes through a comprehensive range of studies with volunteers at our research center in Hamburg. For this purpose, we also cooperate with a large number of international institutes and hospitals.

Product launch studies are always planned and implemented according to the principles of cosmetic studies: Proband participants only when providing their written consent after receiving an extensive introduction into the subject matter and following a dermatological medical examination. We strive to find probands that come as close to the target customers as possible in terms of skin type, frequency of application, product use, and their personal attitude to skin and body care.



2015 - Opening of a new regional laboratory in Sanand (India)

As much information as possible is gathered during these studies, from objective skin reactions to subjective perceptions. Regular training for personnel and quality assurance are critical for successful implementation and informative results. Protocols are standardized and aligned to our partner institutions to ensure that we obtain meaningful results.



RESPONDING TO REGIONAL CONSUMER NEEDS

We can best meet the specific needs of our consumers worldwide when our researchers and developers are closest to them. Based on this principle, we have established regional development laboratories in Wuhan (China) and in Silao (Mexico). In 2015, the opening of a new production plant and of a regional laboratory in Sanand (India) is planned.

We generate a high level of acceptance among local consumers by adapting our products to ethnic backgrounds, local climate conditions, and diverse lifestyles.

It is not just through modern consumer research that our consumers are involved in product design. Irrespective of ongoing product launches, we engage in continuous conversations with consumers to collect their ideas, comments and complaints that might emerge. This allows us to continuously improve existing products but also helps us in developing new innovations. A global network of Consumer Interaction Managers at our local affiliates steer this process by fostering close relationships with our consumers.



Learn more about our consumer research

QUALITY MANAGEMENT WITHOUT COMPROMISE

Our understanding of quality extends far beyond the actual product as it encompasses all aspects of our business. Quality, to us, refers to a dynamic process that entails continuous improvement throughout all of our activities. It enhances consumer and customer satisfaction while also safeguarding our competitiveness. We only cooperate with suppliers and subcontractors who are able to demonstrate their compliance with our quality management standards, which we verify via regular audits by independent experts.



All suppliers demonstrate their compliance with our quality management standards.

To achieve our quality targets, we install the appropriate expertise in all of our affiliates. A regular training program ensures that skills and expertise are kept up-to-date throughout the Group. In 2014, we founded a “Quality Academy” to strengthen our global efforts. This new academy organized its first successful event in Dubai in November 2014. More training sessions as part of the “Quality Academy” are coming up in 2015 and will take place in Bangkok and in Hamburg.

In 2014, we founded the “Quality Academy” to strengthen our expertise in all of our affiliates.



THE PROS AND CONS OF PARABENS AS A PRESERVATIVE

Face cream is routinely kept in warm bathrooms. We take sunscreen out with us in bright sunshine. And shower gel stays fresh for many months even after opening. Clearly, without preserving agents many products would perish soon after first opening them and could lead to the outbreak of dangerous bacteria and fungi infecting a consumer’s skin. Parabens provide particularly good protection in these environments as effective preservatives which are also extremely skin-friendly. They have been used in household products, medicines, and foods for more than 80 years. In recent years, however, they have been the target of a great deal of public controversy as parabens allegedly disrupt the endocrine system. Despite such claims, government health authorities have repeatedly confirmed that these compounds do not have any harmful health effects, whereas substitutes frequently do have undesirable side effects, such as triggering allergies. Beiersdorf therefore deliberately uses parabens as preserving agents, however we also give consumers the opportunity to purchase paraben-free products as we understand that informed consumers want to choose for themselves which product is best for them.



For more information, please visit our FAQs

PRODUCTS CONSUMER ENGAGEMENT

An increasing number of consumers expect companies to offer products that have a positive social impact. At the same time, customers are looking for ways to act ethically – and this includes making ethical purchasing decisions.

We are only able to make a genuine difference when we work together with our consumers. By identifying their needs and gaining a better understanding of their expectations, we can use the opportunities available to us to support our customers in leading a more sustainable lifestyle. For a more sustainable future, we enhance our relationships with consumers and special-interest groups through a number of different channels.

“SEEPFERDCHEN”: DONATIONS FROM PRODUCT PROMOTIONS

NIVEA Germany has been promoting the safety of children in and around water for more than 60 years through a joint venture with the “German Life Saving Association” (DLRG). In 2014, we particularly focused on the campaign “Seepferdchen (sea horses) for everyone – Learn to swim with NIVEA”. Statistics indicate that only one out of every two children in Germany under the age of ten have the ability to swim safely. NIVEA Germany organized two donation campaigns for the DLRG as part of our global “NIVEA cares for family” program in order to increase the number of children

who are able to swim safely and raise parent awareness around this issue. We collected donations to train 445 swimming instructors in July and August 2014 through the NIVEA summer sales promotion. If consumers bought three products or more for at least nine euros, one euro was automatically donated to the campaign. In another donation campaign, NIVEA consumers were invited to share the film “25 meters” on social media. NIVEA donated one euro to DLRG for each video share – the clip was shared around 38,000 times.

A total of 300,000 Euros was donated to the DLRG program to train swimming instructors as a result of the two campaigns – an excellent contribution to helping more children in Germany take the “Seepferdchen” swimming proficiency test.



A total of 300,000 euros was donated to the DLRG swimming instructor training program in 2014.

