

SUSTAINABILITY REVIEW 2017

Consumer Business Segment



We care.
Our commitment to sustainability.

Beiersdorf

Report Profile

In our annual Sustainability Review we describe how we fulfill our responsibilities along the entire value chain. We report to our stakeholders on our company's performance in the aspects of Products, Planet, and People as well as on the successes and challenges of the reporting year.

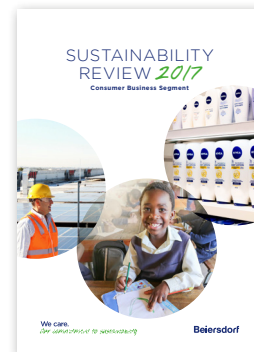
Our Sustainability Review is oriented towards the Global Reporting Initiative (GRI) G4 Guidelines; as in the preceding years, this Review was compiled in line with the “core” option.

We have carefully checked and adjusted the structure and orientation of our activities and our reporting by means of a materiality analysis (page c-11), and have integrated the results in this review.

On our [corporate website](#) we report on new sustainability-related developments and the progress we have made in individual projects over the course of the year. Here, we also provide reports and information from previous reporting years.

In compliance with the CSR directive implementation law, the Beiersdorf Group (for Consumer and tesa) and Beiersdorf AG are for the first time publishing a Separate Combined Non-financial Report for the 2017 fiscal year that is integrated in the Sustainability Review. This is available for [download](#) from our corporate website.

 **FIND OUT MORE ABOUT OUR REPORT PROFILE**



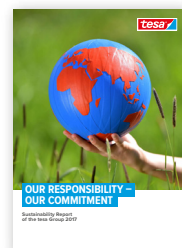
**CONSUMER
SUSTAINABILITY REVIEW**



**SUSTAINABILITY ON OUR
CORPORATE WEBSITE**



**BEIERSDORF
GROUP &
BEIERSDORF AG
SUSTAINABILITY
REVIEW**



**TESA
SUSTAINABILITY
REPORT**

Contents

p. C – 2	— Report Profile
p. C – 4	— Foreword
p. C – 6	— Overview of the Consumer Business Segment
p. C – 7	— Our Commitments
p. C – 8	— Strategy
p. C – 8	— Risk Management
p. C – 9	— Progress Towards Our Commitments
p. C – 10	— Organizational Structure and Contacts
p. C – 11	— Materiality Analysis
p. C – 12	— Compliance Management
p. C – 15	— Human Rights
p. C – 15	— Responsible Sourcing
p. C – 18	— Sustainability Management
p. C – 20	— Products
p. C – 21	— Our Product Engagement
p. C – 23	— Raw Materials
p. C – 27	— Packaging
p. C – 29	— Safe and Compatible Products
p. C – 33	— Planet
p. C – 34	— Our Planet Engagement
p. C – 37	— Energy
p. C – 40	— Waste
p. C – 41	— Water
p. C – 43	— People
p. C – 44	— Social Responsibility
p. C – 49	— People at Beiersdorf
p. C – 59	— Stakeholder Engagement
p. C – 63	— Ratings
p. C – 64	— Key Figures of the Consumer Business Segment
p. C – 65	— Key Figures of Beiersdorf AG
p. C – 66	— GRI Content Index 2017
p. C – 84	— Imprint



Foreword



STEFAN F. HEIDENREICH
CHAIRMAN OF THE EXECUTIVE BOARD



ZHENG RONG LIU
MEMBER OF THE EXECUTIVE BOARD
HUMAN RESOURCES | SUSTAINABILITY | SERVICES

Dear Readers,

2017 was another successful year for Beiersdorf, with both our Business Segments – Consumer and tesa – contributing to the strong performance. Despite a highly challenging business environment across all major markets, we were not only able to grow our business but did so responsibly in accordance with our long-term sustainability commitment.

Consumer

Our **“We care.”** strategy is founded upon three pillars, “Products, Planet, People”, and comprises the full spectrum of sustainability along the entire value chain.

We continued to make good progress towards our Planet target, which we jointly developed with the WWF in line with the accords reached at the UN Climate Conference in Paris. We lowered our energy-related CO₂ emissions per product manufactured by 27% and increased the share of renewable energies in our power supply to 45%. We are proud of reaching our “Zero Waste

to Landfill” target ahead of schedule at all established production centers worldwide. What’s more, we have started taking steps to do the same at all our warehouses globally by the end of 2018, which will represent a major step in our progress up the waste pyramid.

To speed up our progress in the Products area, we launched the development of a “Product Sustainability Roadmap” last year. This will support us in systematically and continuously reducing the environmental footprint of our products, with a strong focus on our packaging and raw materials. After we already replaced polyethylene particles in all our skin care products worldwide with environmentally friendly alternatives back in 2015, we are determined to completely eliminate other solid synthetic polymers from all our rinse-off products by 2020.

We also reached a milestone in the People area, with the fifth anniversary of our NIVEA Family Days – the employee volunteering program of our largest brand’s social commitment: “NIVEA cares for family”. Delivering sustainable and locally

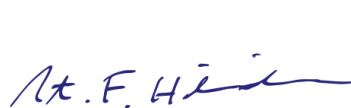
relevant support to families in need has sparked our employees' enthusiastic participation and moved thousands of them to lend a helping hand, both personally and as a team. In total we have supported 840,695 families through our global social engagement since 2013. This puts us well on track to reaching our goal of improving the lives of one million families by 2020.

Continuing our Sustainability Journey

Our consumers and end-users are increasingly interested in knowing more about the company behind the brands and products they buy and

trust. At Beiersdorf we work constantly to ensure that our decisions and actions are worthy of that trust. We do so by investing in technology and innovations. More importantly, we do so with the commitment, creativity and passion of our employees – for a sustainable future.

Sincerely,



STEFAN F. HEIDENREICH



ZHENG RONG LIU

Overview of the Consumer Business Segment

For **over 135** years, Beiersdorf has been a leader in innovative skin care. With our unique brands and high-quality skin and body care products, we convince millions of consumers worldwide – day after day.

We continue to develop our internationally successful product portfolio for them, in particular our core brands **NIVEA**, **Eucerin**, **La Prairie**, and **Hansaplast**. We respond flexibly to our consumers' wishes and demands while bearing global trends and regional requirements firmly in mind. We stay close to our consumers and our markets, which enables us to continuously set milestones in skin care with innovative product concepts.

In 2017, our Consumer Business Segment achieved sales of **€5,799** million with **14,477** employees.

Our strategic compass, the **Blue Agenda**, defines the course by which we aim to achieve our ambitious targets. Care, Simplicity, Courage, and Trust are our **Core Values** and have shaped our company from the beginning. They give us orientation and determine the way we work.

As the inventors of modern skin care, **“Care”** is far more than just a part of our main business for us. It is a core value with which we express our responsibility towards people and the environment. It is also why we continually expand our sustainability management, which focuses on three pillars: **“Products, Planet, People”**. At the same time, this helps us strengthen our relationships with our employees, suppliers, customers, and consumers, and to grow our business consistently.



OUR COMMITMENTS

We have a clear vision: To be No. 1 in Skin Care in our relevant markets and categories. Through our “We care.” sustainability strategy, we work to fulfill our responsibility to people and the environment – to secure responsible and sustainable growth.



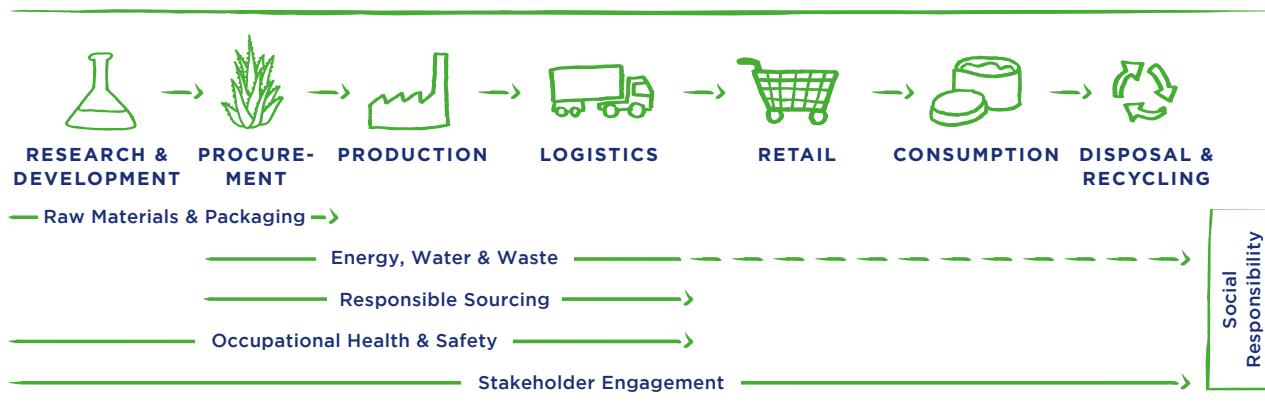
FIND OUT MORE ABOUT OUR COMMITMENTS

Strategy

In a business environment characterized by economic uncertainty, social imbalances, and environmental challenges, we strive to grow in a responsible manner. Our global “We care.” sustainability strategy supports us in assuming our responsibility towards people and the environment. This strategy defines clear objectives for acting responsibly towards the people, both

within and outside our company, to whom we are committed. Our sustainability strategy focuses on three pillars: “Products, Planet, People”. It thus comprises sustainability topics right along the entire value chain – ranging from raw materials procurement, through the health and safety of our employees, to our social engagement beyond our company.

Responsibility Along the Whole Value Chain



FIND OUT MORE ABOUT OUR “WE CARE.”
SUSTAINABILITY STRATEGY

Risk Management














Group-wide Integrated Risk and Opportunity Management

As a success-focused and responsible company, at Beiersdorf we employ a structured, Group-wide Integrated Risk and Opportunity Management process to record and manage risks (see the Risk Report in the Group Management Report, “Integrated Risk and Opportunity Management System”). In this process we differentiate between operational, functional and strategic risks, whereby we assess financial and reputational impacts as well as their probability. In addition, we maintain a prioritized inventory of relevant legal risks (Compliance Risk Assessment) as part of our Compliance Management activities. As part of this, we identify and assess risks according to their impacts and probability as a result of non-compliance with external regulations and internal standards.

In a cross-departmental workshop held at the end of 2017, we reviewed the coverage of non-financial aspects in our existing processes and identified additional potential risks on aspects that had not previously been covered.

We then assessed all identified risks in terms of their impact on non-financial aspects. Solely those risks relating to product safety and competition law were identified as risks with a high probability of occurrence and potentially serious impacts. These are already managed through our Group-wide Risk Management process, and they are explained in the chapters “Compliance Management” (page c-12) and “Safe and Compatible Products” (page c-29). In 2018, we will begin to integrate into our Group-wide Risk Management process the consideration of negative impacts on aspects relating to our non-financial disclosures.

Progress Towards Our Commitments

 PRODUCTS	 PLANET	 PEOPLE
OUR COMMITMENTS		
<p>Generating 50% of our sales from products with an improved environmental impact by 2020. (Base year 2011)</p>	<p>New climate commitments: Reducing our energy-related CO₂ emissions by 70% per product manufactured by 2025. (Base year 2014)</p> <p>Purchasing 100% of electricity from renewable energy sources by 2020.</p>	<p>Reaching and improving the lives of one million families by 2020. (Base year 2013)</p>
PROGRESS TOWARDS OUR COMMITMENTS		
<p>At least 23% of sales achieved from products with an improved environmental impact. (Base year 2011)</p> <p>23%  50%</p>	<p>27% less energy-related CO₂ emissions per product manufactured. (Base year 2014)</p> <p>45% of electricity from renewable energy sources.</p> <p>27%  70%</p>	<p>840,695 families sustainably supported through our global social commitment. (Base year 2013)</p> <p>840,695  1 million</p>
 <p>Raw Materials: Achieved 54% transition to mass-balanced palm (kernel) oil-based raw materials and covered the remaining 46% via "RSPO Credits".</p> <p>Commitment to completely remove solid synthetic polymer particles from our rinse-off products and to entirely exit nylon as ingredient.</p>  <p>Packaging: Saved approximately 20t of packaging material by optimizing the NIVEA In-Shower packaging.</p>	 <p>Stationary Energy: -15% energy consumption*</p>  <p>Waste: -5% waste* All 16 established production sites achieved the "Zero Waste to Landfill" target.</p>  <p>Water: -6% water consumption* -25% wastewater volume*</p> <p><small>* In our production sites per production unit. (Base year 2014)</small></p>	 <p>Employee Health & Safety: Group-wide +4% work-related accidents vs. previous year.</p>  <p>Social Responsibility: 48 countries implemented social initiatives.</p>



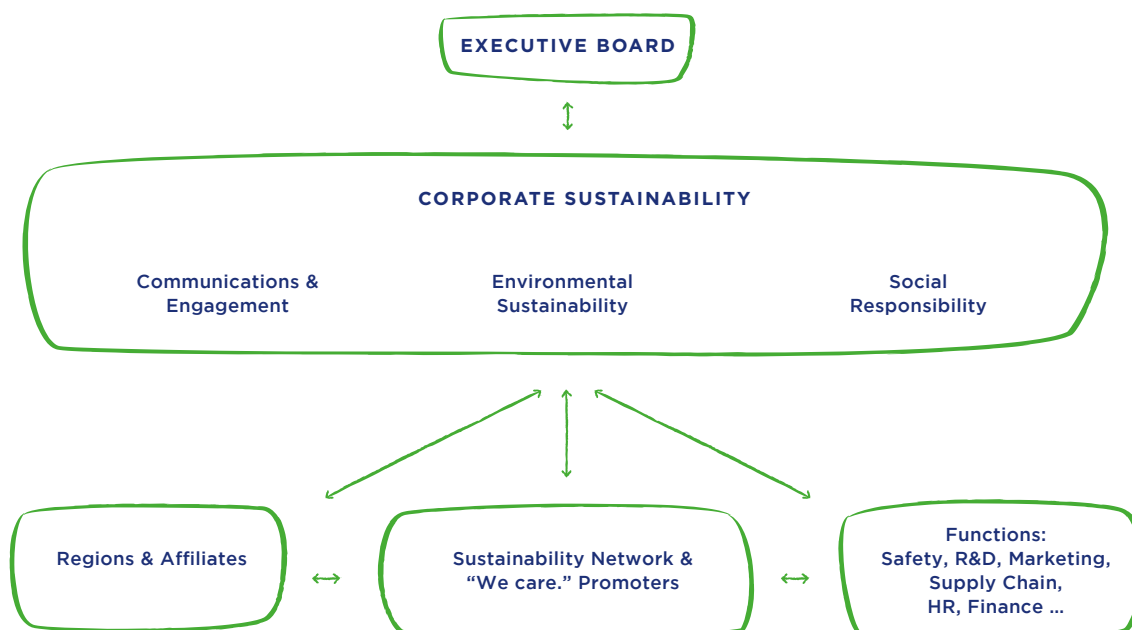
FIND OUT MORE ABOUT OUR COMMITMENTS

Organizational Structure and Contacts

The Corporate Sustainability department is responsible for the development and the global implementation of the sustainability strategy. It reports directly to the Executive Board. It works with a network of regional and functional teams of experts and decision-makers. These then transfer the strategic guidelines to their respective departments and adjust them to meet local needs. This approach ensures that the objectives are anchored in all

relevant processes and can best be implemented while taking into account local requirements.

As part of our company-wide “We care.” engagement program, we also give all employees the opportunity to participate actively. Our goal is to familiarize all employees with the global strategy and for them to realize what their own contribution to successful implementation can be.



Contacts



INKEN HOLLMANN-PETERS
VICE PRESIDENT CORPORATE
COMMUNICATIONS &
SUSTAINABILITY



DORLE BAHR
HEAD OF ENVIRONMENTAL
SUSTAINABILITY & SECURITY



CHRISTIANE HÖLSCHER
GLOBAL
CSR MANAGER

Materiality Analysis

We check our sustainability activities in regular dialog with our stakeholders and integrate current societal developments in our considerations. In this, we use the materiality analysis as a strategic instrument to help us identify the sustainability topics that are especially relevant in the opinion of our stakeholders and us at Beiersdorf.

Continuous Development of our Sustainability Management

As part of the development of our “We care.” sustainability strategy, we carried out a materiality analysis for the first time in 2011. We investigated exactly where in the value chain our activities and products have an impact on society and the environment and where they influence our core business. In this process we identified the topics and issues that reflect global challenges contributing to the long-term success of our company and that are important to our stakeholders. We then integrated the insights from this analysis in the definition of the strategic framework. Furthermore, we developed key indicators by which to measure ourselves and our performance.

In 2014, we aligned our reporting processes with the GRI G4 Standard and reviewed the orientation of our activities by means of a second materiality analysis. Through a comprehensive online survey of internal and external stakeholders – from different countries and specialist fields – combined with in-depth interviews with sustainability experts and internal workshops, in which we discussed the results intensively, we identified the global environmental and societal challenges that our company and our stakeholders see as especially important.

