

## Beiersdorf Group

- **A global player in skin care for more than 135 years**
- **Group sales in 2017: €7.1 billion**
- **Internationally successful with major brands such as NIVEA, Eucerin, Hansaplast and La Prairie**

Beiersdorf AG is a globally active group of companies focused on the development, manufacture, and worldwide distribution of innovative, high-quality skin care products. Beiersdorf is also Germany's largest skin care company. Its success is based on its closeness to the markets in the countries in which it is active and its consistent focus on meeting specific local consumer wishes, flanked by its internationally successful brands and its substantial research and innovation expertise. Other key reasons for Beiersdorf's position as a global leader in the consumer goods industry are its focus on both the emerging regions and the established European markets, coupled with an efficient global supply chain.

The Blue Agenda is the central strategic program of the Consumer Business Segment for navigating global competition. Its core focus is on Beiersdorf's objective of being the No. 1 skin care company in its key categories and markets. In addition, it sets out the global goal of always being closest to important markets and consumers at a regional and local level. With Blue & Beyond, Beiersdorf expanded in 2017 its strategy to encompass additional important goals. In this way, a greater focus should be put on leveraging the enormous growth potential of the three Pharmacy and Selective brands Eucerin, Hansaplast, and La Prairie and making them just as economically successful as the iconic brand NIVEA – the world's No. 1 skin care brand\*. Further renowned brands such as Labello, Florena, 8x4, Hidrofugal, aatrix, Aquaphor, SLEK, and Maestro round off the extensive portfolio. tesa – one of the world's leading producers of self-adhesive products and system solutions for industry, craft businesses, and consumers – is an independent business segment within the Group. tesa AG was established as an independent stock corporation within the Beiersdorf Group in 2001 and was reorganized as a Société Européenne (SE) in 2009.

### Internationally active right from the start

An international focus and activities have been part of the Beiersdorf Group's philosophy since its beginnings. For example, the first trading links to companies in the USA were set up in 1893 – eleven years after the company was founded by pharmacist Paul C. Beiersdorf in Hamburg. In 1911, Beiersdorf launched NIVEA Creme, the world's first stable oil-and-water-based cream suitable for mass production. NIVEA Creme became an international best seller in a very short time. In 1914, 42% of Beiersdorf's total sales of NIVEA and its other brands were generated abroad. This was thanks to contracts with representative offices in 34 countries – including licensed production in Buenos Aires, Copenhagen, Mexico City, New York, Paris, Sydney, and Moscow. The company entered the Chinese market shortly afterwards. In 1929, Beiersdorf already had over 20 production sites in operation worldwide. Today, the company has a global presence with over 160 affiliates and about 19,000 employees.

The company has always considered it part of its job to act from the perspective of the individual markets. In doing so, Beiersdorf benefits from its affiliates' expertise. They use their

knowledge of the people, the culture, and the climate to continually provide ideas for new, specially tailored products. In essence, it's about knowing what motivates consumers, meeting their needs, and at the same time fulfilling their wishes with innovative product developments. A good example here is the launch of the NIVEA Invisible for Black & White Deodorant, the first deodorant that leaves hardly any residue on dark clothing and reduces the formation of yellow stains on light clothing.

Beiersdorf has set long-term trends and established new market segments with its major product innovations, including NIVEA Deo Black & White, NIVEA Body In-Shower, and NIVEA Face Cellular Anti-Age. Long-term marketing and continual upgrades prolong the innovation cycles for these new products. The all-purpose skin creams introduced in 2015 – NIVEA Care and NIVEA Men Cream – are the product of the latest skin-care research technologies and offer exceptional value for money. These two entry-level skin care products not only help Beiersdorf's most important core brand to reach new consumer groups, they also inject fresh impetus into the market at the same time.

One of the major current innovations is the new NIVEA Sun Protect & Care, which was globally introduced in 2017. The innovative formula not only protects skin from UVA and UVB radiation, but also enables stains from UV filters to be more easily washed out of clothing. This ground-breaking innovation has led to Beiersdorf significantly strengthening its excellent position in the area of sun protection.

Not only is closeness critical in terms of consumers – it is also the principle Beiersdorf follows when working together with suppliers and providing in-depth, direct support to retail partners around the world. Retailers are integrated as partners in the company's production and logistics structure to optimally reach consumers worldwide. The Beiersdorf supply chain, with its optimized processes and structures, is fast, flexible, cost-effective, and environmentally friendly – a clear competitive advantage in an increasingly dynamic global market environment. Despite its international focus, Beiersdorf is still firmly anchored in Hamburg: the city remains home to the headquarters of the Beiersdorf Group and the Beiersdorf Research Center.

## **Innovation – adapted to regional market demands**

Beiersdorf stands for more than 135 years of skin research expertise. About 800 staff members are employed in this area worldwide. The Beiersdorf Skin Research Center in Hamburg is one of the largest and most modern in Europe and one of the world's leading institutes in this area. In addition, the regional development laboratories, such as the one in Wuhan (China) and the regional lab in Silao (Mexico), which has been operating since 2014, play a particularly important role in identifying local needs. By opening another regional lab and a production site in Sanand (India), Beiersdorf has considerably strengthened its local presence in an important emerging market such as India. Beiersdorf's intense focus on, and in-depth knowledge of specific regional differences in consumer needs are critical factors in the worldwide success of its products. In 2017, the Group invested more than €190 million in skin research and the development of innovative skin care products.

## **Economic, environmental, and social responsibility**

Taking responsibility and acting sustainably have a long tradition at Beiersdorf. For over 135 years, environmental protection, social responsibility, and economic efficiency have been

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central elements of our corporate identity. This means striking a healthy balance between commercial success, environmentally friendly and resource-friendly process and product design, and social commitment. “We care.”, the company’s international sustainability strategy, focuses on three fields of activity: “Products”, “Planet”, and “People”. By addressing the topics of its sustainability strategy, Beiersdorf works closely together with its stakeholders, especially employees, suppliers, and consumers, as well as non-governmental organizations.

*\* Source: Euromonitor International Limited; NIVEA by umbrella brand name in the Body Care, Face Care and Hand Care categories; in retail value terms, 2016.*

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