UPCYCLING IN THE BATHROOM

Empty packages in the bathroom do not necessarily have to end up in the trash. Beiersdorf France drew attention to the practice of upcycling in early 2014 with a creative contest organized in cooperation with a French design school. Students demonstrated how NIVEA packaging could be imaginatively repurposed and re-used, for example, as soap dispensers or wind chimes. These do-it-yourself ideas were presented at an event in Paris in autumn 2014, which offered a wealth of ideas on how small works of art with a practical purpose could be created out of presumed waste. Beiersdorf France is already planning another creative contest for 2015 that will be directed toward a broader public.



Learning to swim with NIVEA



Creative recycling (Emmanuelle Naux, Creapole art design)

PLANET
ENVIRONMENTAL
AWARENESS

To conserve valuable resources.



Learn more about our planet engagement

PLANET ENVIRONMENTAL AWARENESS

As a company operating on a global level, we are well aware of the increasing scarcity of natural resources, and are strongly committed to resource conservation. We work continuously to reduce our resource consumption and strive to keep waste production to a minimum.

OUR MEASURES IN 2014

- Continue the “Blue Production Center” initiative in our production sites with a focus on energy efficiency
- Certify the German production sites under ISO 50001, the new production sites in Mexico under LEED Platinum, and our kindergarten in Hamburg under DGNB
- Develop a water concept for our production centers that is aligned with local needs and requirements: this includes an annual water risk analysis and locally adapted packages of measures

OUR ACHIEVEMENTS IN 2014

- - 41% energy consumption*
- - 37% waste*
- - 30% water consumption*

OUR NEXT STEPS

- Analyze the ecological and social hotspots in our supply chain
- Expand systemic emissions calculation for finished product transport
- Roll out the water concept to global production sites by 2016
- Operate all German production and management sites using electricity from renewable energies from 2016
- Expand “Zero Landfill” activities to more production sites

*in our production centers per production unit, base year 2005



*Our
commitment
for 2020*

*By 2020, we aim to
reduce our CO₂ emissions
by 30% per product sold.
(baseline year 2005)*

PLANET ENERGY

We apply a systematic approach to reducing our energy consumption and to using more environmentally friendly sources of energy. This has motivated us to pursue a variety of different initiatives, and we have already implemented an impressive range of cutting-edge energy concepts in our buildings.

CO₂ emissions from fossil fuel combustion accelerate climate change, leading governments to define clear targets for energy savings, greenhouse gas reduction and expanding the use of renewable energy. With energy costs also rising, we are committed to significantly reducing our needs across the value chain, and, where advisable, using renewable energies.

SUSTAINABLE BUILDING DESIGN WITH “BLUE BUILDING”

Our goal is to achieve a sustainable foundation for the entire life-cycle in our property portfolio. With our “Blue Building” program, we are making our office buildings and production facilities around the world more energy efficient and economical with resources, while also creating an attractive and healthy working environment for our employees. Certification with sustainable building standards has been a key criteria for all large real-estate projects in the Beiersdorf Group since 2012.



Beiersdorf Manufacturing Mexico: LEED certification

The plant and regional development laboratory opened in Silao (Mexico) in 2014 was built in compliance with LEED (“Leadership in Energy and Environmental Design”) criteria and certified under the highest standard (Platinum) in September. This certification level has only been granted to four factories in the world, and the Silao site is the first factory in the cosmetics industry to earn this status.



55% CO₂ savings in the newly opened production facility in Silao (Mexico)

The building complex has a surface area of 34,000 square meters and incorporates a cogeneration plant with combined heat and power production, and a photovoltaic system. The new plant emits 55% less CO₂ and consumes 30% less water per ton of product than comparable factories. With a production volume of approximately 45,000 tons of product, the Silao plant

is the second largest factory in Beiersdorf’s global network; the facility manufactures some 280 million NIVEA, Eucerin and Labello products annually. We also aim to achieve LEED Gold certification for our upcoming plant expansions in Chile and Thailand.

NEW KINDERGARTEN EARNS GOLD CERTIFICATION

We are very proud of our new kindergarten located at our headquarters in Hamburg. The sustainability criteria of the “German Sustainable Building Council (DGNB) were already taken into account during the planning stage. This resulted in the installation of a photovoltaic plant on the green roof and of controlled LED lighting. Heat for the building is produced by an in-house combined heat and power production plant. Materials and furniture are guaranteed free of pollutants and the rooms are designed to maximize the use of daylight – an initiative which proved to be an impressive feature. As the first organization in Hamburg, the DGNB awarded the Gold certificate in November 2014. This new kindergarten has doubled our childcare capacity to 100 children.



New kindergarten earns Gold certification

ENERGY MANAGEMENT IN PRODUCTION

To reduce our impact on the environment and achieve our sustainability objectives in the “Planet” focus area, we are working out site-specific plans under our “Blue Production Center” (Blue PC) initiative to increase energy efficiency, bring down greenhouse gas emissions, and reduce waste generation and water consumption.

The Europe and Far East regions analyzed their energy consumption processes and plants in 2013 and 2014, and planned a series of energy efficiency measures. The goal for production facilities is to reduce CO₂ emissions by 50 % by 2020 (compared to 2005), which we plan to achieve with a number of measures including optimized lighting, reduction of compressed-air leakages, and installation of energy-saving drive units. Beiersdorf is beginning the analysis process in Latin America in 2015.



In 2014, all our production facilities in Germany were successfully ISO 50001 certified.