Updating our Materiality Matrix, Responding to Chancing Influences and Demands

As the various influences on our business activity and our stakeholders’ demands change continually, we updated our materiality matrix with regard to our influence on business, the environment, and society this year. We began by gathering the viewpoints of colleagues from all company areas on the material topics and assessed these topics’ relevance. We then carried out an online survey of colleagues around the world as well as external stakeholders, and checked the results of the

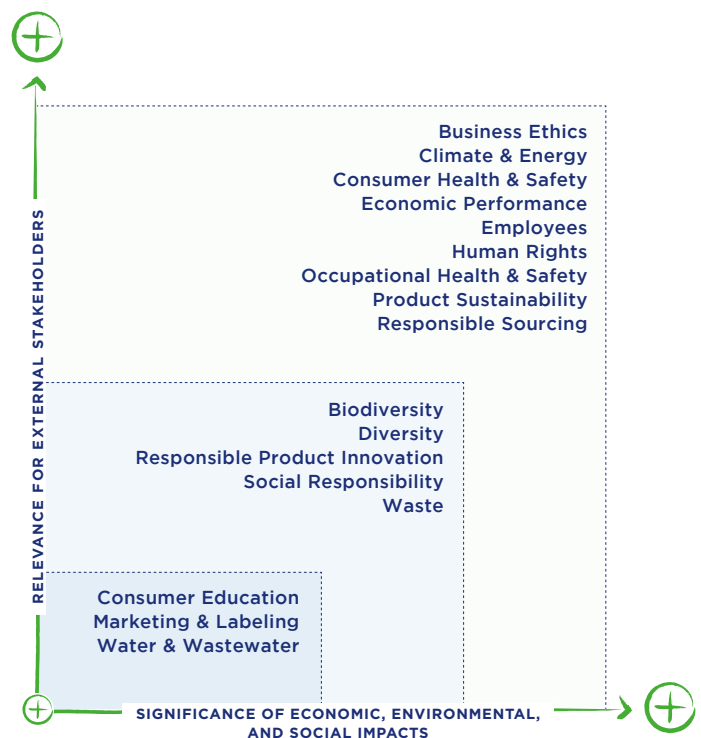
workshops. All the results were integrated in the creation of our updated materiality matrix.

Our 2017 materiality matrix shows the 17 topics that we and our stakeholders see as material.



FIND OUT MORE ABOUT OUR MATERIALITY ANALYSIS

Materiality Matrix



Compliance Management

Trust – Our Guiding Principle and Core Value

Our Core Values of Trust, Care, Courage, and Simplicity guide our actions and are embedded in our Code of Conduct, which is binding for all our employees worldwide. This overarching guidance for our behavior is aligned with our social responsibility as a company and provides all our company areas with orientation for action.

Effective Group-wide Compliance Management

Through our Group-wide Compliance Management System we aim to ensure that all Beiersdorf employees and managers comply fully with applicable laws and internal guidelines in all countries in which we operate. We take a triple approach to make sure we achieve this goal.

Prevent: We anchor preventative measures to avoid wrongdoing.

Detect: Control instruments help to make illegal behavior manifest.

React: We penalize any violations of statutory or internal regulations as appropriate in each individual case.

Our compliance programs currently focus on corruption prevention, compliance with competition law, and compliance with data-protection law. At our affiliates, locally responsible Compliance

Officers, ensure that our employees know and adhere to all elements of these compliance programs. The Corporate Compliance Management department in Hamburg advises and supports Compliance Officers and local management at all times. Furthermore, it ensures that all elements of our Compliance Management System are well anchored in our affiliates, constantly monitored, and continually improved. Corporate Auditing carries out further regular independent monitoring through its audit program.

Recognize Risks – Avoid Damage

Our Compliance Management System and compliance programs are based on the accurate analysis of compliance risks. To achieve this, every second year we identify existing and future compliance risks in our business model and geographic orientation in order to evaluate and prioritize them. In a second step we analyze medium and high-probability risk topics that also imply moderate to high damage to our company: These critical topics are analyzed in detail to ensure that appropriate countermeasures are in place or can be taken rapidly. Our risk-analysis criteria in particular include risk indices, previous incidents, the business model, the specific site, regulatory framework, and scale of revenues. We present the results to our Executive Board and use them to continually update and improve our global and local compliance programs, as well as further



"We have implemented a strong compliance framework at Beiersdorf, which we are currently expanding to include the topic of data protection. It is my personal wish that we embed and live continually by the principles of this framework worldwide, to prevent damage to our company, our employees, and our brands."

EBERHARD VON KLINGGRÄFF

VICE PRESIDENT CORPORATE LEGAL AFFAIRS &
COMPLIANCE MANAGEMENT

related activities. Risks arising from infringements of competition law, anti-corruption law and data-protection law were identified as material for Beiersdorf. Competition law was identified as a material topic under CSR directive implementation law. The reason for this is Beiersdorf's business model, the complexity of the legal topic area, as well as the global raise of competition authorities' monitoring and pursuance. As a manufacturer of branded goods, Beiersdorf mainly depends on the sale of its products by wholesalers, retailers and other sales partners, which bears inherent risks. Today, not only classic cartel agreements, such as illegal price-fixing agreements between competitors, but also increasingly competition-limiting behavior between suppliers and their corporate customers are pursued and sanctioned with very severe fines. Moreover, the possibility of a serious impact on companies has further increased as the legal action taken by competition authorities regularly lead to lawsuits by corporate customers, who have suffered financial damages as a consequence of the competition law infringement.

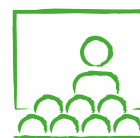
Information – Cornerstone of Effective Compliance

Alongside various guidelines, the core elements of our compliance programs include practice-oriented training courses and consulting offers. The guidelines provide clear orientation on how to act correctly in competition-law terms regarding the contact and exchange of information with competitors, communication with customers (for instance individual retailers) regarding sales prices, Category Management as well as do's and don'ts. A clear set of rules on fair competition also underpins our work. Our Anti-Corruption Guideline provides orientation on lawful behavior regarding conflicts of interest, personal invitations or gifts. Our Data-Protection Guideline governs the lawful and trustworthy handling of personal data. The Data-Protection team is currently focused on implementing the organizational requirements of the EU General Data Protection Regulation within a data-protection management system.

All employees and managers with significant risk exposure receive focused training at regular intervals. This training is delivered as face-to-face or e-learning instruction and serves to raise our employees' awareness of the topic and to show them where they can obtain further support. In addition, all members of the Executive and Supervisory Boards are regularly briefed on relevant compliance issues. Training participation rates in 2017 are given in the graphic below.

Training-participation Figures: Competition Compliance and Corruption Prevention

Participation Rate 2017 (global)



Competition Compliance
91%



Corruption Prevention
86%

Acting Attentively and Responsibly

The personal commitment of each employee is vitally important to living by our compliance principles sustainably. At Beiersdorf we have set up a number of options for employees to report compliance violations – anonymously, if they wish. This supports us in ensuring our entire workforce's adherence to our behavioral guidelines and therefore contributes to an attentive and responsible collaboration. Our employees are regularly informed about and trained in using the existing channels.



The personal commitment of each employee is vitally important to living by our compliance principles sustainably.

Across the entire company we operate the “Speak up. We care.” whistleblower platform based on BKMS® technology, which is accessible worldwide around the clock. In Germany and China we additionally rely on external Ombudsmen in each country, who also accept confidential information regarding potential compliance violations. Furthermore, we have set up an internal Compliance Hotline. The relevant specialist company departments, and usually also Corporate Auditing, are involved in following up such cases. Indications of competition law violations are investigated and followed up by a specialized expert function within our Legal department.

Continuously Ensuring Effectiveness

We report on the effectiveness of our Compliance Management System by means of regular Group-wide compliance reporting. For this, we record the status of implementation of our Compliance Management programs as well as global compliance incidents – at our affiliates as well as at our company headquarters. On the basis of these results we can derive further needs for action and then take appropriate measures. Naturally, we ensure we are informed immediately about material compliance incidents outside the regular reporting cycles, so we can react instantly.

We regard our Compliance Management System as an important contribution to acting in a sustainable and forward-looking manner, thus honoring Beiersdorf’s long tradition as a reliable, trustworthy company.



**FIND OUT MORE ABOUT OUR
COMPLIANCE MANAGEMENT**

Human Rights

Upholding and Promoting Human Rights

We recognize our duty to uphold and promote human rights along our entire value chain, within which we see the main risks to human rights in the upstream supply chain.

To require our employees and our suppliers to uphold human rights and to promote these, we have integrated corresponding binding policies in our internal and external Code of Conduct (CoC). We tolerate no form of corruption whatsoever, no form of forced labor, no child labor, and no form of discrimination in any of our business relationships. Further core elements of our Supplier CoC are compliance with health and safety standards as well as fundamental employee rights regarding working hours, remuneration, freedom of association, and collective bargaining.

Code of Conduct – Binding Guideline for Employees

We have embedded our Core Values and behavioral rules in our CoC for Employees; an internal guideline that sets out our company values and ethical principles for all managerial staff and employees on all hierarchical levels, at all our

affiliates, and that is binding for all our employees worldwide. In 2017, we launched the update of our CoC for Employees. We regularly monitor the implementation of this Code through our Group-wide Compliance Management (page c-12). Additionally, in 2016, we assessed working conditions and employee rights at our production sites globally, identified individual opportunities for improvement with regards to overtime regulations and grievance mechanisms, and initiated corrective measures to address these.

Supplier Code of Conduct – Basis for our Collaboration with External Partners

Through our Supplier CoC we also support the upholding of human rights beyond our direct sphere of influence. Explicit acceptance of the Supplier CoC is a prerequisite for collaboration with Beiersdorf: We require suppliers, who wish to become part of the Beiersdorf supplier network, to commit in writing to comply with our standards. We carry out supplier audits – an integral part of our Responsible Sourcing Program (page c-15) – to verify their compliance with the requirements set out in this code.

Responsible Sourcing

Beiersdorf operates 17 production sites located in four main regions – Europe, the Americas, Near East (including Africa), and Asia Pacific. Our production sites are supported by a global supplier network that includes approximately 24,000 suppliers in almost 110 countries, supplying resources such as raw and packaging materials, as well as other materials and services essential to our business.

Enforcing Responsible Practices in the Entire Supply Chain

We consider our suppliers as an extension of our own production network. Their activities broaden our social and environmental footprint – and we



see the responsible management of the associated impacts as our duty. We have developed

a Supplier Code of Conduct (CoC) and a comprehensive management approach for our entire direct supply base to support our suppliers in ensuring responsible corporate governance.

Our Supplier CoC sets out the guidelines for our supply chain and requires suppliers to implement corresponding guidelines for their own upstream suppliers. The Code's principles also reflect our commitment to the UN Universal Declaration of Human Rights, the Conventions of the International Labour Organization (ILO), and the OECD Guidelines for Multinational Enterprises.

Building on the above principles, our Supplier CoC addresses four critical impact areas as follows:

1. Business Integrity
2. Human Rights & Labor Standards
3. Occupational Health & Safety
4. Environmental Protection

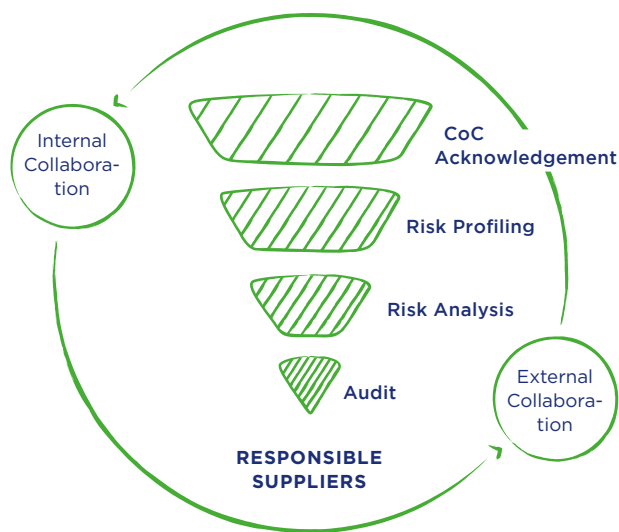
Through close collaboration with our direct suppliers and integrating different internal and external stakeholders via collaborative platforms such as Sedex and AIM-Progress, our objective is to raise our sustainability performance along the value chain.

Supplier Code of Conduct* Implementation Process

The objective of our Supplier CoC implementation process is to minimize risks of infringements of our guidelines. The process comprises four important steps, from CoC acknowledgement, through initial risk profiling of suppliers, followed by comprehensive risk analysis of suppliers, to audit for significant risk suppliers.

Written acceptance of the CoC is fundamental in drawing up contracts with our suppliers with us, and this is managed by Procurement. In 2017 we were already able to secure around 90% of our

Supplier CoC Implementation Process



procurement volume with supply-chain partners who had committed in writing to the Supplier CoC.

In parallel to these partners' signature of the Supplier CoC, our Responsible Sourcing team risk-screens our approximately 24,000 direct suppliers. The screening evaluates suppliers by their location-related risk** that is established by the four critical areas of influence embedded in our Supplier CoC, as well as by the suppliers' significance to Beiersdorf by procurement volume and brand proximity. In this we differentiate between three risk levels (low, high, and extreme risk). The risk screening also includes those suppliers who have not yet signed the CoC.

Furthermore, high-risk suppliers are required to undertake a comprehensive risk assessment via the Sedex platform, which will then determine the need for the Responsible Sourcing team to

* The scope of the implementation process of our Supplier CoC exclusively covers our mass market and dermocosmetics businesses. La Prairie applies a Supplier CoC with identical content and which also forms an essential part of a contractual relationship with suppliers.

** Determined by the country-risk assessments by the international organizations: Transparency International (TI); the Walk Free Foundation; the International Trade Union Confederation (ITUC) and the Yale Center for Environmental Law & Policy, Yale University.

undertake a deeper risk audit following the SMETA (Sedex Members Ethical Trading Audit) 4-Pillar Audit Protocol. These audits are carried out by accredited external auditors commissioned by the supplier; the four pillars match the four core areas of our Supplier CoC (Business Integrity, Human Rights & Labor Standards, Occupational Health & Safety, and Environmental Protection).

We then collaborate closely with our suppliers on the basis of the audit results in order to mutually address and resolve any specific challenges and fields of action for which our suppliers need to work out corrective measures. In extreme cases, the process may lead to excluding suppliers from our supply-chain base.

Our Joint Commitment to Continual Improvement in Supply-Chain Sustainability

Close, cross-sector collaboration with other major companies is essential in ensuring the effective implementation of our Supplier CoC. The Sedex and AIM-PROGRESS collaborative platforms in particular help us tap into valuable synergies.



Sedex

provides a simple and transparent way for suppliers to share core data on their own responsible sourcing practices with their corporate customers. Moreover, the platform helps suppliers share this data with several customers at the same time. Both parties benefit: The supplier no longer has to provide differentiated key indicators for every single corporate customer and both customer and supplier can concentrate on making tangible progress in the critical sustainability areas identified.

AIM-PROGRESS

with its slogan “Achieving more together”, is a worldwide platform initiative, driven by AIM in Europe and GMA in North America which supports close collaboration in achieving greater sustainability. Beiersdorf uses this platform as one of more than 40 globally leading Fast Moving Consumer Goods (FMCG) manufacturers and their suppliers who are driving their responsible sourcing practices further together, thus continually increasing supply-chain sustainability.

Sustainability Management

Systematic Sustainability Management

At Beiersdorf we are continually on the lookout for ways to optimize the sustainability management of our activities and processes further. We apply a diverse range of standards and tools in the process, for instance the internal audit of the management system, our sustainability software, and life-cycle analyses on selective basis, to produce a holistic assessment of the environmental impact of our products.

ESMAS – Auditing Environmental and Occupational Safety Standards at all Production Sites Worldwide

Environmental protection and occupational safety are priority focus areas at all our production sites worldwide. We carry out audits according to the

“Environmental Protection and Safety Management Audit Scheme”, ESMAS for short, to ensure that our globally valid environmental and occupational safety standards are upheld at all our sites. The audit is carried out every three years and all Beiersdorf production sites have been audited at least once. In 2017, the Beiersdorf sites at Tres Cantos (Spain), Santiago de Chile (Chile), and Sanand (India) were audited, along with our German production sites in Berlin, Hamburg, and Waldheim. Audits in Argenton (Spain), Bangkok (Thailand), and Malang (Indonesia) are planned for 2018.

Since 2013, the audits have been carried out by a global certification service provider who assesses our sites according to our ESMAS audit scheme which has been developed based on the



GERMANY
Berlin



GERMANY
Hamburg



GERMANY
Waldheim



CHILE
Santiago de Chile

In 2017, the Beiersdorf sites at Tres Cantos (Spain), Santiago de Chile (Chile), and Sanand (India) were audited, along with our German production sites in Berlin, Hamburg, and Waldheim.



