Press Release

WWF and Beiersdorf extend cooperation for more sustainable palm oil production in Indonesia until 2026

- Beiersdorf continues to drive palm oil commitment as in line with CARE BEYOND SKIN Sustainability Agenda
- Target until 2026: 200 smallholders to be RSPO certified to strengthen local nature conservation and sustainable palm oil cultivation
- Beiersdorf's supplier Evonik joins in to support the WWF project in West Kalimantan

Hamburg, January 24, 2023 - Beiersdorf AG and World Wildlife Fund For Nature (WWF) are strengthening their joint commitment to protect nature on the island of Borneo. For another four years, the skin care company will support the nature conservation organization's project in West Kalimantan, the Indonesian part of the island. There, the partners aim to prevent further conversion of natural forests by promoting the cultivation of sustainable palm oil and improving the living standards of the local smallholders. With the start of the project extension, the specialty chemicals company Evonik, a supplier of Beiersdorf for palm (kernel) oil derivates, will join the initiative.

Borneo is the third largest island in the world, home to one of the world's most important rainforest areas and boasting a huge biodiversity. Unfortunately, large areas of this important ecosystem have been converted to palm oil plantations in recent decades. Already since 2018, Beiersdorf and WWF are working together with smallholders in the Kapuas Hulu District to make a difference on the ground. Among other achievements, the smallholders' association 'Mitra Bersama' was founded, which now provides the basis for the planned RSPO certification of their plantations (RSPO: Roundtable on Sustainable Palm Oil).

Targets for 2026

During the extension of the project until June 2026, 200 members of 'Mitra Bersama', who jointly own about 300 hectares of land, are to be certified according to the RSPO standard. Another goal the partners are striving for is for the smallholders to gain direct market access to a palm oil mill.

"The common project of Beiersdorf, Evonik, and WWF combines transformative corporate objectives with local nature conservation, which makes our cooperation exceptional. Together, we are strengthening sustainable palm oil production to preserve healthy, species-rich forest systems," says Silke Düwel-Rieth, Head of Business and Markets at WWF Germany.

In the long term, Beiersdorf and Evonik have the vision to source palm (kernel) oil derivatives for their products directly from the project region. The certification of the smallholders is therefore an important building block for the two companies, which are highly committed to sustainability along their entire



palm (kernel) oil derivatives supply chain. Beiersdorf and Evonik are already supporting together a project in the Tabin region, Malaysian part of Borneo, together with WWF. There, too, improved palm oil cultivation and the protection of wildlife habitats are to contribute to more sustainable development of the landscape.

"Sustainability drives us and is our guiding business principle. The origin of our raw materials is therefore of great importance to us. A large proportion of our cosmetic and cleaning solutions are already based on renewable raw materials," explains Yann d'Hervé, head of the Care Solutions business line at Evonik.

"Promoting the sustainable cultivation of palm oil and stopping deforestation is an important topic for us," explains Jean-François Pascal, Vice President Corporate Sustainability at Beiersdorf. "It's firmly anchored in our CARE BEYOND SKIN Sustainability Agenda and we have made good progress in the past years. We are very pleased to expand our commitment now even further together with WWF and Evonik."

Project progress since 2018

The first phase of the West Kalimantan project has laid a solid foundation for the planned RSPO certification. Among other achievements, training courses were implemented to enable smallholders to manage their plantations more sustainably, and the 'Mitra Bersama' association was successfully established. The certification of the palm oil fields to ensure a more sustainable production had already been planned for the first project phase, however, could not yet be achieved and is therefore an important part of the agenda for the coming years.

The role of palm (kernel) oil for the cosmetics industry

Global consumption of palm oil was estimated at around 75 million tons in 2022 and Indonesia is the largest producing country with over 40 million tons. The cosmetic, pharmaceutical, detergent and cleaning industries account for a share of round about 20 percent¹⁾. For the cosmetics industry it's not palm (kernel) oil directly that is being processed, but so-called palm (kernel) oil derivatives. They are used as surfactants for foaming or as emulsifiers for a smoothing effect.

Beiersdorf uses round about 30,000 metric tons of palm (kernel) oil derivatives per year to manufacture its skin and body care products, including the NIVEA and Eucerin brands. Since the end of 2020, the company has been sourcing palm (kernel) oil derivatives entirely as RSPO Mass Balance certified. Beiersdorf has set itself the target of sourcing palm-based raw materials deforestation-free by 2025. Evonik develops innovative ingredients for cosmetic products and supplies Beiersdorf with palm (kernel) oil derivatives. The company also uses palm (kernel) oil derivatives to produce sustainable lubricant additives. Both companies have been committed for several years to the sustainable cultivation of palm oil and a transparent supply chain, and they share the target of deforestation-free sourcing.

Beiersdorf

About Beiersdorf AG

Beiersdorf has stood for innovative, high-quality skin care products as well as pioneering skin research for 140 years. Leading international brands such as NIVEA, the world's no. 1 skin care brand*, Eucerin (dermocosmetics), La Prairie (selective cosmetics), and Hansaplast/Elastoplast (plasters and wound care) are cherished by millions of people around the world day after day. Renowned brands such as Aquaphor, Coppertone, Chantecaille, Labello, 8x4, atrix, Hidrofugal, Maestro, and Florena round off our extensive portfolio in the Consumer Business Segment. Through the wholly owned affiliate tesa SE, Beiersdorf is also a globally leading manufacturer of technical adhesive tapes and provides self-adhesive solutions to industry, craft businesses, and consumers.

The Hamburg-based company generated sales of €7,627 million as well as an operating result (EBIT) of €933 million in fiscal year 2021. Beiersdorf has more than 20,000 employees worldwide, who are connected by shared core values, a strong corporate culture and the Beiersdorf purpose Care Beyond Skin. With its <u>C.A.R.E.+</u> business strategy, the company pursues a multi-year investment program focusing on competitive, sustainable growth. The program is consistent with the ambitious <u>sustainability agenda</u>, with which Beiersdorf is generating clear added value for consumers, society, and the environment.

Additional information can be found at www.beiersdorf.com.

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About WWF

WWF Germany is part of the international conservation organization World Wide Fund For Nature (WWF). For more than 50 years, the WWF network has been working around the globe to stop environmental degradation and build a future in which humans live in harmony with nature. In more than 100 national and international projects, WWF Germany is currently working to preserve biodiversity and our natural livelihoods. More than 700,000 donors support the organization in this mission.

About Evonik

Evonik is one of the world leaders in specialty chemicals. The company is active in more than 100 countries around the world and generated sales of €15 billion and an operating profit (adjusted EBITDA) of €2.38 billion in 2021. Evonik goes far beyond chemistry to create innovative, profitable and sustainable solutions for customers. About 33,000 employees work together for a common purpose: We want to improve life today and tomorrow.

^{*} Source: Euromonitor International Limited; NIVEA by umbrella brand name in the categories Body Care, Face Care, and Hand Care; in retail value terms, 2021.

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