Beiersdorf Manufacturing Hamburg GmbH (BMH) was the first location in the German production network to receive ISO 50001 certification in July 2014. This global standard defines rules for implementing and operating an energy management system, which enables compa-



Energy management in production

nies to establish systematic processes and standards for efficient energy use and responsible consumption, and to maintain and continuously improve these systems.

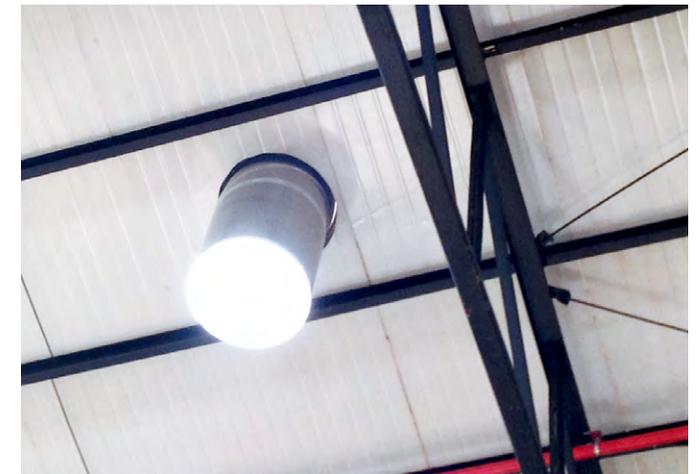
The two German Beiersdorf plants in Waldheim and Berlin also received ISO certifications in December 2014. Similar to the Hamburg production site, energy management officers worked together with a team to define all the requirements of the standard and supported management and employees in their implementation. Monitoring audits will be carried out by the certifying auditor in 2015 and 2016 at all three production facilities to review selected aspects of the energy management system, and the ISO 50001 recertification audit will be conducted in three years.

Our BMB (Berlin), BMWa (Waldheim), BMH (Hamburg) and BMM (Silao, Mexico) production facilities, as well as

the Hamburg headquarters, have introduced the B.Data energy monitoring system which enables measurement and evaluation of energy consumption at individual installations so that precise optimization measures can be planned. We intend to introduce B.Data as the standard system at other locations over the next few years.

POWER FROM RENEWABLE ENERGIES

Starting in 2016, we are converting the power supply at all locations in Germany to green electricity. In addition, we have established in-house generation from renewable energy to cover some of our electricity needs at a number of sites across the world, for example by means of photovoltaic plants. In 2014, we were able to produce 5,689 gigajoules of carbon-neutral energy at our European sites alone. At some sites we are using solar tubes to generate lights in warehouse facilities, which are exclusively powered by natural daylight.



Solar Tube

BEIERSDORF GETS MOBILE

Since 2013, our Green Car Policy has defined mandatory CO₂ limits for company cars in Germany, Spain, Switzerland and the Central Eastern Europe region. These apply to all employees – from field staff to the Executive Board. Our location in Switzerland also announced a car-free day for the second year in succession and provided its employees with free NIVEA bicycles. In 2014, we joined forces with our neighboring company NXP Semiconductors in Hamburg to set up the StadtRAD city-bicycle Tropfowitzstrasse station adjacent to our site. This bicycle station is available to our employees, local residents, and guests. For only a small fee, users can park their bicycles at any bicycle station in the city. We also launched joint ventures with car-sharing providers DriveNow and Car2Go. More than 500 employees have now registered to use the shared cars. These offers have attracted a great deal of interest.

We conducted an employee survey in 2014 to obtain a clear picture of the mobility behavior and needs of our employees. Almost one-third of Beiersdorf employees shared their thoughts on their preferred mode of transport, and these results are being incorporated into our transport and mobility concept with its expansion into a company-wide mobility management system. One gratifying result of the survey was the number of employees who commute by bicycle throughout the year. Employees' willingness to bike to work has continuously grown in the past years, along with the readiness to travel greater distances by bicycle. Beiersdorf employees are thus helping the environment and improving their health at the same time.



Green car Policy: Since 2013, it defines binding CO₂ limits for Beiersdorf in Germany, Spain, Switzerland and the Central Eastern Europe region.