SPAIN
Tres Cantos



INDIA
Sanand

internationally recognized norms ISO 14001 (International Organization for Standardization) and OHSAS 18001 (Occupational Health and Safety Assessment Series). In 2018, OHSAS 18001 will probably be replaced by the international standard ISO 45001. We already integrated the expanded requirements associated with this into our internal checklist for our ESMAS audit program in 2016, which means our ESMAS audits already fulfill the requirements of the updated ISO 45001 management system today.

The audit results and corrective action plans are logged in a database and made available to our production sites. This transparency facilitates preparation and execution of the local audit for the respective site and also simplifies the implementation of targeted optimization measures – from the planning stage right through to the performance review.

Gathering, Collating, and Evaluating Sustainability Key Indicators – with “susy”

Since 2014, we have used “susy” to gather, collate and evaluate relevant sustainability key indicators centrally. For instance, this software helps us to collate and analyze data on our CO₂ emissions across all three scopes worldwide. This makes “susy” a key tool in providing ourselves and our stakeholders with the most accurate picture possible of our sustainability activities’ current status. To improve the data quality and precision of our extrapolated calculations, we optimized our data-gathering methodology further in 2017.



Based on life-cycle analyses results we created a simulation tool for packaging development in 2015, which is particularly applied in the environmental assessment of alternative packaging materials.



**FIND OUT MORE ABOUT OUR
SUSTAINABILITY MANAGEMENT**

Life-Cycle Analysis – a Holistic Perspective on Products

How and to what extent do our products impact the environment, starting from raw material extraction through to product disposal and/or recycling? To answer this question, we carry out detailed life-cycle analyses for selected products. Among other factors we integrate data on raw materials, manufacturing and transport processes as well recycling and disposal mechanisms. The generated results provide us with key leads in identifying areas of optimization potential throughout a product’s entire life-cycle and thus help us reduce the environmental footprint of our products consistently.

PRODUCTS

More than 135 years of experience in research and development have made us one of the world's leading manufacturers of high-quality skin care products. Based on this expertise, we develop innovative, high quality products aimed at satisfying our consumers' requirements – and continuously work on making them more sustainable.



FIND OUT MORE ABOUT OUR
PRODUCT ENGAGEMENT

Our Product Engagement

By 2020, we intend to generate half of our global sales with more environmentally friendly products* compared to the 2011 base year. We will achieve this by looking specifically for savings and optimization potentials across the product life-cycle – from the selection of raw and packaging materials, through production and transportation, all the way to final disposal.

Based on our life-cycle analyses (LCA) for some selected products, we have found that compared with other processes, the production of our packaging and raw materials has a significant impact on product-related CO₂ emissions beyond their utilization phase.

Furthermore, our impact on biodiversity, and deforestation in particular, is shaped mainly by the input materials for our raw and packaging materials – especially palm (kernel) oil and paper.

Our products' environmental impact is therefore influenced predominantly by the environmental characteristics of the raw materials and the resource efficiency of our packaging.

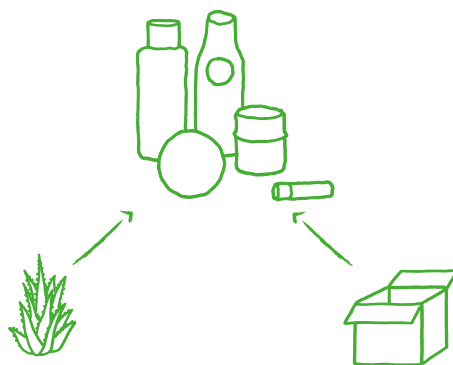
In determining the sustainability potential of our products, we therefore focus on the two areas of packaging and raw materials. We have defined product sustainability assessment criteria for the following key levers:

→ For packaging, besides the reduction in packaging material we have achieved and the use of FSC-certified materials, we also assess the share of recycled materials in our manufacturing and the use of refill solutions. We assess alternative packaging materials using our simplified LCA tool developed in 2015 for packaging development. It is based on extensive LCA projects and we further optimized it in the reporting year.

→ We assess formulas based on the use of certified sustainable palm (kernel) oil raw materials and the removal of polyethylene particles from our care products since 2015.

Sustainability as a Key Criterion for New Products and Relaunches

We factor in the sustainability of our products right from the start of the innovation process. In 2014, we developed our "Product Sustainability Scorecard" as an objective means to assess our product packaging and formulas' environmental impact. Our experts use the Scorecard to record key influencing factors on resource efficiency and the environmental impact of our packaging and raw materials. Once we have performed a simplified or complex LCA for a product, its results are included in the Scorecard.



In 2017, we generated at least 23% of our sales with products with an improved environmental impact.

Products listed in the Scorecard are then compared with their predecessors, and if the Scorecard shows that the new product has a better rating than the old one, the annual sales of these products count towards our Product Sustainability Target. For new products where no predecessor exists, they are compared with the most similar ones.

* The scope of our Product Target only includes our mass-market business and our dermocosmetic business. The premium business with La Prairie is not included in the scope, as its environmental footprint is not material for the Consumer Business Segment and as it is conducted in a separate organization.

In 2016 and 2017, to reach our product targets for 2020, we improved the way we integrate the topic of sustainability in all phases of our Integrated Innovation Management process. The Scorecard process mentioned above was rolled out in 2017 and we have been using it ever since. For previous innovation projects, product sustainability assessments were conducted separately based on the above-mentioned criteria.

In 2017, we generated at least 23% of our sales with products with an improved environmental impact in comparison with products from 2011. Of the 23%, around 17% is accounted for by the packaging criterion and around 6% by the formula criterion, which derives from the use of improved raw materials in the formula.

Systematic Sustainability Assessment of Our Raw Materials and Formulas in the Future

To assess our product formulas going forward, in 2016 we defined new sustainability criteria for our raw materials: These will be rolled out in 2018 and will include the renewability of input materials, certification according to sustainability standards, aquatic toxicity and biodegradability for water-soluble substances, and the sustainability performance of the raw material supplier in the production process. In the reporting year we developed a “Green Point” score based on these criteria.

To operationalize our raw material sustainability criteria and the “Green Point” Rating System, we will launch an IT project in 2018 to integrate them into our Research and Development (R&D) Department’s IT system. Our aim is to ensure that in future our laboratories receive not only basic data on the prices and quality of raw materials, but also their “Green Point” score.

Besides the environmental assessment of raw materials, we employ a structured process to continuously assess our raw materials portfolio for new scientific findings, emerging regulations, or raw material topics that are under public discussion. This ensures that our high-quality products always meet our consumers’ growing demands.

Stakeholder Involvement – Close Collaboration with Key Players

Regular reporting to the Marketing and R&D senior management teams strengthens the topic of sustainability within our company. When developing new products or relaunching ones with improved environmental characteristics, the Packaging, R&D and Marketing project teams work closely together, involving the Corporate Sustainability Team and strategic suppliers at an early stage.

Outlook – Roll-out of the Packaging and Raw Materials Sustainability Roadmap

At a workshop in November 2017, together with managers holding key responsibility in the Packaging and R&D departments, we laid the foundation for a “Sustainability Roadmap” for our packaging and raw materials. In 2018, we will finalize this roadmap and progressively implement the jointly adopted measures. Furthermore, we will continue to monitor projects systematically that we have already launched, ramp up successful measures, and seek out new potentials for optimization.



FIND OUT MORE ABOUT OUR PRODUCTS COMMITMENT

Raw Materials

High quality raw materials are the foundation of outstanding product quality and safety. Within our Responsible Sourcing Program we set high environmental and social standards already in the extraction and processing stages of the raw materials we use. Additionally, we continually search for ways to conserve scarce resources and minimize the environmental impacts of our products.

PALM OIL

Sustainable Palm (Kernel) Oil

We want to ensure that sourcing palm (kernel) oil-based raw materials does not contribute to any deforestation – and additionally that our sustainability requirements are met throughout the associated supply chain.

Palm (kernel) oil supply chains are very complex: Several manufacturing stages are required from the plantation to the final raw materials and most of the critical sustainability issues are in the upstream supply chain – beyond our direct influence. Only if we know about the working and living conditions as well as the necessary environmental protection measures in sourcing and processing palm-based raw materials can we identify opportunities for improvement – and then implement the necessary improvements together with the relevant supply-chain partners and local communities. We want to keep the entire supply chain as transparent as possible to be able to take responsibility for the origins of our raw materials.

We do not directly purchase palm (kernel) oil but procure their derivatives. We use approximately 28,000t of these derivatives each year – representing 0.04%* of global palm (kernel) oil output. Our ambitious goal by 2020 is for all Beiersdorf products to only contain palm (kernel) oil from sustainable sources. To get there we have reworked our “Palm Sustainability Roadmap”: Going forward we will focus our efforts on a set of core strategic approaches and will re-evaluate their effectiveness continually:



- 1. Supplier Commitment to Our Code of Conduct:** Under our Responsible Sourcing Program, all our suppliers are formally required to fulfill the social and environmental standards laid down in the Code. Meeting these standards is a prerequisite for becoming a Beiersdorf supply-chain partner.
- 2. Independent Recognized Verification:** Since 2011, Beiersdorf has based its palm (kernel) oil sourcing on the “RSPO Supply Chain Certification Standard”. Our objective is to switch all our palm (kernel) oil-based product ingredients to physically certified materials meeting the RSPO standard by 2020. We have already reached some milestones in this area, demonstrating the effectiveness of our constant commitment over the last few years.



RSPO 4-0125-10-000-00

Since the first shipments of certified palm (kernel) oil in 2015, we have continually expanded the percentage of mass-balanced palm (kernel) oil in our uptake: In 2017 this represented 54% of our total palm-based raw material procurement volume. Until we achieve our 2020 target, we will cover the remaining share with RSPO Credits (“Book and Claim” certificates).

* United States Department of Agriculture 2017

In June 2017, Beiersdorf headquarters and our production sites in the Americas and Asia Pacific regions underwent the RSPO Multi-Site Supply Chain Certification Standard (SCCS) surveillance audit successfully. The global deployment of the SCCS system helps align our operations worldwide with our sustainable palm (kernel) oil supply-chain commitment and drive the transition to certified sustainable sources in our raw materials procurement.

3. Supply Chain Transparency: Ensuring transparency is the first step towards greater responsibility and effective engagement on the ground – the foundation of a sustainable palm oil supply chain. We launched our engagement with key suppliers in 2016 with the primary objective of investigating the implementation of additional FONAP (Forum for Sustainable Palm Oil) criteria. We realized, that effective implementation is only possible with improved transparency in our raw materials suppliers' supply chains. Achieving this transparency enables us to provide a timely response to emerging sustainability issues. For this reason, we at Beiersdorf continue to collaborate closely with our suppliers to make the raw materials we use traceable to their production origins and launched a project to trace our palm (kernel) oil-based raw materials.

4. Transformation on the Ground: We strongly believe that when cultivated sustainably, oil-bearing palms can contribute to the improved well-being of local communities. Based on findings from the traceability project, we work to identify opportunities to make a positive impact on the living conditions of communities right along our supply chain. Careful selection of initiatives and their implementations have to correspond to local needs and specific issues in the sourcing regions. Starting in 2018, we will support smallholder palm-oil cultivators to improve sustainability in their agricultural practice.



Different Methods of Procuring Certified Sustainable Palm (Kernel) Oil – from the Plantation to the End Product under the RSPO Supply Chain Certification Standard:

“Book and Claim”

refers to online trade using volume certificates. A virtual certificate is purchased for each tonne of palm kernel oil. This system allows for the transfer of certified sustainable palm-oil products from the mill and its plantation to the end-user, independently of the physical supply chain.

“Mass Balance” (MB)

allows for the controlled mixing of certified sustainable and conventional palm (kernel) oil at any stage in the supply chain.

“Segregated” (SG)

involves the complete separation of certified sustainable palm (kernel) oil from conventional palm (kernel) oil: The end products therefore contain 100% certified sustainable palm (kernel) oil.

“Identity Preserved” (IP)

is the strictest physical separation of certified palm (kernel) oil from different plantations. The final product is therefore uniquely identifiable to a single certified palm-oil source.

5. External Stakeholder Engagement: Participation in the RSPO and FONAP initiatives is important to advance our “Palm Sustainability Roadmap” agenda. The RSPO principles define a responsible minimum standard, while the additional FONAP certification criteria ensure greater respect for environmental considerations and the local communities. As a FONAP member we are calling for a clear and complete ban on plantations on peat lands, on the use of severely hazardous pesticides, for strict reduction targets for greenhouse gas emissions, and for a guarantee that non-certified raw goods (fresh fruit bunches), which are processed by certified palm-oil mills, are sourced exclusively from legal cultivation. We are also committed to reporting transparently on the development and progress of our “Palm Sustainability Roadmap” with regard to our 2020 sustainability target.

For more information, please visit our member page on the RSPO website and the FONAP website.

-  WWW.FORUMPALMOEL.ORG
-  WWW.RSPO.ORG

Our Sustainable Palm (Kernel) Oil Commitment



* Progress on the transition to RSPO certified mass-balanced palm (kernel) oil and its derivatives.

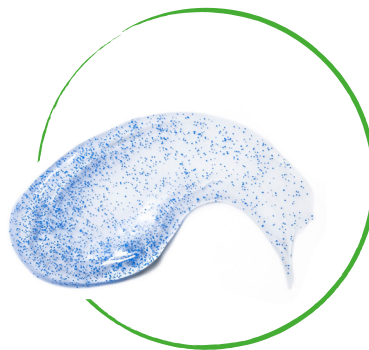
MICROPLASTICS

Skin Care Products without Microplastics

We continually research innovative product formulations that meet our high quality and sustainability requirements. This is why, back in 2015, we replaced the polyethylene particles in all our skin care products worldwide with environmentally friendly alternatives. Furthermore, we have expanded our commitment to cover further ingredients, and by 2020 plan, among others, to do completely without other solid synthetic polymers in our rinse-off products.

According to the definition by UNEP (the United Nations Environmental Program), “microplastic particles” are solid plastic particles that are smaller than 5mm, water-insoluble and not biodegradable. These particles are seen as potentially problematic with respect to their prevalence in the world's oceans. Microplastics originate from a wide range of sources, although they most frequently stem from bigger pieces of plastic waste that have been broken down over time by weather erosion and natural abrasion. Synthetic fibers from clothing and smaller chunks of plastic from common consumer items are further sources of microplastics.

At Beiersdorf, we have always paid the utmost attention to providing products of outstanding quality that also meet our own, our consumers', and our other stakeholders' high environmental demands. For this reason, we already took a preventative decision back in 2013 to eliminate polyethylene particles from all our brands' skin care products, and to replace them with environmentally friendly alternatives. We achieved this interim goal in 2015, replacing these particles in all respective product formulations with microcrystalline cellulose particles in the majority of cases, and mixtures of microcrystalline cellulose, silicon dioxide particles, and castor wax in others. Cellulose is one of the most common organic compounds and is a self-regenerating, biodegradable raw material present in plant fibers for instance. Silicon dioxide is present almost everywhere on the planet and is a naturally occurring compound that forms the basis of quartz sand, for example. Castor wax is a natural, biodegradable raw material: It has a hard, wax-like texture and is extracted from the oil-bearing seeds of the castor oil plant. These newly developed replacement particles



For 2020, we have set ourselves two further ambitious objectives:

→ We plan to remove all solid synthetic polymers from our rinse-off product formulations.

→ Additionally, we will also completely cease the use of nylon as an ingredient.

have the same peeling effect as their predecessors and are equally gentle and skin-friendly. What's more, they are particularly environmentally friendly and thus contribute to relieving the burden on our oceans.

Beyond this, we have set ourselves two further ambitious objectives for 2020. As a preventive measure we plan to eliminate all other solid synthetic polymers from our rinse-off product formulations completely. These polymers have so far been used as opacifiers, amongst other functions, and are responsible for the color of our products for instance. Additionally, we also plan to do completely without nylon as an ingredient in all our products.

To achieve both these goals by 2020, we are currently working intensively on corresponding, environmentally friendly alternatives for our product formulations.



FIND OUT MORE ABOUT OUR RAW MATERIALS

Packaging

Our packaging not only needs to look attractive and meet individual product-specific safety requirements – it also needs to perform on the environmental aspects. This is why we work continuously to optimize our packaging in accordance with the sustainability principles of “avoid, reduce, reuse, and recycle”. When developing our packaging, we take a systematic approach to finding optimization potentials at all levels. We specifically develop alternative packaging solutions that are environmentally and resource friendly, and which take into consideration ever more stringent environmental requirements.

Around 20 Tonnes of Materials Saved – Optimized Packaging for NIVEA In-Shower Products

Every gram counts. To minimize material use in our packaging, we improved our NIVEA In-Shower product packaging and rolled out new, lighter package types at the start of 2017. For instance, by reducing packaging wall thickness we reduced the weight of the 400ml pack by 2g; while this is a

small change, it has a huge environmental impact as it resulted in saving around 20t of packaging materials in 2017.