OPTIMIZED METHODOLOGY FOR MEASURING CO₂ EMISSIONS

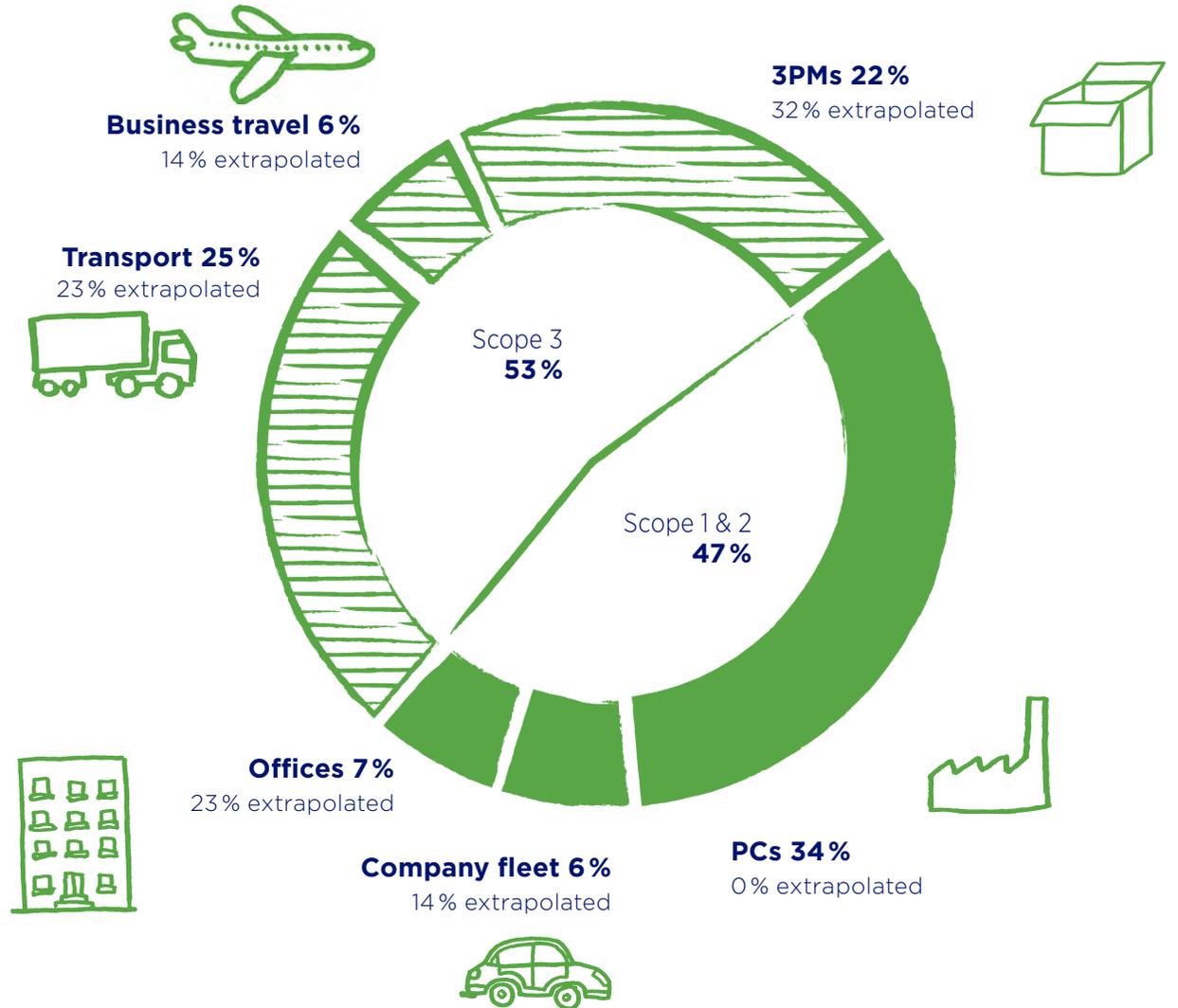
Our defined goal is to contribute to climate protection and reduce CO₂ emissions. By 2020, we want to reduce our CO₂ emissions by 30% for each product sold over all three scopes, with 2005 serving as the base year.

We assess our CO₂ emissions in accordance with the specifications of the Greenhouse Gas Protocol developed by the "World Resources Institute" (WRI) and the "World Business Council on Sustainable Development" (WBCSD). The susy sustainability management software introduced in 2014 supports this endeavor and enables us to record and analyze sustainability indicators worldwide. We have also revised and simplified our methodologies in data collection emission calculation.

These adjustments have increased our data coverage in 2014 and improved the quality of our data and extrapolations; we may therefore observe some shifts in data compared to the previous year.

 **Learn more about our activities in the field of energy**

ESTIMATED PROPORTION OF OUR CO₂ EMISSIONS PER SCOPE FOR THE YEAR 2014



Scope 1: All direct greenhouse gas emissions resulting from use of direct sources of energy like gas and oil.
 Scope 2: Indirect greenhouse gas emissions which result from the purchase of electricity, heat or steam.
 Scope 3: Greenhouse gas emissions from the supply chain, such as manufacture and transport of finished products and business trips.

PLANET WASTE

We continuously put our effort in preventing waste at all locations, wherever possible. Otherwise we seek to reduce, reuse or recycle it. This aim is implemented along the entire value chain.

Our production processes involve many different materials, which increases the complexity and expense of recycling. This drives us even more to reduce the actual use of materials and cut down on waste from production process. We have also set ourselves the goal of environmentally responsible disposal of all materials.

OPTIMIZED PRODUCTION PROCESS FOR AEROSOL PACKAGING

Through a joint project with one of our packaging suppliers, we have optimized the production process for aerosol packaging so that less waste is generated during production for the same can specification. As of 2015, this will result in total savings of some 180 tons of aluminum per year, leading to a reduction of emissions calculated in CO₂-equivalent of around 2,000 tons.

LESS WASTE IN THE PRODUCTION PROCESS



“ZERO LANDFILL 2015”

We developed the “Zero Landfill 2015” concept for all our European production sites. Its aim is to prevent production waste from ending up in landfill sites and to reroute it to recycling or waste incineration plants. This objective was already achieved this year, with the exception of Beiersdorf Manufacturing Poland (BMP). Legal regulations in Poland require us to still send a fraction of our waste to landfill. A new incineration plant is expected to be available in Posen (Poland) in 2016, where all the waste from the production site can be combusted.

All European sites permanently work at further increasing the proportion of recycled waste, in order to ensure a future reduction of the overall proportion of waste for incineration. To fulfill this purpose, measures for waste prevention, separation and collection are implemented in the company, and regularly reassessed and expanded.