Less Waste, Less Effort – Pre-cut Aluminum Sheets for NIVEA Tins

We previously used rectangular aluminum sheets to punch out our circular 400ml NIVEA Creme tins. To minimize tin production waste, we have been ordering pre-cut sheets from our supplier since the end of 2017. Thanks to the more customized cut, less waste is produced during punching – meaning we save 54g of aluminum per sheet. This reduces the total amount of materials used for our NIVEA tins by around 14t of aluminum per year. And as the sheets already come pre-cut from the supplier, this also reduces the weight and transport-related costs associated with the delivery of the sheets and the disposal of leftovers. Our supplier can directly feed any cutting waste back into the production process and therefore recycle it in a better way.



Environmentally Friendly Solution – Switch-over to Water-based Exterior Coatings

While there is no difference in quality, there is a decisive difference for the environment when it comes to our aerosol cans. In collaboration with one of our suppliers, we switched all of our NIVEA hairstyling product aerosol cans from a solvent-based to a water-based exterior coating in 2017, replacing the usual solvents used in conventional coating systems with water. Our new, eco-friendly exterior coating reduces the amount of solvent used in the production process by 40% to 45%. Since the switchover, between April and October 2017, we have produced around 21 million aerosol cans with the water-based exterior coating resulting in solvent savings of around 4t. At the same time, this significantly reduces the CO₂ impact, as both the drying temperature and time are reduced. We are currently looking at switching over other cans and tins to water-based coatings to further reduce our use of solvents.

Guideline for Sustainable, Paper-based Packaging

Elements of our product packagings are made from paper and cardboard, so to improve the sustainability of our packaging we are always searching for optimization potentials when selecting materials or developing packaging. In 2017, we developed our “Sustainable Paper Packaging Guideline”, which applies to all paper-based products at Beiersdorf. Through this we plan to change to sustainable paper and cardboard around the world by 2020.



"We aim to optimize our use of resources and materials at every level, regardless of whether this relates to packaging materials, energy consumption, or CO₂ emissions."

MICHAEL BECKER
HEAD OF GLOBAL PACKAGING R&D

Sustainable Strategic Implementation and Focused Initiatives

The topic of sustainability is a high priority for us, and is deeply embedded in our packaging area. We aim to optimize our use of resources and materials at every level, regardless of whether this relates to packaging materials, energy consumption, or CO₂ emissions. To achieve this, we have defined long-term strategic measures, which we are implementing consistently through our “Sustainability Roadmap”. This includes new, improved processes, optimizing our existing packaging solutions, and searching for more environmentally friendly packaging alternatives.



**FIND OUT MORE ABOUT OUR ACTIVITIES
IN THE AREA OF PACKAGING**

Safe and Compatible Products

It is crucial to us that our products are safe and can cause no harm in use. We guarantee this by complying with strict legal requirements, and through applying strict guidelines and specifications to ensure they meet our very high quality standards.

What we mean by “quality” goes far beyond the material quality of our products. We see quality as a dynamic process of continuous improvement that extends to all aspects of our business performance. It serves to increase the satisfaction of consumers and customers and ensures our competitiveness over the long term. We express this understanding in the Beiersdorf Quality Policy, which guides our top management and our employees in their daily actions.

Safety Evaluation of All Raw Materials and Formulas

To help us meet our quality standard, we employ a team of experienced and highly qualified safety assessors. The team works closely with adjacent specialist functions such as Research, Product Development and Packaging Development, and evaluates every raw material we use and every formula we develop or purchase with regard to its safety and compatibility for consumers. We also include external service providers, such as perfume or other raw material manufacturers in this process, for example by requiring them to certify their compliance with particular requirements beyond the legally required standard.

Once raw materials or formulas have been approved by one of our Safety Assessors, they meet legal requirements and can be used in one of our products in future. Since safety evaluations of cosmetic products rely strongly on experience, know-how, and scientific exchange about new findings, it is important to us that our safety assessors stay connected and up-to-date through international conferences, working groups and expert teams as well as specialist training courses where applicable.

High Standards and Safety Requirements Worldwide

In evaluating the safety of raw materials, formulas, and products, we do not discriminate between regions or sites, but work in line with the principle of global safety assessment. We apply the same standards worldwide and only release products and raw materials that meet the high safety requirements laid down in the “Beiersdorf Product Safety Policy”.

Particularly important to us are the requirements of EU Cosmetics Regulation 1223/2009 and the guidelines on the evaluation of the safety of cosmetic products by the Scientific Committee on Consumer Safety. On the one hand, the EU Cosmetics Regulation governs product safety requirements; on the other, it also defines the specifications for correct product labeling and for providing information that ensures safe transport and product handling.



"It is crucial to us that our products are safe and can cause no harm in use. We guarantee this by complying with strict legal requirements and through applying strict guidelines and specifications to ensure they meet our very high quality standards."

DR. CHRISTOPHER MUMMERT
MANAGER QM INNOVATION

Due to the continuous changes in legal requirements for product safety worldwide, there is a relatively high risk of non-compliance with the latest rules. Whenever such non-conformance occurs, corrective measures with a public relations impact may be required, which adds a significant reputational risk. Our central Regulatory Affairs team works to minimize these risks through its global network of Regulatory Affairs Officers, who track regulatory requirements and changes in their respective countries.

We develop and manufacture safe products with high reliability by ensuring at the project stage that they meet these requirements for their respective country markets.

Continuous Product Assessment

Even after new products arrive in their sales markets, our Safety Assessors continue to monitor them in detail. Our products can have different lifespans and applications depending on individual consumer profiles, potentially even over several years.

Our global network of Quality Managers continuously collects information about possible complaints and unwanted (skin) reactions, which allows us to react immediately in case of incompatibility. In addition, we can make targeted use of these findings in the context of new developments or formula changes, which allows us to make suitable adjustments to products and further optimize our standards of product compatibility and safety.



FIND OUT MORE ABOUT OUR RESEARCH AND DEVELOPMENT

Safety Evaluation of a Cosmetic Product in Detail

When we carry out a Safety Assessment we differentiate between the raw material, the cosmetic formula, and the packaging material.

The Raw Material

Our work starts with raw materials for cosmetics. Before we can use them, they must be permitted under chemicals legislation, such as the REACH regulation in Europe, and be approved for use in cosmetic products, for example by the CTFA (Cosmetics, Toiletries and Fragrance Association). Our scientists then assess them based on analysis results, for example regarding purity and residues, and compatibility data on toxicology and skin tolerance. Here, too, we take direction from internationally recognized standards and stipulations, for instance the SCCS (Scientific Committee on Consumer Safety) notes of guidance. Based on these evaluations, we then determine their suitability for use in products, for example product types and amounts of raw material required.

All of this information is available to our Product Developers in a central system and can be used to develop new product formulas within the established boundaries.



The Cosmetic Formula

Our Safety Assessment checks the interaction between raw materials in formulas and ensures the compatibility of the overall formula. This requires different test processes.

In collaboration with the Beiersdorf AG Test Center, we carry out various studies on test subjects to determine the compatibility of new formulas. If the tests and studies show that the formulas are well tolerated, we have taken another essential step towards starting manufacture.

A further vital aspect of the Safety Assessment is the microbiological stability of cosmetic formulas. Both in their manufacture and application, cosmetic products are constantly exposed to the influence of microorganisms, for example bacteria and fungi. If these grow in a cosmetic product, they could spoil it and endanger consumers. For this reason, we check all formulas for their microbiological stability using microbiological stress testing: This allows us to demonstrate that a specific cosmetic formula is able to prevent impediment by microorganisms and/or completely suppress any germs introduced into them. In addition, we use the bioburden test to check our products for possible germ contamination during the manufacturing process.

Only when our products have passed all tests to our complete satisfaction is their path to the consumer open.



We determine the compatibility of new formulas in various studies on test subjects in collaboration with the Beiersdorf AG Test Center.

Packaging Materials

Alongside the Safety Assessment of raw materials and cosmetic formulas, the development of new products also includes an assessment of the packaging materials. We prevent any risks to consumers originating from packaging materials by exposing packaging and formulas together to various temperature and storage conditions, after which we examine any reactions. This allows us to prevent unwanted packaging components contaminating the formulas as well as other quality losses to the formula or the packaging over the useful life of our products.



PRODUCTS – FACT SHEET 2017



Our Achievements

- ✓ Achieved 54% transition to mass-balanced palm (kernel) oil-based raw materials and covered the remaining 46% via “RSPO Credits”.
- ✓ Execution of RSPO surveillance audits to maintain the RSPO “Supply Chain Certification Standard” certification.
- ✓ Commitment to completely remove solid synthetic polymer particles from our rinse-off products and to entirely exit nylon as an ingredient.
- ✓ Saved approximately 20t of packaging material by optimizing the NIVEA In-Shower packaging.
- ✓ Conducted workshops with the Packaging department and the Research and Development (R&D) department to develop a sustainability roadmap for our packaging and raw materials.



Our Next Steps

- ➔ Implementation of a project to trace back our palm (kernel) oil based raw materials and supporting smallholder farmers in the sustainable management of their palm oil plantations.
- ➔ Development of targets and a sustainability roadmap for our packaging and raw materials to reduce CO₂ emissions (Scope 3).
- ➔ Start of an IT project to integrate the sustainability criteria for raw materials and the “Green Point” Rating System into the IT system of the R&D department.

PLANET

Reducing our energy and water consumption, avoiding waste, and mitigating global warming – as a globally operating company, we search for solutions in a targeted way on all levels to fulfill our responsibility to society and meet the environmental challenges of our time.



FIND OUT MORE ABOUT OUR PLANET ENGAGEMENT

Our Planet Engagement

As part of our corporate responsibility we are continuously seeking new opportunities to minimize our environmental footprint, conserve scarce resources, and slow global warming. For this purpose we adopted new climate targets aligned with the recommendations, goals and processes of the Science Based Targets initiative in 2017. This initiative supports companies and organizations in developing their own climate targets by providing scientifically well-founded data and calculations. It orients itself towards the recommendations of the 2015 UN Climate Conference in Paris as well as towards measures that scientists see as necessary for limiting global warming to a maximum of two degrees Celsius.

New Ambitious Climate Targets*

Our new climate targets: We aim to reduce our energy-related CO₂ emissions (Scope 1 and 2) per product manufactured by 70% by 2025, in comparison with the 2014 base year. Among the key levers in reducing energy-related emissions are energy-efficiency measures at our production

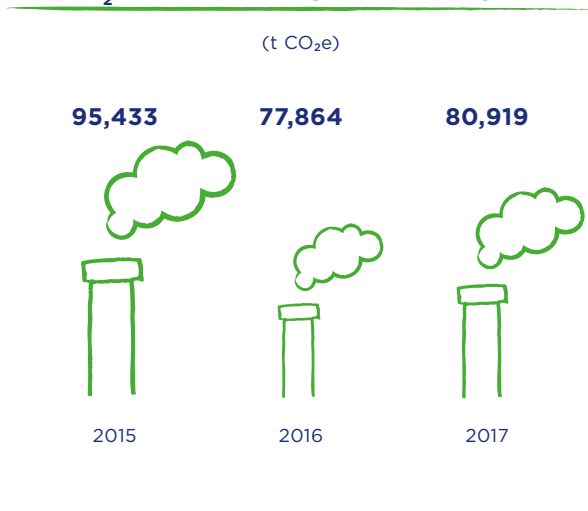
sites and switching over the electricity supply at all our sites worldwide to renewable energy sources by 2020. In the reporting year we already made good progress towards our goals: We lowered CO₂ emissions per product manufactured by 27% compared with 2014. Additionally, a total of 45% of our global electricity demand was sourced from renewable energies.

We already gather our own data for indirect CO₂ emissions from business travel, product transport and finished-goods suppliers. These categories represent about 13% of our Scope 3 emissions. Additionally we have identified the areas of packaging and raw materials as material Scope 3 categories. The CO₂ emissions from these areas are therefore integrated in our new Climate Target. Hence, we plan to develop measurable targets and measures to reduce our CO₂ emissions in packaging and raw materials in 2018 and to implement them progressively within a roadmap. We will also develop sets of measures for business travel, product transport, and finished-goods suppliers in 2018.



* The scope of our Climate Target only includes our mass-market products business and our dermocosmetics business. The premium business with La Prairie is conducted in a separate organization without own production plants. The Scope 1 and Scope 2 emissions of La Prairie are not material for the overall emissions of the Consumer Business Segment.

CO₂ Emissions Scope 1 and Scope 2



Gathering, Consolidating, and Analyzing Data on CO₂ Emissions Worldwide

Having detailed data on CO₂ emissions across all three scopes is fundamental in establishing the status quo, monitoring the effectiveness of our measures, and identifying new areas of savings potential.

Our sustainability management software “susy” supports us in gathering, collating, and analyzing data on selected CO₂ emissions sources across all three scopes worldwide. Besides direct emissions from the combustion of natural gas or fuel oil, indirect emissions from our purchase of electricity, heat or steam are also included in the calculations.

Our production sites are fully covered by this data-gathering process. For office sites for which we currently have no data, we extrapolate Scope 1 and Scope 2 emissions based on office surface area (buildings) and employee headcount (company vehicles).

Supply-chain related greenhouse gas emissions, caused for instance by the production and transportation of finished goods as well as by business travel, are integrated in our calculations and extrapolated where necessary.

The energy-related direct and indirect CO₂ emissions were calculated according to the procedure established by the Greenhouse Gas (GHG) Protocol, on the basis of the emissions data provided by the Intergovernmental Panel on Climate Change (IPCC) and the International Energy Agency (IEA). Energy consumption data and invoices from energy suppliers form the basis for the data and the calculations. The consolidation approach we chose for calculating the emissions is operational control.

We use “dual reporting” to present our CO₂ emissions from purchased energy. In this we take into account national emissions factors as published by the IEA (“location-based method”) as well as supplier-specific emissions factors (“market-based method”) for selected sites. This way, the contribution of electricity from renewable sources to reaching our climate targets is made measurable and visible. The reduction of CO₂ emissions through CO₂ compensation is not part of our strategy.

We already evaluated our supply-chain emissions based on an input-output model for 2014 and identified the key categories of our Scope 3 emissions. This analysis was repeated for 2016.

CO₂ emissions originating from the transportation of our products to our customers were calculated for the regions Europe, the Americas, Near East (including Africa), and Asia Pacific with the aid of the EcoTransIT tool, in accordance with the stipulations of the European industry norm DIN EN 16258. The calculation of CO₂ emissions arising from business travel was carried out according to the procedure established by the UK Ministry of the Environment (Defra) and the GHG Protocol. Data from our own data-gathering system for business travel and the AirPlus Green Reports for some countries provide the basis for this. To calculate emissions, AirPlus uses the emissions calculator of the not-for-profit climate protection organization atmosfair, whose calculation methodologies are in line with international standards (VDR, Defra, VFU and ICAO).

Structured Energy Management

An ISO 50001-certified energy-management system has been implemented at all our German production facilities. In addition, we have defined minimum requirements with regard to energy management in a Standard Operating Procedure (SOP), which we introduced as a binding measure in 2017 to govern the systematic analysis and implementation of optimization potentials. It also requires that in every new construction or expansion project in our production network, we take energy-efficiency measures into account and integrate them from the planning stage onward. Tracking of the implementation status of this SOP has been initiated and will continue as part of our ESMAS audits.

Close Cooperation with Internal and External Stakeholders

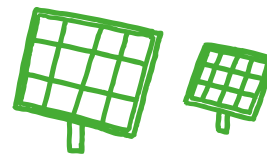
Numerous internal and external stakeholders take part in the various optimization measures at our production and office sites. Close collaboration between different departments is enhanced and improved through regular reporting and tailored workshops on these topics.

For example, in 2017 we carried out a SHE (Safety, Health & Environment) workshop in Thailand with all SHE managers from the production sites in the Asia Pacific region. We also enable the exchange

of experience and knowledge between the energy experts at our factories and the central functions via an IT platform.

We include external stakeholders in our activities as well; for instance, we developed our new climate target together with WWF Germany.

Furthermore, we made use of the expertise of external partners to evaluate our indirect emissions from goods and services (Scope 3).



We aim to reduce our energy-related CO₂ emissions (Scope 1 and 2) per product manufactured by 70% by 2025, compared with the 2014 base year. Within this effort we are committed to switching over the electricity supply at all our sites worldwide to 100% renewable energy sources by 2020.*



FIND OUT MORE ABOUT OUR PLANET COMMITMENT

* Does not include La Prairie, as its Scope 1 and 2 emissions are not material for the Consumer Business Segment.

Energy

The use of fossil fuels is one of the main causes of greenhouse gases and contributes to the acceleration of climate change. Excellent energy management and switching over our entire electricity supply to renewable sources of energy by 2020 are therefore key factors in our sustainability strategy.