Production facilities outside Europe are also developing measures to prevent landfill waste, and will be moving this issue forward in the coming years. The Far East, Middle East and Latin America regions in particular will be moving strongly in this direction, and are already making a major contribution in increasing the proportion of recycled materials and reducing the use of landfill for production waste. A project for cross-border waste disposal is currently developed in the Middle East, where waste from our distribution center in Dubai will be transported by sea to Germany and recycled in an environmentally friendly recycling plant, or used in thermal recycling.

RECYCLING INITIATIVE IN BRAZIL

In Brazil, Beiersdorf supports the “Dê a Mão para o Futuro” (“Reach out to the Future”) project run by the “Brazilian Association of Hygiene, Cosmetics and Perfumery Industries” (ABIHPEC). This joint venture between business, government and waste collection cooperatives aims to increase the proportion of recycled solid waste, while providing additional work opportunities for members of the cooperative to earn a regular income. ABIHPEC and its members develop and support this project, especially by providing training and equipment materials. At the same time, the project raises public awareness of the issue of recycling.

THE INITIATIVE'S LOCATIONS



As early as 2006, a pilot project was carried out in Santa Catarina with the participation of four towns and ten recycling cooperatives. The project was then established in the Brazilian states of Rio de Janeiro and Paraná and is currently being implemented in the state of São Paulo.

Beiersdorf Brazil was among the companies that have been supporting the project from the very beginning through providing financial contributions and support in planning, implementing and reporting matters.

MANAGING FOOD INSTEAD OF WASTING IT

In June 2013, an initiative to prevent food waste was launched with foodsharing e.V. in Hamburg. This charitable association provides welfare institutions with unspoiled food that fulfills the standard of the German Food Act.

Some two years after the launch of our partnership, the outcome is positive: Beiersdorf has donated 14.9 tons of unconsumed food from the company restaurant to welfare organizations, which was further prepared in their kitchens before reaching the disadvantaged individuals. In the coming years, we will continue this collaboration and our efforts to raise employee awareness of a sustainable approach to food.



In two years, Beiersdorf donated 14.9 tons of unconsumed food from the company restaurant to foodsharing e.V..



PLANET WATER

We work continuously to reduce water consumption and waste – at our production sites and administrative buildings.

Water is a scarce resource in many parts of the world; climate change and population growth are likely to reinforce this global trend in the future. In our company we aim to use water as efficiently as possible, and look for potential opportunities to reduce water consumption. We are also committed to minimizing environmental impact on wastewater through our cleaning procedures. We use treated water or processed water wherever feasible and effective, for example for sanitary purposes and garden irrigation.

RISK ASSESSMENT LAUNCHED

Beiersdorf initiated its first water supply risk assessments for production on a local, as well as regional level with the “Water consumption approach 2020”. In 2014, we conducted a water risk analysis for all production sites with a focus on water availability, quality and consumption. Sites with high water risk committed themselves to developing risk minimization measures, some of which have already been implemented in 2015. Their engagement extends beyond reducing production-related water consumption, and also encompasses communication with relevant stakeholders, such

as water suppliers, government agencies and neighboring companies. Every year, we document the results of our water risk analysis in our **susy** reporting and management system.

OPTIMIZED WATER TREATMENT

We want to continue to be in a position to meet increasing wastewater treatment requirements in the future. Wastewater treatment plants are standard at all our production facilities, and undergo continuous



WATER RISK ANALYSIS

**All production sites are audited.
The focus of the audit was on:**



- **Availability**
- **Quality**
- **Water consumption**

improvements in accordance with individual production requirements. In 2014, for example, we added technical optimizations and expanded the capacity of the wastewater treatment plant at our production facility in Tres Cantos, resulting in wastewater quality and discharge conditions that exceed local requirements. At the core of the expansions were the construction of a storage tank, and the optimization of the precipitation and flotation unit.

 **Learn more about our activities in the field of water**

PEOPLE
**TRUST AND
RESPONSIBILITY**

Building stronger relationships.



Learn more about our people engagement

PEOPLE TRUST AND RESPONSIBILITY

We take responsibility for the people in our environment – within the company and in society. We promote the development of our employees, create an equitable and motivating work environment, and look after their health and safety. We place families at the core of our social commitment and support them through various long-term initiatives.

OUR MEASURES IN 2014

- Continue our “Zero Accident” program
- Complete free individual health checks in the framework of the “good for me” initiative for more than 1,000 employees in Hamburg; based on the results, additional offers such as stress management seminars, back training and nutrition counseling were developed and offered
- Under the slogan “Bringing First Aid Home” Hansaplast developed a platform to enhance awareness of first aid – with a focus on education, first-aid know-how and prevention

OUR ACHIEVEMENTS IN 2014

- - 60% occupational accidents in our worldwide production sites (incl. headquarters | 2012 vs 2014)
- 33 “NIVEA cares for family” projects worldwide
- 7 “Bringing First Aid Home” partnerships between Hansaplast and National Red Cross Societies

OUR NEXT STEPS

- Roll out the “good for me” offer to more subsidiaries
- Expand our “NIVEA cares for family” and “Bringing First Aid Home” initiatives
- Develop a strategic platform for Eucerin’s social brand positioning
- Define a global approach for in-kind donations
- Roll out the “A closer look at products” company-wide campaign with a focus on raw materials, packaging and consumer engagement by the end of 2015