Renewable Energies – Switching to Electricity from 100% Renewable Sources

By 2020, we plan to switch over the entire electricity supply at our production and office sites worldwide to 100% renewable sources. In 2017, we investigated the framework conditions at all our production sites that still purchase conventionally generated electrical power. All sites except Mexico and Nigeria will be switching over to renewable electricity in 2018. Our production sites in Germany and Spain already purchase electricity from renewable energy sources.

Our production sites in Chile and Poland will purchase renewable electricity directly from 2018. In 2018, the remaining production sites will purchase so-called International Renewable Energy Certificates (I-RECs) for the electricity they procure, as in these countries the direct electricity supply from renewable sources is not yet possible, or the prevailing conditions do not support direct supply. Our production site in Mexico plans to generate its own electricity through a combined heat, cooling,

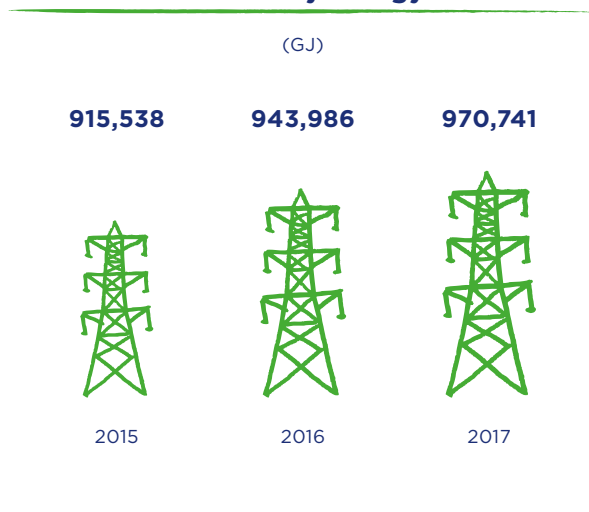
and power plant. Only when precise consumption data are available can a decision be taken on the purchase of offsetting certificates or other solutions.

In addition, at some of our sites we operate photovoltaic power generation systems and produce climate-friendly electricity that covers part of our requirements – for instance at our production sites in Mexico and Argentona (Spain) as well as at three European office sites, and at the Beiersdorf Kindergarten in Hamburg.



In 2018, we will continue to drive the switchover to renewables particularly at our office sites.

Stationary Energy



In 2017, our photovoltaic systems produced 861 MWh of climate-neutral, environmentally friendly energy worldwide – this is approximately the annual electricity consumption of 215 four person households in Germany.

In 2018, we will continue to drive the switchover to renewables particularly at our office sites.

Blue Production Site – Improving Energy Efficiency in Production

Energy consumption at our sites depends on numerous individual underlying factors. Within our “Blue Production Site” initiative all production sites worldwide examine potential energy-saving



opportunities systematically and continually. They then define site-specific measures to improve their energy efficiency – for instance by optimizing lighting, minimizing leaks in compressed air systems, and integrating energy-saving motors. To harness these insights on a global scale, we exchange best practices within our international network and the locally responsible managers assess their implementation feasibility.

As an example, in 2017, at our Waldheim production site in Germany we replaced a steam boiler with a more energy-efficient system. To achieve our new Climate Target, our production sites began working out local sets of planned measures in 2017.

Green Logistics – Systematically Reducing Transport-related Emissions

To make sure our logistics processes are designed to be as sustainable as possible, we regularly optimize container loading, truck capacity utilization, and freight transport routes, amongst other processes. Beyond this, we rely on collaborative projects such as NexTrust: This EU-financed project seeks to promote collaboration between 31 partners in the logistics sector in order to improve efficiency and sustainability in European logistics.

Sustainable Mobility Management

We are implementing a broad-based and diverse range of measures to reduce business-travel and mobility-related CO₂ emissions to a minimum. With our “Green Car Policy” we already established binding CO₂ emissions limits for our

company car fleet in Germany in 2013. Furthermore we promote the environmental awareness of our employees through car-free days, car-sharing and bicycle hire in front of our company headquarters in Hamburg – and continually expand these offers within the framework of our Mobility Management. We are additionally pushing the use of audio and videoconferencing as an alternative to business travel.

Green IT – Continual Migration to Energy-saving Technologies

Computers, servers, and printers – to minimize the energy consumption of our IT environment we plan our IT infrastructure for the long term and sustainable, together with our IT subsidiary Beiersdorf Shared Services. With good results, as we have reduced the energy consumption of our main computing center in Hamburg by almost 40% since 2011, amongst other achievements.



We continuously expand offers like car-sharing and bicycle hire within the framework of our Mobility Management and promote the environmental awareness of our employees.

Our “Blue-Building” Program – Sustainable Company Buildings Worldwide

With our “Blue Building” program, we work to ensure that our own company buildings meet the highest environmental standards. Furthermore, we have defined specific framework conditions for designing our sites sustainably, examining the full life-cycle of the respective production or office building.

Our approach includes saving energy, conserving resources, and above all providing an attractive, healthy working environment for all employees. Since 2012, achieving certification to internationally valid standards for sustainable buildings has been a major criterion in all our large building-construction projects.

In 2017, we presented construction plans for a new headquarters complex and a new research center in Hamburg. Beiersdorf is the first company in Germany to target double certification for the construction of its new headquarters to the Leadership in Energy and Environmental Design (LEED) standard and the WELL Building Standard, two internationally recognized seals that certify sustainability and health in building planning. Alongside building

efficiency, our employees' well-being is especially in focus – right from the planning stage, through to the daily use of the new building and its new working environments. Construction is scheduled for completion in 2021.



FIND OUT MORE ABOUT OUR ACTIVITIES IN THE AREA OF ENERGY

Our Sustainable Company Buildings Worldwide



1 Germany

Platinum certification awarded by the German Sustainable Building Council (DGNB) to the new construction of the company kindergarten in Hamburg

2 Austria

Austrian Sustainable Building Council (ÖGNI) Gold standard certification for the Beiersdorf Ges mbH, Beiersdorf CEE Holding GmbH and La Prairie Group Austria GmbH office complex

3 India

LEED Gold certification and Indian Green Building Council (IGBC) Gold status awarded to the new construction and renovation work at our production site in Sanand

4 Mexico

LEED Gold certification awarded to the expansion of the office complex in Mexico City

LEED Platinum certification awarded to the Production site in Silao

5 Guatemala

LEED Silver certification awarded to the expansion of the office complex in Guatemala City

6 Chile

LEED Gold certification awarded to our production site in Santiago

7 Brazil

LEED Gold certification awarded to the expansion of the office complex in São Paulo

Waste

With “Zero Waste to Landfill” we have set ourselves an ambitious goal: By the end of 2018 we intend to completely eliminate the disposal of waste in landfill.

We already achieved the waste target for most of our production sites in 2017: All 16 established production sites now do without landfill disposal completely – and this includes non-hazardous waste (NHW) and hazardous waste (HW). In 2018, we will be working on a detailed concept to achieve this goal for our production site in Nigeria that came into operation in 2017 as well.



We already reached the waste target for our production sites in 2017: All 16 established production sites now do without landfill disposal completely.

We also made progress at our warehouses in 2017. Just as with our production sites, the clear goal here is to completely eliminate the disposal of waste to landfill by the end of 2018 at the latest.

Alternative Disposal Methods

In some of the countries we are active in, there is currently no infrastructure for waste disposal that meets our environmental standards. For this reason, we already began to ship the waste from our distribution center in Dubai to Germany in 2015. There it can be recycled in an environmentally sustainable way, or incinerated with energy recovery. In 2017, we also searched for alternative waste disposal solutions for our warehouse in Peru, including transboundary disposal.

Next Steps – Progressively Move Up the Waste Pyramid

Not only do we intend to eliminate waste to landfill completely, we also plan to move further up in the waste pyramid, a step at a time. To do this, we are specifically investigating ways of avoiding waste, for instance through improved planning processes that allow us to adjust our production capacities better to demand and therefore minimize warehousing requirements. We are also working intensively on solutions to optimize waste separation at our plants, which will help us integrate more valuable waste as raw materials in the recycling process.



**FIND OUT MORE ABOUT OUR ACTIVITIES
IN THE AREA OF WASTE**

Waste Volume

(tonnes)

30,225

23,018

28,986



2015



2016



2017

Water

Clean drinking water is a very valuable resource that is becoming ever scarcer as a result of climate change and global population growth. Regions with a high site-specific water risk are particularly affected by this development. We understand water as a precious and vital resource and consistently seek optimization potentials across all company processes and areas to reduce our water consumption and therefore our water requirement.

Saving Water with Highly Modern Equipment and Innovative Technologies

We work constantly to minimize water consumption in our production processes, buildings, and all other areas. We rely on highly modern equipment and innovative technologies to lower our water requirement in production processes, especially in high-consumption cleaning processes. We apply the latest procedures to clean waste water and we reuse purified waste water for cooling processes, gardening, or for sanitation.

Annual Risk Assessment with the “Aqueduct Water Risk Atlas”

We understand how important it is to secure the water supply for our production sites without negatively impacting the supply to the local population. This is why we undertake an annual assessment of water risks at our sites using the “Aqueduct Water Risk Atlas” published by the World Resource Institute (WRI). Based on this up-to-date information, we can identify developments and challenges – and take preventive action through appropriate measures for the respective sites.

Optimization Measures in India, Thailand, and Germany

In 2017, we took advantage of expansion plans at plants in India and Thailand to take our existing water reduction measures a step further. At our plant in India, the waste-water treatment process is to be further optimized, which amongst other benefits will reduce the need for additional purification materials in future. Already in the past year we installed a new, improved reverse osmosis system at our plant in Mexico that significantly improved effluent water quality. Furthermore, we will be able to benefit from these experiences in all upcoming plant expansions.



To reduce water consumption in our production processes, buildings and all other areas we search systematically for areas of optimization potential on all levels.

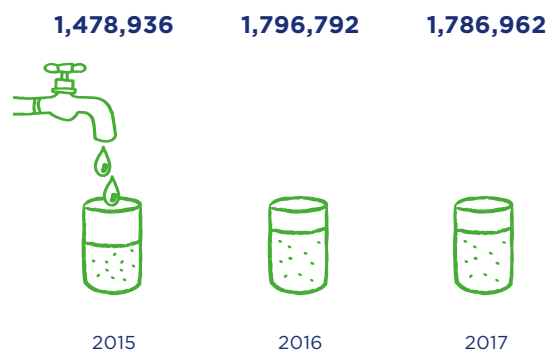
At the end of 2016 we equipped our research center in Hamburg with a new separator. This will clearly improve the separation of contaminants from waste water in our cosmetics product development.



**FIND OUT MORE ABOUT OUR ACTIVITIES
IN THE AREA OF WATER**

Water Consumption

(m³)



PLANET – FACT SHEET 2017



Our Achievements

- ✓ Announcement of our new climate target and launching an engagement campaign to activate our employees.
- ✓ All 16 established production sites achieved the “Zero Waste to Landfill” target.
- ✓ Our production sites:
 - 15% stationary energy*
 - 33% CO₂ emissions*
 - 46% electricity from renewable energy sources
 - 5% waste*
 - 6% water consumption*
- ✓ Our offices:
 - 43% electricity from renewable energy sources

* In our production sites per production unit.
(Base year 2014)



Our Next Steps

- ➔ Switch to electricity from renewable sources in all production sites, either physically or through certificates (I-RECs).
- ➔ Develop action plans to reduce CO₂ emissions from fossil fuels in our production sites.
- ➔ Develop a plan to switch our office locations to electricity from renewable energy sources.
- ➔ Develop and implement a “Zero Waste to Landfill” concept for the newly opened production site in Nigeria in 2017. Continue the “Zero Waste to Landfill” target for our waste from external finished goods warehouses.

PEOPLE

Our employees' welfare, an attractive working environment, and a variety of career development opportunities are of fundamental importance for our success. Reflected and value-based action is thereby the basis for successful cooperation and emotional employee engagement. As part of Social Responsibility we also support disadvantaged families through social projects based on local requirements.



FIND OUT MORE ABOUT OUR
PEOPLE ENGAGEMENT

Social Responsibility

As a global corporate citizen, we are committed to delivering sustainable positive impact on the world around us. Inspired by our company core value 'Care', we foster the well-being of our employees through our health and safety initiatives and we support people outside of our value chain with our social responsibility initiatives. These initiatives are the basis of our ambitious commitment in the focus area "People": By 2020 we aim to have reached and improved the lives of one million families.

We are achieving this goal through two main instruments: the social sponsoring activities of our brands and corporate philanthropy. While both differ in terms of how we implement and communicate them, they follow the same basic principle of 'helping people to help themselves'.

Sustainable Family Support – Based on Local Requirements

Within the ambitious "People" commitment, we have identified disadvantaged families as the target group of our social commitment. This not only reflects Beiersdorf's heritage, but is also aligned with our brands' values. As the smallest unit of society, a family takes a special role in addressing social issues and fostering change at a grassroots level. In order to achieve a long-term, holistic impact, we strive to engage entire families with our projects, for example by involving parents when we are aiming to provide education for children.

We have developed a consistent framework for our family initiatives based on the following project criteria:

- Child-focused family support – improving future prospects for deprived children
- Competence training for families – fostering skills to ensure the well-being of families
- Infrastructure for families – supporting facilities for families to spend quality time together
- Social support for the elderly – Providing social services and inclusion for the elderly
- Families with special needs – supporting families in coping with disabilities

Projects in these categories have in common that whilst their immediate impact might focus on individual family members, they ultimately contribute to the improved well-being of the whole family. This framework also allows us to localize our social commitment and align the initiatives we support with the specific local needs of disadvantaged families. Although we are pursuing a quantitative target, addressing such local needs in an effective and sustainable way always takes precedence over reaching a large number of families for us.

Establishing Trusted Partnerships

The social projects we sponsor are developed and managed by local non-profit organizations which have been selected carefully by our local affiliates. During this vetting process, we make sure that potential partners meet our selection criteria:

- The organization has profound local expertise within the selected project category and a track record of setting up effective projects.
- The organization has a good reputation and is considered credible by independent institutions, for example in rankings.
- The organization operates transparently and spends at least 75% of its contributions directly on projects.
- The organization is not for profit, has no political affiliation, and no primary religious mission.

By adhering to these standards, maintaining an open dialogue, and regularly aligning responsibilities and expectations, we build robust, long-term and efficient partnerships, which are essential for establishing sustainable social initiatives.

In addition to financial support, we provide partners with product donations and we personally get involved through employee volunteering.

Our Brands' Social Commitments

Our brands are committed to supporting families in areas which are based on their brand identity and expertise, local social issues, and consumers' concerns. The objective is to deliver sustainable and

tangible social impact whilst raising the brand's reputation. To strengthen our consumers' emotional bond with our brands, our social initiatives are accompanied by campaigns, informing them of our initiatives and inviting them to participate.

- With “NIVEA cares for family”, our core brand is making a difference for families in three key areas: building competencies for children, empowering mothers, and creating opportunities for quality family time.
- Hansaplast is partnering with Red Cross National Societies in the field of First Aid in everyday life with a focus on increasing children's first aid skills. In so doing, we can equip them with potentially lifesaving knowledge and skills right from the start.

Corporate Philanthropy

Further to the social sponsoring activities of our brands, Beiersdorf as a company is committed to philanthropic initiatives. As opposed to our brands' commitments, these do not take the form of social sponsoring activities but rather financial and product donations. Some of these initiatives are targeted at supporting people affected by unforeseen situations and events, such as the current refugee crisis in Europe. These initiatives are not always included within our ambitious “People” commitment, as they are often not quantifiable.

Global Evaluation of Local Social Commitment

The social impact of our social sponsoring activities and our corporate philanthropy efforts contribute to the achievement of our ambitious commitment in the focus area “People”: By 2020, we aim to have reached and improved the lives of one million families. In order to track our progress, we conduct an annual evaluation of all social projects we support around the world. During this evaluation, local promoters in our affiliates collect all relevant data at project level and report it in our



sustainability management software “susy”. The standardization of this locally generated data is one of the key challenges of the global analysis, as our projects around the world support families in very different ways. The principles we apply during this process are also the basis of the year-round collaboration between the global department for social responsibility and the local network of promoters.

The results of the global analysis are not only an integral part of our sustainability reporting, but also an important basis for internal steering. In 2017, our social projects supported a total of 179,672 families, which brings our overall achievement since 2013 up to 840,695. While we are proud of this achievement and striving to reach our quantitative target until 2020 or sooner, we always favor high-quality projects over high-quantity projects.

Transparently Reporting on our Progress

Our in- and external stakeholders rightfully expect from us to take social responsibility outside of our value chain and to disclose our efforts transparently. Beiersdorf fulfills these expectations through the information provided in our annual Sustainability Review and through regular updates of our corporate website.



FIND OUT MORE ABOUT OUR PEOPLE COMMITMENT

NIVEA | THANDA SOUTH AFRICA

NIVEA South Africa – Sustainable Support for “Thanda” Community Center

Further developing its existing partnership with the non-profit organization Thanda, NIVEA South Africa expanded its social engagement in the KwaZulu-Natal region in 2017. Funding from NIVEA South Africa supports Thanda, whose community development focus is on Early Childhood Development (ECD), after-school educational programs for children and youth, as well as initiatives with community members which focus on food security.



Sustainable Development of Local Families' Living Conditions

At the heart of Thanda is their Community Center, which is the hub from where programs are run in partnership with community members, in order to sustainably uplift the lives of local families. Particularly for children, the center already plays a key role: Hot meals are prepared and children have the chance to play in a safe, protected environment. The center houses the only library and playground in the area and with NIVEA's support, a newly expanded skate park provides a unique attraction.

This center is a reliable resource and a safe space for the community and NIVEA's funding has

enabled it to stay open seven, instead of previously five, days a week. To secure the long-term success of Thanda, we are also funding the development of employees' administrative, management, and fundraising skills.

Building Foundations Through Early Childhood Development Programs

Through our engagement in 2017, we focused on expanding the center's fledgling ECD programs by building new classrooms. Studies show that 90% of the brain's development takes place before a child reaches five years of age, which makes ECD programs tremendously effective. The new classrooms now offer space for a total of 90 children under five years of age.

Supported by Thanda's after-school program, there was a 186% improvement in literacy skills and the rate of teenage pregnancy has declined. Children also showed a 126% improvement in science capabilities and 39% improvement in self-esteem.



Through our support of Thanda, there was a 186% improvement in literacy skills and the rate of teenage pregnancy has declined by a factor of 5.

“Trust in the Care of NIVEA”

“Care” is a core NIVEA brand value – and also plays a special role in the South African culture, where togetherness, the sense of belonging, and care go beyond one's direct relatives. Responsibility and solidarity apply to the whole community.

This mind-set also guided the development of our partnership with Thanda as well as this year's campaign entitled “Trust in the Care of NIVEA”, which informs consumers about NIVEA's engagement.



HANSAPLAST | AKSI SIAGA

Award-winning First Aid Initiative Enters Third Year

Many Indonesians lack basic first-aid knowledge when it comes to treating both minor and major injuries, which means that in an emergency they often take no action at all due to uncertainty. To change this, Hansaplast Indonesia carried out its annual first aid campaign “Aksi Siaga Hansaplast” at numerous schools for the third year running in 2017. This year, 350 schools in the Indonesian capital Jakarta and near our production site in Malang took part, meaning that with “Aksi Siaga Hansaplast” we reached almost 60,000 schoolchildren and their parents, as well as around 2,000 teachers in 2017. Our target in future is to boost the competence and capacity of approximately 80,000 Indonesian children every year via our training courses in delivering emergency first aid.

Care for Yourself, Care for Others – and Care for the Environment

Three core aspects are at the heart of the initiative, which is carried out in partnership with the Indonesian Ministry of Education and Health: “Care for yourself, care for others – and care for the environment”. At the center of the campaign is a five-month First Aid Training Program that will be rolled out to schools with the support of local health centers and school doctors. The campaign’s contents address a real need: According to a study,

the most common injuries are blisters and bruises (70.9%), sprains (27.5%), and cuts (23.2%).* Taking an interactive, playful approach using specifically developed training materials and the First Aid Kit, schoolchildren learn the fundamentals of effective first aid and how to apply these in practice. The students receive training sessions as part of their regular curriculum, as well as various further extracurricular activities. Parents and teachers are given two-hour intensive first-aid training to be able to provide better first-aid help themselves and support the children’s first-aid instruction more effectively. A final competition between all participating schools, in which the winning school receives an award, maximizes the pupils’ attention, engagement, and participation during their first-aid training.



Digital Awareness Campaign – Binding Consumers via Social Media Channels

In September 2017, this year’s “Aksi Siaga Hansaplast” training program in the participating schools came to an end – timed to coincide with World First Aid Day. Hansaplast Indonesia used this occasion for a nationwide digital awareness campaign under the #SiagaHansaplast via the Facebook and Instagram social media channels, giving consumers the opportunity to receive comprehensive information on first aid and the best-possible treatment of injuries.

* Indonesia Basic Health Research 2013

REFUGEE AID

Humanitarian Refugee Aid in Germany – Our Corporate Responsibility

As part of our corporate responsibility we are committed to supporting people who have been forced to leave their homelands due to war, persecution, or human rights violations. To help give those affected a fresh start and to facilitate their integration in Germany, Beiersdorf Headquarters is providing a total of 100 internships for refugees in Hamburg by 2020.

Job programs – a First Step Towards Vocational and Social Integration

Through the job programs we have offered at our Hamburg headquarters since 2015, we want to set an example for the vocational and social integration of refugees. Since 2016 we have been running our job programs in close cooperation with verikom – Verbund für interkulturelle Kommunikation und Bildung e.V. and W.I.R. – work and integration for refugees. Within these programs, refugees are able to complete six-week to three-month integration internships. This is often the first time they work in a German company and have the chance to prove their qualifications and German language skills. We place applicants in specialist departments that best match their existing qualifications, for instance in Health Management, Research and Development (R&D), or Production. Furthermore, together with all our employees, we work to create a professional environment that supports long-term, sustainable integration. By the end of 2017 Beiersdorf Headquarters was able to provide 31 internships – and subsequently take on five of the interns as employees on fixed-term contracts. In September 2017, a refugee began training to qualify as an IT clerk.

Every refugee, who works with us for longer than six weeks, additionally has the chance to seek out a “buddy” as his or her personal contact in the company. Many colleagues are happy to accept this offer and in this way to provide the refugees with a network and friendship outside their respective department. Regular lunches together with all integration interns, buddies, and colleagues are highly popular and have already become a regular fixture in our company.



Personal Engagement Onsite – Close Cooperation with the German Red Cross

Many refugee shelters in Hamburg are run by the German Red Cross (DRK). We have been supporting this work since the fall of 2015 through our close collaboration with the DRK in Hamburg's Eimsbüttel neighborhood. Alongside product and monetary donations, our employees' personal voluntary engagement forms an integral part of this support. In 2017, many of our colleagues joined in regularly to support various refugee aid projects, for instance sorting donated clothes and distributing them to refugees. Several teams also took refugee children, adolescents or whole families on trips in the locality, for example to the zoo, staged sports events, or just got together for a game and a barbecue. As language skills are a fundamental requirement for successful integration, several of our German employees participated in the open German language courses in 2017.



**FIND OUT MORE ABOUT OUR
SOCIAL RESPONSIBILITY**

People at Beiersdorf

Strategic Principles

Beiersdorf is a global organization with its entrepreneurial roots in Germany. Over the decades, one core principle has united and guided generations of our managers: A harmonious balance between the company's economic success and the well-being of its employees. At Beiersdorf, we are convinced that our employees' needs can only be met successfully, if they are embedded in a larger, consistent HR policy framework.

Being a good employer everywhere in the world forms the essential foundation of our activities. A good employer provides "Good Work" – from employee benefits and development, through freedom of association, to an open and trustful culture. The section on **"Beiersdorf as an Employer"** contains more details on this.

In the world of today, our employees' welfare means a great deal more: In particular, it includes the ongoing ability of our workforce to respond to changes and to actively participate in shaping them. We present our concept in supporting our people in these efforts in **"We Shape the Way We Work"**.

In the section **"Diversity as a Success Factor"** we present the measures for and the outcomes of promoting diversity in our company.

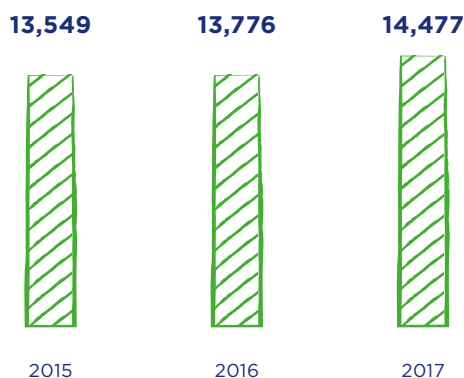
Beiersdorf as an Employer: We Practice "Good Work" – Worldwide

In 2017, we created 701 new jobs worldwide (excluding tesa). The number of employees in the Consumer Business Segment increased to 14,477 people of December 31, 2017 (prior year: 13,776). Of these, 7,700 (+5%) were employed in Europe, 4,225 (+4%) in the Africa/Asia/Australia region, and 2,552 (+7%) in the Americas.

As at the end of 2017 Beiersdorf* had a total of 63 affiliates with at least 50 employees in 40 countries. Besides fully meeting social insurance legal requirements in all host countries, we also offered our employees additional voluntary benefits in alignment with the needs of the local workforce at each location. More than 60% of our companies provided additional health insurance and more than 50% offered additional pension schemes. Meal subsidies (over 80%) and subsidies for transport and mobility (70%) were the company benefits most frequently provided.

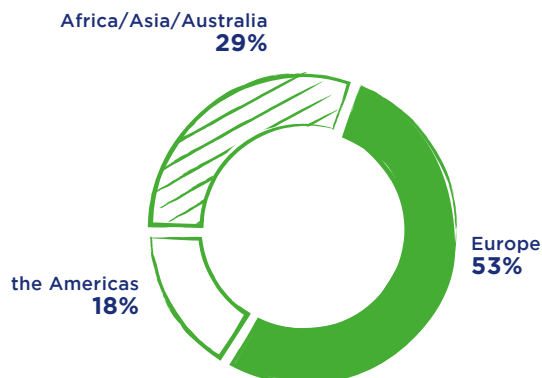
Group Employees

(excluding tesa)



Employees by Region

(excluding tesa)



* Unless explicitly stated differently, all following information in this chapter refers to our Consumer business excluding La Prairie.

More than a third of our affiliates invested in support for childcare during 2017. The “TroploKids” child day-care center in Hamburg had 100 child-care places available; 24 female and three male teachers were employed at the daycare center as Beiersdorf employees.



Beiersdorf’s commitment to competitive remuneration not only applies to professionals, experts, and managers: In the lower income segment, the wages and salaries in our affiliates are always well above the respective legal minimum wages. On average, the bottom 10% of the income scale (wages and salaries of employees) in our local affiliates exceeded the respective legal minimum wage by a factor of 2.4 in the reporting year.

However, “Good Work” means much more to us than competitive salaries and extensive social benefits: Beiersdorf also proves to be a good employer when it comes to workplace organization. In 2017, 63% of all Beiersdorf companies offered location-independent working, with home-office working being the most frequently-used alternative. We aim to expand these options in their variety of forms.

“Good Work” also encompasses an open and trustful corporate culture. Regular feedback

meetings are an integral part of working together in all Beiersdorf companies. In addition, we foster the personal and professional development of our employees globally. In the reporting year, 100% of companies offered additional training options of various kinds, for example programs addressing functional, language, and management skills as well as further development programs.

As at the end of 2017 we had Works Council or trade union organization or other forms of employee representation in 51% of our affiliates – although this is a legal requirement for only 37% of the affiliates.

“We Shape the Way We Work”: Agility as a New Focus alongside “Good Work”*

During recent years markets, technologies and consumers have been going through deep transformation that in some cases brought disruptive changes for our industry. For a company to meet its economic and social responsibilities, it must enhance the willingness and ability to change of its workforce, in particular through targeted people and organizational development measures. In 2017, we took this as an occasion to re-think and review the work models that we had practiced for years. We added “Agile Working” into the focus of our Human Resources (HR) agenda. “We Shape the Way We Work” – the global motto of “Agile Working” – bundles all relevant activities and at the same time emphasizes the importance of employee participation in this process. In 2017, we set up various workshops and task forces to collect ideas for new working models through a virtual community, which were debated among employees. Based on this, the first change projects were launched in the reporting year, every one of which feeds into one of the four “Agile Working” topic areas:

- Work Environment
- Knowledge and Learning
- Leadership and Employee Engagement
- Participation

* Unless explicitly stated differently, all following information in this chapter refers to our Consumer business excluding La Prairie.



Work Environment

As a responsible employer, we provide an environment of flexibility in daily work. Our employees use more than 300 different work-time models in Germany alone, such as working from home and flexible part-time work. Other options include job sharing, which is also practiced by managers. On July 7, 2017 the first day of the G20 summit in Hamburg, we launched a large-scale practical trial: Around 2,500 employees from the company headquarters in Hamburg worked in their home offices for the day or at a place of their choice outside our company premises.

Increasing awareness and attention by our employees to their individual situation and needs demand new thinking by the employer: Rigid general rules and guidelines have been outdated for a long time, ill-suited to truly balancing professional work and personal life.

What is needed are timely solutions “on the ground” – solutions that can be agreed within teams and/or between employees and managers directly. By regularly reviewing and changing our HR policies as well as our Works Agreements with our social partners we have been constantly working on improving such an environment.

Flexibility goes both ways. It is important to us though that we as the employer act as first-mover by allowing more flexibility based on trust. For example, we have permitted reasonable personal

use of office telephones and the Internet since years. In the company headquarters in Hamburg, the expanded mail and parcel service on the company premises is also available to the workforce, so that they can manage daily errands efficiently while at work. In addition, we offer regular medical check-ups at our Hamburg offices, which 1,043 employees underwent during 2017.

Trust-based flexibility by company management nurtures mutuality, as an agreement with the Works Council of Beiersdorf AG from 2017 shows: A group of employees of Beiersdorf AG, previously under daily mandatory time-clocking, switched to a timesheet model that relies upon self-monitoring.

Knowledge and Learning

The continuous enabling of our employees and the development of individuals through training courses and demand-oriented knowledge management are essential for securing the competitiveness of our company. This way we ensure that our employees are able to meet the changing requirements, for example resulting from digitalization and the transformation of business models. This allows us to recruit managers from the ranks of our own employees to a significant degree. In 2017, too, our workforce in all regions benefited from training and qualification programs at the Beiersdorf Academy, which together with “Learning on the Job” and “Learning from Colleagues” forms the foundation for a “Learning Organization”.

With a total of 12 functional and cross-functional academies – including developmental programs for managers and for digital competencies – the size of the program more than doubled last year. Events take place in different locations around the world, so that they can also meet regional needs. In terms of content, we rely on a mix of up-to-date specialized knowledge and a large number of examples from business context, most of which are prepared and then executed by our internal experts in an interactive manner. A rapidly growing range of online-based and virtual learning formats gives employees access to knowledge at any time and supports the continuous learning process. For example, we started the Digital IQ program in Marketing with 1,200 participants in 2017 - our largest cross-functional online learning initiative on digital topics globally.

Leadership and Employee Retention

In 2015, Beiersdorf presented a plan for the medium-term strategic development of the company: Roadmap 2020. The People Agenda is an integral part of this Roadmap. The implementation work is still ongoing. The priorities include employee and management development, as well

as employee engagement respective emotional bonding. Similar emphasis applies to our La Prairie organization.

Both, long-term successful collaboration and emotional bonding require self-reflection and value-based behavioral codex. Our Core Values of “Care”, “Trust”, “Courage” and “Simplicity” provide therefore the foundation for our understanding of “Leadership The Beiersdorf Way”.

Employees, who are passionate about their work and committed to their place of employment, are fundamental to achieving our goals as a company. To help strengthen employee engagement worldwide, Beiersdorf has commissioned an independent employee survey by a renowned service provider every year since 2013. At La Prairie this form of survey was carried out for the second time. In both cases, a participation rate of over 90% was achieved in 2017 and a clearly above-average level of employee engagement has been achieved in the respective companies since launching the employee surveys*. We promote and support open dialog within our teams and encourage all employees to use the results of the survey to derive and implement measures on their own initiative.

Leadership The Beiersdorf Way Concept



Every Beiersdorf employee is given the opportunity for further development, whether in their current job or in preparation for a new one. We intend to fill management positions mostly with talents from our own ranks and enable this through the targeted internal development plans. In 2017, 75% of vacancies at the first management level (prior year: 71%, Roadmap 2020 target: 75%) and 88% vacancies at the second management level (prior year: 75%, Roadmap 2020 target: 90%) were filled by internal candidates.

In 2017, we also started the preparation to expand our People Agenda beyond 2020. This work will continue in 2018.

* In comparison to similar surveys of other companies conducted by the contracted service provider.

Participation

Beiersdorf practices dialog at eye level with our employees and relies on the workforce's active participation in both decision-making and the company's success. An open and constructive social partnership is very important to us. Under co-determination rights, employee representatives are closely integrated in the development of our HR policies and instruments.

Events at global and local level, such as town hall meetings, round tables, and online chats, offer our employees opportunities for direct and unfiltered exchange with the Executive Board and the senior management. In addition, we are successfully testing the opportunities of internal online platforms on which our employees can actively co-design their working environment. For example, we developed our new leadership concept – “Leadership The Beiersdorf Way” – through worldwide online crowdstorming involving international employees at different management levels. In addition, the R&D management team worked with their teams

to develop a program for enhancing innovation culture.