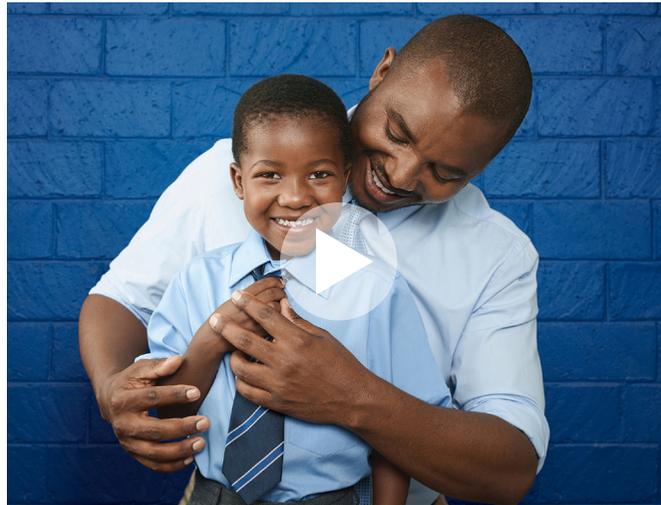
PEOPLE SOCIAL RESPONSIBILITY

Families are at the center of our social commitment because we believe that they are crucial to a strong society. Around the world, we support and strengthen families through long-term social projects and initiatives targeted at local community development.

Each of our brands develops its own social initiatives based on their expertise and specific brand values. We make sure that our commitment to families is socially relevant and we aim for effective initiatives delivering tangible support. To achieve this, we work closely with international and local NGOs that set up and lead our social initiatives with their expertise and experience. All projects are guided by the principle of helping people to help themselves and meet the criteria of local relevance, long-term perspective and quantifiable results.

NIVEA CARES FOR FAMILY

With “NIVEA cares for family” NIVEA places families at the center of its social engagement. This long-term CSR initiative strengthens families through projects focusing on three objectives: empowering children, supporting mothers, and facilitating more time for families. Our employees as well as our consumers are actively involved in our projects.



Learn more about the “Care is Beautiful” initiative

In South Africa, NIVEA launched the “Care is Beautiful” initiative, an inspiring campaign that celebrates, supports and encourages people who make a social commitment to their community and live by the local philosophy of “Ubuntu”. This ideal of care and being connected is deeply rooted in the South African culture and represents solidarity between people and a sense of responsibility that goes beyond direct family relations. The main element of this campaign is an endearing television spot which shows the personal engagement of three South Africans for people in need within their immediate community. As part of “NIVEA cares for family”, NIVEA South Africa further provides assistance to the social commitment of the everyday heroes portrayed in the spot.

This year, NIVEA Slovenia once again set up its initiative “Share your blue heart with us”. The project encouraged consumers to send personally designed digital “Blue Hearts” to their families and friends. NIVEA made a donation of 25 cents to the “NIVEA Learning Fund” for each heart sent. Thanks to a high participation rate, more than 100,000 recipients were able to enjoy these personal and socially inspiring greetings, generating a donation contribution of more than €25,000. The “NIVEA Learning Fund” was launched in cooperation with the “Slovenian Association of Friends of Youth” in order to help children from disadvantaged families. In the past seven years, 72 children have already benefited from this fund.



FIRST-AID TRAINING WITH HANSAPLAST

The starting point for Hansaplast's social commitment is the notion that anyone might one day depend on another person to deliver competent first aid. This is why Hansaplast has launched an initiative to increase first-aid skills within the population as well as improving individuals' confidence in their ability to provide first aid in everyday life situations. Under the motto "Bringing First Aid Home", Hansaplast is joining forces with National Red Cross Societies, leading experts in first aid, to launch local partnerships. Along with education and prevention measures, Hansaplast focuses its Red Cross partnerships to provide first-aid training sessions that raise awareness and enhance expertise in providing first aid within the family.

Hansaplast and the German Red Cross (DRK) began their partnership in 2014 with the aim to generally improve first aid skills in Germany while particularly focusing on training families with children to help them identify and eliminate hazards and to provide effective first aid in everyday situations. The initiative was launched with the "Erste Klasse, Erste Hilfe" (first grade, first aid) project, accompanied by a "Erste Hilfe am Kind" (first aid for children) checklist, which includes tips for providing first aid to children and is available at cooperating pharmacies.



As part of the partnership, Beiersdorf employees were also able to refresh their knowledge of first aid (see page 41). Furthermore, the kindergarten "Troplo Kids" at the Hamburg headquarters took part in an introduction to first aid that was specifically tailored to children's needs.



*"Bringing First Aid Home":
prevention, education,
and training for more
safety at home.*

COLLABORATING FOR PRODUCT DONATIONS

As a manufacturing company, we were looking for an alternative to the destruction of product surpluses – and we found it in the cooperation between Beiersdorf Hamburg and innatura.org.

innatura provides an online platform to mediate in-kind donations for social purposes. These donations are distributed to non-profit organizations (NPOs) which then deliver them directly to people in need. Since innatura organizes the entire logistics chain, for the first time, small NPOs are able to benefit from such in-kind donations, as well. The organizations can thus save money, and instead invest it in their projects. Ever since the collaboration was established, we have supported innatura with product donations, including remainders from promotions and products that are underfilled – products that are perfectly fine but can no longer be sold.

This initiative allows us to combine resource conservation with social responsibility in an effective way.

 [Learn more about our social responsibility](#)

PEOPLE EMPLOYEES

Our employees and corporate culture make us and our products unique. That is why providing our employees with a motivating work environment is so important for us. Living our values, providing safe and attractive working conditions, fostering individual career development and taking action to increase diversity add up in making Beiersdorf an attractive employer throughout the world.