Diversity as a Success Factor*

A diverse and internationally minded workforce is the foundation of competitiveness for Beiersdorf. It gives us access to a bigger talent pool and allows us to gain a better understanding of changing markets and consumers. Furthermore, we benefit from the stronger innovation and problem-solving capabilities arising from the diversity of nationalities, age groups and genders.

Globally, employees from 98 countries worked for us as of December 31, 2017. Among our top three management groups, more than 40% of our managers have had international working experiences for at least three years.

Besides fostering internationality, we also encourage employees to move into different functions. Gaining experience outside one's own functional area expands the individual's horizons and



* Unless explicitly stated differently, all following information in this chapter refers to our Consumer business excluding La Prairie.

enriches diversity within and across company departments

For many years, equal opportunities for women and men in their professional development has been a priority for us. We have implemented comprehensive measures in recent years to achieve our targets, among them flexible working hours, home offices, job sharing, mentoring programs, and the “Women in Leadership” network.

We adjusted the gender diversity targets for Beiersdorf AG to be line with the new German legislation after its introduction in March 2015.



GÉRALDINE WEILANDT

MARKETING DIRECTOR BUSINESS UNIT PHARMACY &
CORPORATE DIVERSITY MANAGER

Accordingly we are referencing Management Reporting Levels of the Beiersdorf AG instead of Management Groups for the below-mentioned KPIs.

Among managers at the first management level of the Beiersdorf AG, the share of women was 26% at the end of 2017. Statistically, we were short of two first level female managers to reach our 30% goal. In reality, we have signed or promoted three more such managers already. These decisions were taken in 2017. The managers concerned will start their new roles only in 2018. At the second management level, the proportion of women here was at 46% at the end 2017, far exceeding our target of 38%.

La Prairie, too, promotes equal opportunities for women and men, and has paid great attention to gender distribution in the recruitment of its top management level. In 2017, the share of women at the first management level was 38% – significantly above the target of 30%.

In summer of 2017 the Beiersdorf AG Executive Board resolved new five-year targets: 35% women at the first management level, and 50% at the second by 2022. In the coming years, we will continue and expand our initiatives especially in the areas of strategic succession planning, work life balance, and targeted individual support.

OCCUPATIONAL SAFETY

Safety First

The safety of our employees and protecting their health are core elements of our sustainability strategy and naturally take very high priority. When an accident occurs, the Supply Chain Leadership Team carries out a root-cause analysis and takes rapid decisions on corrective measures, additional budget or other required resources. In addition, the Executive Board receives a monthly report about developments in the area of occupational safety.

We are pursuing the strategic goal of Zero Accidents worldwide for the long term and have developed a roadmap towards this with specific targets. Having achieved a reduction in occupational accidents per million work hours (Accident Frequency Rate, AFR) in our global production network by 50% in 2016 compared to 2015, our AFR rose again to 2.2 in 2017, however. This demonstrates that we need to work even harder on our systems and processes so that we can reach our long-term objectives.

Management Systems Audit

Establishing the corresponding management systems forms a core strategic element that supports us in achieving our safety objectives as well as our environmental protection targets.

We review the effectiveness of systems in the organizations and their application in daily practice through regular audits under our internal Environmental and Safety Management Audit Scheme (ESMAS) in our worldwide production network. This integrates safety and environmental protection aspects within a management system. Our audits follow internationally recognized management-system audit standards such as ISO 14001, OHSAS 18001, and the draft version of the upcoming ISO 45001. Our audit results are compiled in a list of measures, which we monitor regularly (page c-18).

Occupational Safety Right from the Start

In 2017, we also stepped up our strategic realignment of individual international production sites: In future, we will address safety issues in the very early stages, when planning extensions or conversions to sites. We will also increasingly leverage

standardized international methods for identifying and assessing risks.

Improved Communication

Another important component of our strategy is to increase the exchange between Group functions responsible for occupational safety. Safety-relevant events are shared in regularly held regional teleconferences. An online communications platform was already set up in 2015, and significant documents are submitted there. In 2017, we continued with this work consistently and networked the regional safety managers into a strong global team that discusses accidents and best-practice solutions on a monthly basis. Regular workshops in regional groups on location further ensure a continuous exchange of information between the respective local safety managers.

Global Occupational Safety Standards

In 2017, the global Occupational Safety team worked with local managers to further develop global safety standards. Using a global accident analysis, the team determined significant elements for further standardization, which will create the same advanced occupational safety conditions within our production network.

Compliance with these standards is monitored regularly by the local safety experts through "Major Risk Assessments". In addition, the global Occupational Safety team returns to each plant on a regular basis.

Chile – Fourth Award for Excellent Occupational Safety Management System

In 2017 our production site in Chile received its fourth award in a row from national accident insurer Mutual de Seguridad, for its excellent occupational safety management system. Assessment of the management system was carried out under the international management system standard OHSAS 18001. We are especially proud of the fact that in Chile, only 58 out of a total 98,525 member companies of the national accident insurance scheme have received this award.



Thailand - Three Million Working Hours without Accident

All work was suspended for two days at our factory in Thailand in 2017. The reason: We carried out a two-day campaign on location around the topics of safety, health and environmental protection, as we had done in previous years. More than 600 employees took the opportunity to learn about topics such as healthy nutrition, waste and energy management, and occupational safety. As part of the campaign we also presented the 10 Golden Rules of Occupational Safety, which all future visitors to the factory will receive before they enter the factory premises.



Our efforts are paying off, as an impressive figure shows: By the end of June 2017, the factory reported three million working hours without an occupational accident involving more than one day's absence from work.

Next steps - Stronger Cooperation and More Standards

Over the years to come, we will continue to pursue our Zero Accidents strategic goal with vigor. We will continuously improve collaboration between local occupational safety managers and the global safety team and develop and implement further

international standards. In addition, we intend to strengthen safety at work outside of our production network as well, for example by developing a global safety standard for our office sites. The topic of safety will also be given more weight in the selection of our logistics service providers and in our work with our suppliers. All in all, we will also be dealing more intensively with occupational safety culture.



**FIND OUT MORE ABOUT OUR ACTIVITIES
IN THE AREA OF EMPLOYEE SAFETY**

HEALTH MANAGEMENT

“good for me” - Our Health Management

Employee health is important to us, so an effective Health Management system is one of the main components of our human resources policy at our sites in Hamburg. Our goal is to sustain the long-term health and well-being of our employees through a broad range of services and to support their return to health systematically and actively in case of disease. Since 2014, our “good for me” Health Management program has bundled the activities of our Company Medical Service, Health Promotion, and Counseling Service with the areas of Occupational Safety, Catering, Company Health Insurance, and our Company Sports Club. At the center: The five focus areas of Prevention/Early Recognition, Exercise, Nutrition, Balance, and Working Environment.



Prevention | Early Recognition



Exercise



Nutrition



Balance



Working Environment

Courses – Continuous Evaluation and Optimization

In 2017, we offered a total of 28 different courses at our Hamburg site. We intend to continuously expand this broad range of course options, adjusting it optimally to the health needs of our employees. We take into account not only overall developments in society, but also the results of our health checks as well as suggestions from doctors and colleagues. We continually evaluate the quality of the courses we offer by means of an online questionnaire that participants complete at the end of their course.

Prevention | Early Detection – Knowing When to Act

Commonly, people postpone preventive medical examinations because of scheduling difficulties and because they take up a lot of time. Not so our employees in Hamburg: We offer them two free health examinations on-site, an individual health check-up and a skin screening. Both offers have established themselves as integral parts of our health management in recent years. In 2017, 365 employees took the opportunity for an extensive examination as part of their health check. 678 employees have taken part in the skin screening in 2017.

Exercise, Nutrition, Balance – New Offers in All Focus Areas

We have expanded our range of exercise-related courses. For example, there is a new “Ready to move” course that pays particular attention to back health, with targeted fitness exercises. In the focus area of nutrition, the “BesserEsser@Beiersdorf” weight management course, which was introduced in 2016, has become very well established. It promotes a healthier lifestyle and nutrition, and was continued in 2017. Our portfolio was also expanded in the Balance focus area: In addition to existing courses focusing on relaxation techniques, we offer our employees “CARE” Resilience Training as another option for strengthening their physical and psychological resilience which gives them the right tools to prevent stress, overload and burn-out.

Looking Ahead – Company-wide Health Offers

In the future, we want to transfer parts of our health program step by step to other offices and affiliates. For example, in 2018 we will train employees at the tesa factory in Hausbruch near Hamburg in the “Key Indicator Method” – a procedure for evaluating physical stress. In addition, we offer selected health courses at other office sites, for example in Switzerland.



**FIND OUT MORE ABOUT OUR ACTIVITIES
IN THE AREA OF EMPLOYEE HEALTH**



PEOPLE – FACT SHEET 2017



Our Achievements

- ✓ Safety Compliance Check for Warehouses in Europe.
- ✓ Realization of NIVEA's social commitment in 38 countries.
- ✓ As part of the “good for me” Health Management program, a total of 28 different courses were offered at our Hamburg site.
- ✓ Provision of 31 integration internships for refugees at our headquarters in Hamburg.
- ✓ A total of 1,043 employees took part in the free check-ups – an individual health check and a skin screening – in Hamburg.



Our Next Steps

- ➔ Develop safety standards with the global team of Safety Managers.
- ➔ Continuously develop and improve our “good for me” course offers.
- ➔ Implement safety standards for offices.
- ➔ Further develop the employee volunteering in the context of “NIVEA cares for family”.
- ➔ Gradually transfer our health program to other offices and affiliates.

STAKEHOLDER ENGAGEMENT

Sustainability is a complex topic influenced by factors, the impacts of which stretch well beyond the boundaries of our company. This is why we rely on strong, durable partnerships and close dialog with our external stakeholders. By involving all stakeholder groups, we can further improve our sustainability performance right along our value chain – and achieve our environmental and societal goals together with our stakeholders more rapidly and more efficiently.



FIND OUT MORE ABOUT OUR
STAKEHOLDER ENGAGEMENT

EMPLOYEE ENGAGEMENT

"We've started to use 10 electrical shuttle buses for our 3 Chinese PCs."

HR-TEAM
CHINA



"I go to work by bus and use car sharing with my colleagues for external meetings."

MICHELLE GUERSONI
BRAZIL



"I programmed the artificial illumination to use more daylight. This saves 250,000 kWh per year."

LARS RATSCHOW
MEXICO

Employee Campaign on Our New Climate Target

Our 2025 climate target is not only about improving energy efficiency at all of our sites, switching over our electricity supply to renewable sources, or reducing emissions from the goods and services we purchase. It also highlights how all our employees can make their own small contribution. Greenhouse gas emissions play a bigger role in our everyday lives than one might think initially: They are hidden in how we move around, what we eat, and how we shop. With our [climate film](#), we first of all raised our employees' awareness of the complex topic of climate change by highlighting its effects, and what we intend to achieve with our new climate target.

In addition, we have called on all employees worldwide to share ideas for a more climate-friendly everyday life with their colleagues and to inspire them. With great success: Many are already very committed to this topic and show great creativity. They are using public transport, buy regional foods, avoid paper cups, and suggest ideas such as optimizing the use of daylight at our production sites to lower electricity consumption. The campaign will continue next year with further activities.

Joint Planting Session for Charity: Employee Engagement for Socially Disadvantaged Children in India

Planting trees and providing shade: A total of twenty Beiersdorf employees from our production site in Sanand, India, launched their first Volunteering Initiative in 2017 and planted saplings in the schoolyard of a nearby local primary school as part of a charitable planting session. The team worked with over a hundred excited primary school pupils to plant the young trees, which will provide shade in the new small school garden which is currently treeless.

"This project is not only a good occasion to support the children in our neighborhood, but also offers a great opportunity for employees of different departments to come into contact with each other and share new experiences outside of their regular working day."

DR. NILS HOFFMANN

DIRECTOR OF RESEARCH AND DEVELOPMENT
NIVEA INDIA

The planting session marks the kick-off of a social initiative with long-term perspective, in which our employees in Sanand will support the children from a primary school near the production site. The project is run in close cooperation with the SMILE Foundation, a local organization working for disadvantaged children and their families. The goal of the cooperation is the ongoing improvement of schooling for local children. A plan with monthly team events was set up together with the SMILE Foundation, with activities extending from renovating the classrooms, through sports events, to educational campaigns to teach children about the importance of hand hygiene. In addition, NIVEA India supports the SMILE Foundation's educational programs with an annual donation.

This charitable commitment benefits not only the students, but also the employees, who have an opportunity to do voluntary work for a social project and can observe the impact of their engagement on their direct environment. Employees from Research and Development, Production and Human Resources took part in this event.



Engagement for the Protection of Drinking Water

In Germany, too, handling drinking water resources carefully and consciously is a topic that affects everyone. For this reason, a team of 15 employees at our Hamburg headquarters dedicated a full day in November 2017 to engage for the protection of our drinking water resources. Guided by Trinkwasserwald® e.V., they planted the first 550 of 4,000 saplings to cover a hectare of new oak forest. The resulting natural woodland will generate an additional 800,000 liters of high-quality drinking water per year per hectare – the annual consumption of around 800 people.



Afterwards, a forester gave the team an expert tour of the "Experiential Forest", which further deepened the insights they had gained from the planting campaign and provided numerous further explanations to help them understand the woodland-drinking water ecosystem even better.

The planting campaign strengthened our colleagues' understanding of how important the engagement in their region is, and that sensitive ecosystems need to be protected here in Germany, too. The next planting days have already been planned for the coming year!

INVOLVEMENT OF OUR SUPPLIERS

Working together for greater sustainability: Strategic supplier management ensures that our suppliers also meet our high standards in terms of quality, working conditions, and environmental protection. We use regular dialog formats and joint projects as a targeted way of finding new areas of optimization potential for increasing sustainability in our value chain. Another core goal in the close cooperation with our suppliers is strengthening our innovative power by integrating external knowledge.

PEARLFINDERS – Formats for Suppliers and Strategic Partners

Since mid-2016, we have been bundling our innovation activities under the communications umbrella of “PEARLFINDERS – We Open Innovation”. Among the successful PEARLFINDERS formats are two well-established in-house events for our suppliers – the “Formulation Academy” and the “Supplier Fair”.

The “Formulation Academy” took place at our research center in Hamburg for the seventh time in 2017. The event is designed for selected long-term innovation partners to share their extensive knowledge and expertise with Beiersdorf scientists and developers. This year’s focus was on innovative and sustainable textures and formulations for face and body care as well as sun protection.

“Innovation Journey” is a new event, which we organized for the first time this year as an extension of the “Supplier Fair”. The series of events was organized by Research and Development and selected external partners were invited to present their innovative ideas and products, and discuss these with experts. The selection of topics was based on the main search fields we have defined for innovation, as well as on global megatrends. Sustainability will be one of the strongest drivers of product innovation in future. As an example, rising water scarcity worldwide is accelerating the development of skin and beauty care products that can be used without water. In addition, the external speakers presented numerous other product innovations and received detailed insights from Beiersdorf’s employees into how we apply research to promote greater sustainability in skin and beauty care.

Inspiration and Innovation – Sustainable Presence at “In-Cosmetics”

With over 780 exhibitors and almost 9,000 visitors, “In-Cosmetics”, held in London in April 2017, is the world’s largest cosmetics fair – and therefore the most important source of inspiration and innovation for our sector in the area of raw materials. This year for the first time, the topic of sustainability was a focus area of its own in the “Sustainability Corner”. Large cosmetics companies such as Beiersdorf were able to give information on their commitment to sustainability during the fair. Dorle Bahr, Head of Environmental Sustainability at Beiersdorf, explained our sustainability strategy and targets, and demonstrated how particular challenges at product level can only be solved by working together with suppliers. This is an approach we are already pursuing through our strategic supplier management.

In 2018, we plan to strengthen our strategic supplier management further and continue with the successful PEARLFINDER formats.



FIND OUT MORE ABOUT THE INVOLVEMENT OF OUR SUPPLIERS

Ratings

To identify the effectiveness of our efforts in driving sustainable business, we continually analyze and evaluate our sustainability key performance indicators (KPIs) right along our value chain. These KPIs enable us to accurately track our performance and to identify optimization potentials in a targeted way. Moreover, external rating agencies also analyze our performance regularly, providing the market and our stakeholders with the greatest possible objectivity, comparability, and transparency.



CDP

The Carbon Disclosure Project (CDP) evaluates the environmental data a company publishes; Beiersdorf has been a participating member of the CDP since 2006. Following our score of “B-” in 2016, we achieved a score of “C” with our climate reporting in 2017. In the CDP “Water Disclosure Program” we achieved a score of “B” in 2016 and 2017.