The people at Beiersdorf play a major role in the success of our company. They manage strong brands, develop innovative products, and inspire consumers around the world. That is why our employees' key role is firmly anchored in our "Blue Agenda" which guides Beiersdorf's Human Resources practices based on three basic operating principles:

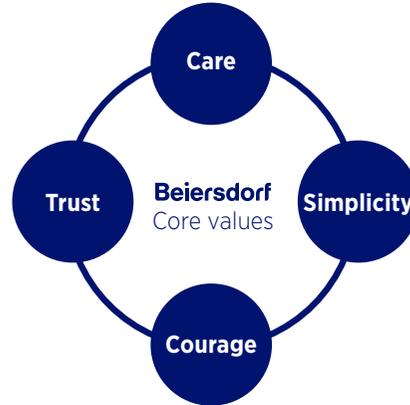
- We continuously strengthen our global HR standards and processes, keeping them consistent, comprehensive and efficient for the benefit of our employees around the world.

- We empower our HR staff to take responsibility and develop their own initiatives locally by delegating decisions and decision-making to the lowest possible level.
- We work to establish and maintain a long-term culture of trust across all hierarchical levels.

In 2014, strengthening an engaging working environment remained a top priority.

OUR CORE VALUES: CARE, SIMPLICITY, COURAGE AND TRUST

Beiersdorf's four Core Values – Care, Simplicity, Courage and Trust – are firmly anchored in the 130-year history of our company and directly impact the way of working of every employee.



The employees' high level of identification with these values provides an excellent opportunity to debate, review and improve leadership quality and management effectiveness based on joint discussions and analyses. 2014 marked the starting year of this long-term culture project with active participation of all units and all em-

ployees. Core Values have also already been incorporated into Beiersdorf's continuous Employee Dialogue process and its global leadership development programs.

EMPLOYEE CODE OF CONDUCT CREATES CLARITY

We operate worldwide, which comes with legal requirements, local codes of conduct, and customs as varied as the languages spoken by Beiersdorf employees. The Beiersdorf Code of Conduct captures our high level of responsibility and forms a set of guiding principles that can be applied by every employee throughout the world. We use the code to implement our company's values into our daily work, to highlight what we expect from Beiersdorf employees, and to show them how to respond to potential issues or difficult situations concerning our business practices or dealings with each other.



 [Learn more about our Core Values](#)

“ZERO ACCIDENT” PROGRAM PROVIDES SAFETY

Each of our global production centers works with an internationally standardized environmental protection and occupational safety management system. The efficiency of each local system is monitored on a regular basis by an external certification service provider and continuously further developed by means of suggestions for improvement.

Beiersdorf Chile received an official award from the Chilean employers' liability insurance organization Mutual de Seguridad for outstanding occupational safety and the associated management system under OHSAS 18001. More than 60,000 companies are members of Mutual de Seguridad. Further, our affiliate P. T. Beiersdorf Indonesia received the “Zero Accident Award” for excellent occupational safety, granted by the government of the East Java region and the Kabupaten Malang district, in recognition of their outstanding safety culture.

We also use our “Zero Accident” program to foster a prevention culture intended to enhance the behavioral safety of each individual. In the long term, the aim is to create safe working conditions in all areas of the company and to reduce the number of occupational accidents.

The program has already been implemented successfully in a number of countries in Europe, and significant progress has been made in other regions. In Brazil, for example, there were no accidents that led to a loss of work time of more than one day in 2014. In recent years, we have implemented a range of initiatives to promote a safer workplace and to increase awareness of safe working practices.



60% fewer occupational accidents in our global production facilities compared to 2012.

HEALTHIER WITH “GOOD FOR ME”

Since we want our employees to be healthy and stay healthy, we combined all health-related functions at the Hamburg site under the umbrella of “good for me” health management in 2014. The company physician, health promotion, social counseling, as well as occupational safety, catering, BKK Beiersdorf and Beiersdorf’s sports club were put under one common roof and now focus on five areas: prevention/early recognition, physical training, nutrition, balance, and work environment.

We offered health checks free of charge in January, June and October 2014 to bring the attention of all employees to this new initiative and to provide healthcare services tailored to their needs. From the data that was collected anonymously, we were able to develop new measures, including stress management trainings, relaxation groups, motivational presentations on nutrition, and appealing sports and exercise offers such as “Back in Balance”, Body Tuning, Drums-Alive and running courses. The health check offer will be continued in 2015 and is also taken up by Beiersdorf Manufacturing Berlin. The “good for me” program is planned to be expanded into other affiliates in the future.

EMPLOYEE SURVEY FOSTERING FEEDBACK CULTURE

As a culture of open feedback remains a top priority for us, we conducted our second global employee engagement survey, called “TEAMVOICE”, in 2014. Beiersdorf experienced a record participation rate of 92% and the results showed significant improvement compared to the previous year. The results were presented at company-wide events and discussed in more than 1,000 teams, with local HR departments supporting and facilitating the implementation of tangible improvement measures developed in these discussions. “TEAMVOICE” stands for more than a simple employee survey – this long-term program was established to create a permanent positive impact on the daily work routine.



The participation rate for TEAMVOICE reached a record high of 92% in 2014.

DIVERSITY AS A FACTOR FOR SUCCESS

Diversity is a key success factor for companies like Beiersdorf that operate on a global stage. We are a signatory to the German Diversity Charter that promotes the recognition, appreciation and integration of diversity within German companies. In 2014, we continued our action plan, which was launched in 2013 to enhance diversity. We focus on two areas: gender diversity and internationalization.

- Gender Diversity: The mentoring and networking programs that promote women's career developments entered its second round and the first pilot projects for job sharing on management level were started successfully. We are well on the way to increasing the proportion of women in management positions in Germany to 30% by 2020. By the end of 2014, the ratio at Beiersdorf was already at 27.5% (2013: 25.5%).
- Internationalization: We promoted internationalization by increasing the proportion of international employees at the Hamburg headquarters to 13% by the end of 2014 (previous year: 12%). The proportion of upper-level managers with international career experience remained at a high level. Around half of the managers have a significant track record of international experience.

TALENT MANAGEMENT FOR INDIVIDUAL CAREER DEVELOPMENT

Every employee counts. This is the cornerstone of our management philosophy at Beiersdorf. Through our management practices we aim to make the most of the abilities and achieve the full potential of every member of the company's workforce. We also offer talented emerging leaders extensive support in achieving their personal career goals. A continuous dialog between talents and supervisors is key to defining the next career stages and necessary measures. At Beiersdorf, talent management is based on a wide range of personal in-



The share of women in management positions in Germany rose from 25.5% to 27.5% within a 12-month period.

teractions, including coaching, mentoring and roundtable events. Once a year, emerging managers get the opportunity to discuss critical business issues directly with the Executive Board during the "Talent Days".

In 2014, another initiative was of particular importance: all key facets of individual career development were transferred to a documented process chain comprising performance and potential review, personal development, and career planning. Local, regional, and global activities were integrated to create a globally uniform process.



 **Discover how diversity is embodied at Beiersdorf**

SUSTAINABLE EMPLOYEE ENGAGEMENT

Many of our employees have a personal interest in sustainability issues. They want to work for a company which embodies values and offers room for personal engagement. We provide a range of opportunities for individual involvement in numerous environmental and CSR initiatives throughout the world, allowing our employees to expand their personal and career prospects as well as establishing the issue of sustainability more firmly within our company.



Learn more about our employees' engagement

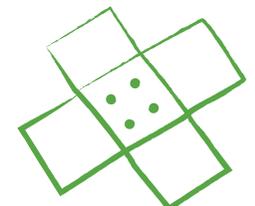
HANSAPLAST: EXPERTS IN FIRST AID

Under the motto "Bringing First Aid Home", first aid is at the center of Hansaplast's local partnerships with Red Cross Societies (see page 37) and it was also the motto of an employee engagement campaign in 2014. Hundreds of employees from different countries got the chance to refresh their knowledge of first aid on World First Aid Day in September.



Hansaplast: experts in first aid

- The Austrian team organized an Intranet quiz and a charity bazaar that raised €4,000 for the Austrian Red Cross.
- Employees in the United Kingdom also put their first aid expertise to the test in an email quiz and attended training sessions to improve their skills.
- In the Netherlands, Hansaplast offered internal first aid courses, consisting of a general training suitable for all employees and a special course on first aid for parents of infants and children.
- Hansaplast Spain organized a joint campaign with the Spanish Red Cross in which the partners distributed first aid information at an activity stand and demonstrated essential principles of first aid for infants and children.
- In Germany, more than 500 employees joined the "Bringing First Aid Home" initiative by attending first aid training sessions offered by experts from the German Red Cross and participating in a competition.



NIVEA FAMILY DAYS

Affiliates around the world celebrated the “NIVEA Family Days” for the second time at the end of 2014. Employees took part in a variety of social initiatives to support disadvantaged families – individually or in teams, through financial or in-kind donations, or by lending their personal commitment and time. The “NIVEA Family Days” are part of “NIVEA cares for family”, NIVEA’s social commitment to strengthen families throughout the world. All activities are planned and implemented by employees locally.



 Learn more about “NIVEA cares for family”

- In Portugal, employees renovated spaces used by socially disadvantaged children between nine and 16 years of age. In this way they supported the Noveo Futuro association whose mission is to take in children with difficult family backgrounds and to offer them a stable and loving environment.
- In the Czech Republic, employees from Beiersdorf helped preschools organize Christmas parties for children. This activity was part of “Blue Bear NIVEA”, a local project that has been helping to promote early development of disadvantaged children since 2002.
- In Uruguay, Beiersdorf staff provided support for disadvantaged young mothers and their children. They collected children’s clothing and other urgently needed goods and were also able to provide each mother with a product donation.



CONTACTS AND LINK TO THE GRI* INDEX

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PERFORMANCE AND ACHIEVEMENTS IN 2014

Our sustainability report is supplemented by the separate 2014 GRI Index and documents our performance and achievements in 2014. The included information and data exclusively concern the Consumer Business Segment and do not apply to tesa.

The sustainability section on our corporate website offers additional information and data from earlier reporting years to provide a comprehensive profile of our continuous sustainability engagement. You can also find detailed information about data collection and calculation here.

Our 2014 GRI Index is based on the internationally accredited GRI G4 Guidelines under the “Core” option and is intended to provide maximum transparency of our workflows and activities. Its foundation is the definition of material reporting aspects based on a materiality analysis conducted in 2014. We are continuously working on expanding and consolidating our global data collection and monitoring systems to present an increasingly precise picture of the current status of our progress and successes. The GRI Index can be downloaded from our website:

 **Downloads**

*Global Reporting Initiative