FTSE4Good

FTSE4Good is an internationally leading family of indices on sustainability and corporate governance. It includes companies that demonstrate outstanding corporate responsibility, including Beiersdorf.



oekom research AG

As one of the world's leading rating agencies, oekom research AG analyzes companies' societal and environmental performance. Beiersdorf was already awarded “Prime” status in 2016. This means that publicly traded Beiersdorf shares are considered to be a worthwhile investment from an environmental and societal perspective.



MSCI

MSCI ESG Research analyzes companies' sustainability based on environmental, societal, and corporate governance (ESG) aspects. MSCI analysts evaluate over 6,000 companies worldwide. Beiersdorf was awarded an ESG “A” rating in 2016 and 2017.

Key Figures of the Consumer Business Segment

	UNIT	2015	2016	2017
ECONOMIC				
Consumer sales	in € million	5,546	5,606	5,799
Production sites	number	17	16	17
PRODUCTS				
Progress towards our Products target	%	18	25	23
Compliance of raw material sourcing with Sustainable Palm (Kernel) Oil Policy*	%	100	100	100
*supports the production of RSPO certified sustainable palm oil				
thereof				
Mass Balance	%		30	54
Book & Claim ("RSPO Credits")	%	100	70	46
PLANET				
Stationary energy	GJ	915,538	943,986	970,741
Mobile energy	GJ	135,006	145,334	157,025
CO ₂ emissions (Scope 1 + 2)	t CO ₂ e	95,433	77,864	80,919
Electricity from renewable energy sources	%	9	42	45
Waste volume	tonnes	30,225	23,018	28,986
Water consumption	m ³	1,478,936	1,796,792	1,786,962
Wastewater volume	m ³	808,298	877,245	860,355
PEOPLE				
Employees total	number	13,549	13,776	14,477
Occupational Accidents (≥1 day absenteeism)	number	73	50	52
Social projects benefiting supported families	number	181,026	235,186	179,672

In 2017, we were able to further increase our data coverage as well as improve our data and extrapolation quality. We may therefore observe some shifts in data compared to the previous year.

Relevant Key Figures for the Non-Financial Disclosure of the Beiersdorf AG

	UNIT	2017
COMPLIANCE		
Participation rate competition compliance training	%	84
PLANET		
Electricity from renewable energy sources	%	100
CO ₂ emissions (Scope 1 + 2)	t CO ₂ e	6,960
PEOPLE		
Accident Frequency Rate (AFR)	accidents per million work hours	3.47
Share of internal recruitments management group 1	%	67
Share of internal recruitments management group 2	%	82

GRI Content Index 2017

List of Abbreviations

3PMs	Third-Party Manufacturers	IUCN	Weltnaturschutzunion (International Union for Conservation of Nature)
AIM	European Brands Association	IUCN	International Union for Conservation of Nature
CoC	Code of Conduct	LA	Labor Practices and Decent Work
DCGK	German Corporate Governance Code	OECD	Organization for Economic Cooperation and Development
DMA	Disclosure Management Approach	PCs	Production centers/sites
EC	Economic	PR	Product Responsibility
EN	Environmental	RSPO	Roundtable on Sustainable Palm Oil
EPAA	European Partnership on Alternative Approaches to Animal Testing	Sedex	Supplier Ethical Data Exchange
FEA	European Aerosol Federation	SMETA	Sedex Members Ethical Trade Audit
FONAP	Forum for Sustainable Palm Oil	SO	Society
GHG	Greenhouse gas	VCI	German Association of Chemical Industries (Verband der Chemischen Industrie)
HR	Human Rights	WIE	Economic. Initiative. Engagement. (Wirtschaft. Initiative. Engagement.)
IGA	Industrie Gemeinschaft Aerosole e.V.	WRI	World Resources Institute
IKW	Industrieverband Körperpflege und Waschmittel		
ILO	International Labour Organization		

General Standard Disclosures

¹ ++ completely reported
+ partially reported

Indicator	GRI Standard Information	Status ¹	Reference																																			
ASPECT: STRATEGY AND ANALYSIS																																						
G4-1	Statement from the most senior decision-maker of the organization	++	Beiersdorf Sustainability Board Statement																																			
ASPECT: ORGANIZATIONAL PROFILE																																						
G4-3	Name of the organization	++	Beiersdorf AG																																			
G4-4	Primary brands, products, and services	++	Beiersdorf Our Profile Beiersdorf Brands																																			
G4-5	Location of the organization's headquarters	++	Beiersdorf AG, Unnastraße 48, 20245 Hamburg, Germany																																			
G4-6	Number of countries where the organization operates	++	Beiersdorf Global Presence																																			
G4-7	Nature of ownership and legal form	++	Annual Report: Beiersdorf AGs Shareholdings 2017																																			
G4-8	Markets served	++	Corporate Website: Beiersdorf Business Segments Beiersdorf Global Presence Annual Report: Beiersdorf Segment Reporting 2017 Beiersdorf Regional Reporting 2017 Beiersdorf Group Sales 2017																																			
G4-9	Scale of the organization	++	Corporate Website: Beiersdorf Global Presence Annual Report: Beiersdorf People at Beiersdorf 2017 Beiersdorf Ten Year Overview 2017 Beiersdorf Results of Operations Consumer 2017 In 2017 we sold well above 3.8 billion consumer units globally.																																			
G4-10	Total number of employees	+	<table><tr><th></th><th>Employees total</th><th>Thereof temporary employees*</th><th>Employees total female share</th><th>Employees total male share</th></tr><tr><td>Germany</td><td>3,863</td><td>83</td><td>50%</td><td>50%</td></tr><tr><td>Europe (excl. Germany)</td><td>3,837</td><td>98</td><td>60%</td><td>40%</td></tr><tr><td>North America</td><td>338</td><td>0</td><td>67%</td><td>33%</td></tr><tr><td>Latin America</td><td>2,214</td><td>49</td><td>56%</td><td>44%</td></tr><tr><td>Africa/Asia/Australia</td><td>4,225</td><td>34</td><td>49%</td><td>51%</td></tr><tr><td>Total</td><td>14,477</td><td>264</td><td>54%</td><td>46%</td></tr></table> <p>*Temporary workers with a contract for 6 months or less</p> <p>Types of worker: The majority of our workers are Beiersdorf employees. Only a small percentage of the organization's work is performed by self-employed individuals or temporary workers.</p> <p>Seasonal variation: No significant variations in employment numbers exist.</p>		Employees total	Thereof temporary employees*	Employees total female share	Employees total male share	Germany	3,863	83	50%	50%	Europe (excl. Germany)	3,837	98	60%	40%	North America	338	0	67%	33%	Latin America	2,214	49	56%	44%	Africa/Asia/Australia	4,225	34	49%	51%	Total	14,477	264	54%	46%
	Employees total	Thereof temporary employees*	Employees total female share	Employees total male share																																		
Germany	3,863	83	50%	50%																																		
Europe (excl. Germany)	3,837	98	60%	40%																																		
North America	338	0	67%	33%																																		
Latin America	2,214	49	56%	44%																																		
Africa/Asia/Australia	4,225	34	49%	51%																																		
Total	14,477	264	54%	46%																																		
G4-11	Percentage of total employees covered by collective bargaining agreements	+	At Beiersdorf AG (headquarters), 47% of employees are employed under collective bargaining agreements and 42% of the workforce are non-tariff employees. The remaining 11% of the workforce are executive staff.																																			

Indicator	GRI Standard Information	Status ¹	Reference
G4-12	Organization's supply chain	++	<p>The Beiersdorf supply chain is primarily regional. We perform ongoing supply network analyses and continuously update our supplier network to meet the needs of our consumers and run an increasingly agile supply chain. We are continuing to upgrade our supply network, mainly in the emerging markets, which also enables us to support the growth of our business. This includes the opening of new factories during the last years in Mexico (2014), India (2015), and Nigeria (2017) as well as significant factory expansion projects. In addition we are constantly reviewing our network of finished goods manufacturers to ensure we meet the local demands in an effective and efficient manner. Our 17 production sites are located in the regions Europe, the Americas, Near East (incl. Africa) and Asia Pacific. They produce mainly for their local and regional markets. The principal activities at our production sites are processing and filling activities. The production network is complemented by selective Third-Party Manufacturers (3PMs). Prime materials are sourced directly from our suppliers. We actively aim to source from regionally located suppliers to ensure a more integrated supply chain and better quality control. Our production sites and 3PMs deliver the goods through a network of warehouses and distribution centers to our customers. Last minute differentiation (Copacking) is mainly integrated into warehouse operations. Both warehouses and transport operations are purchased services.</p> <p>Page c-15, Chapter Responsible Sourcing Corporate Website: Beiersdorf Sustainability Responsible Sourcing</p>
G4-13	Significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain	++	<p>Annual Report: Beiersdorf Business and Strategy 2017 Beiersdorf Capital Structure 2017 Beiersdorf AGs Shareholdings 2017 Beiersdorf Acquisitions and Divestments 2017</p>
G4-14	Precautionary approach or principle	++	<p>Page c-8, Chapter Risk Management Annual Report: Beiersdorf Risk Report 2017 Beiersdorf Risks and Risk Management Principles 2017</p>
G4-15	Externally developed economic, environmental and social charters, principles, or other initiatives	++	<ul style="list-style-type: none"> • German Diversity Charter • German Corporate Governance Code (DCGK) • The conventions of the International Labour Organisation (ILO) • The Organization for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises • Responsible Care Initiative of the "Verband der Chemischen Industrie" (VCI) • The United Nations Universal Declaration of Human Rights • Hamburg Initiative for better air quality "Partnerschaft für Luftgüter und schadstoffarme Mobilität"
G4-16	Memberships of associations and national or international advocacy organizations	++	<p>Organizations with a focus on sustainability:</p> <ul style="list-style-type: none"> • AIM-PROGRESS • European Aerosol Federation (FEA) • Forum for Sustainable Palm Oil (FONAP) • Roundtable on Sustainable Palm Oil (RSPO) • Sedex • Wirtschaft. Initiative. Engagement. (WIE) <p>Industry associations in the cosmetics sector, including:</p> <ul style="list-style-type: none"> • Cosmetics Europe • European Brands Association (AIM) • Industrie Gemeinschaft Aerosole e.V. (IGA) • Industrieverband Körperpflege und Waschmittel (IKW) • Verband der Chemischen Industrie (VCI) • European Partnership on Alternative Approaches to Animal Testing (EPAA)

ASPECT: IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES

G4-17	Entities included in the organization's consolidated financial statements or equivalent documents	++	<p>Annual Report: Beiersdorf AGs Shareholdings 2017 Corporate Website: Beiersdorf Global Presence</p>
-------	---	----	---

Indicator	GRI Standard Information	Status ¹	Reference																																																																																																																																																
G4-18	Process for defining the report content and the aspect boundaries	++	Page c-11, Chapter Materiality Analysis Corporate Website: Beiersdorf Materiality Analysis																																																																																																																																																
G4-19	All material aspects identified in the process for defining report content	++	Page c-11, Chapter Materiality Analysis Corporate Website: Beiersdorf Materiality Analysis																																																																																																																																																
G4-20/21	Aspect boundaries within and outside the organization	++	Aspect boundaries within and outside the organization <table> <tr> <td>EC</td><td>Economic Performance</td><td>x</td><td>O</td></tr> <tr> <td></td><td>Materials</td><td>x</td><td>O</td></tr> <tr> <td></td><td>Energy</td><td>x</td><td>O</td></tr> <tr> <td></td><td>Water</td><td>x</td><td></td></tr> <tr> <td></td><td>Biodiversity</td><td></td><td>O</td></tr> <tr> <td></td><td>Emissions</td><td>x</td><td>O</td></tr> <tr> <td></td><td>Effluents and Waste</td><td>x</td><td></td></tr> <tr> <td>EN</td><td>Products and Services</td><td>x</td><td>O</td></tr> <tr> <td></td><td>Compliance</td><td>x</td><td></td></tr> <tr> <td></td><td>Transport</td><td>x</td><td>O</td></tr> <tr> <td></td><td>Overall</td><td>x</td><td></td></tr> <tr> <td></td><td>Supplier Environmental Assessment</td><td></td><td>O</td></tr> <tr> <td></td><td>Environmental Grievance Mechanisms</td><td>x</td><td>O</td></tr> <tr> <td></td><td>Employment</td><td>x</td><td></td></tr> <tr> <td></td><td>Labor/Management Relations</td><td>x</td><td></td></tr> <tr> <td></td><td>Occupational Health and Safety</td><td>x</td><td></td></tr> <tr> <td>LA</td><td>Training and Education</td><td>x</td><td></td></tr> <tr> <td></td><td>Diversity and Equal Opportunities</td><td>x</td><td></td></tr> <tr> <td></td><td>Supplier Assessment for Labor Practices</td><td></td><td>O</td></tr> <tr> <td></td><td>Labor Practices Grievance Mechanism</td><td>x</td><td></td></tr> <tr> <td></td><td>Non-Discrimination</td><td>x</td><td>O</td></tr> <tr> <td></td><td>Freedom of Association and Collective Bargaining</td><td>x</td><td>O</td></tr> <tr> <td></td><td>Child Labor</td><td></td><td>O</td></tr> <tr> <td>HR</td><td>Forced or Compulsory Labor</td><td></td><td>O</td></tr> <tr> <td></td><td>Assessment</td><td>x</td><td></td></tr> <tr> <td></td><td>Supplier Human Rights Assessment</td><td></td><td>O</td></tr> <tr> <td></td><td>Human Rights Grievance Mechanisms</td><td>x</td><td></td></tr> <tr> <td></td><td>Anti-Corruption</td><td>x</td><td>O</td></tr> <tr> <td></td><td>Anti-Competitive Behavior</td><td>x</td><td></td></tr> <tr> <td>SO</td><td>Compliance</td><td>x</td><td></td></tr> <tr> <td></td><td>Supplier Assessment for Impacts on Society</td><td></td><td>O</td></tr> <tr> <td></td><td>Grievance Mechanisms for Impacts on Society</td><td>x</td><td></td></tr> <tr> <td></td><td>Customer Health and Safety</td><td>x</td><td></td></tr> <tr> <td></td><td>Products and Service Labeling</td><td>x</td><td></td></tr> <tr> <td>PR</td><td>Marketing Communications</td><td>x</td><td></td></tr> <tr> <td></td><td>Compliance</td><td>x</td><td></td></tr> </table> <p>X = aspect boundaries within the organization O = aspect boundaries outside the organization</p>	EC	Economic Performance	x	O		Materials	x	O		Energy	x	O		Water	x			Biodiversity		O		Emissions	x	O		Effluents and Waste	x		EN	Products and Services	x	O		Compliance	x			Transport	x	O		Overall	x			Supplier Environmental Assessment		O		Environmental Grievance Mechanisms	x	O		Employment	x			Labor/Management Relations	x			Occupational Health and Safety	x		LA	Training and Education	x			Diversity and Equal Opportunities	x			Supplier Assessment for Labor Practices		O		Labor Practices Grievance Mechanism	x			Non-Discrimination	x	O		Freedom of Association and Collective Bargaining	x	O		Child Labor		O	HR	Forced or Compulsory Labor		O		Assessment	x			Supplier Human Rights Assessment		O		Human Rights Grievance Mechanisms	x			Anti-Corruption	x	O		Anti-Competitive Behavior	x		SO	Compliance	x			Supplier Assessment for Impacts on Society		O		Grievance Mechanisms for Impacts on Society	x			Customer Health and Safety	x			Products and Service Labeling	x		PR	Marketing Communications	x			Compliance	x	
EC	Economic Performance	x	O																																																																																																																																																
	Materials	x	O																																																																																																																																																
	Energy	x	O																																																																																																																																																
	Water	x																																																																																																																																																	
	Biodiversity		O																																																																																																																																																
	Emissions	x	O																																																																																																																																																
	Effluents and Waste	x																																																																																																																																																	
EN	Products and Services	x	O																																																																																																																																																
	Compliance	x																																																																																																																																																	
	Transport	x	O																																																																																																																																																
	Overall	x																																																																																																																																																	
	Supplier Environmental Assessment		O																																																																																																																																																
	Environmental Grievance Mechanisms	x	O																																																																																																																																																
	Employment	x																																																																																																																																																	
	Labor/Management Relations	x																																																																																																																																																	
	Occupational Health and Safety	x																																																																																																																																																	
LA	Training and Education	x																																																																																																																																																	
	Diversity and Equal Opportunities	x																																																																																																																																																	
	Supplier Assessment for Labor Practices		O																																																																																																																																																
	Labor Practices Grievance Mechanism	x																																																																																																																																																	
	Non-Discrimination	x	O																																																																																																																																																
	Freedom of Association and Collective Bargaining	x	O																																																																																																																																																
	Child Labor		O																																																																																																																																																
HR	Forced or Compulsory Labor		O																																																																																																																																																
	Assessment	x																																																																																																																																																	
	Supplier Human Rights Assessment		O																																																																																																																																																
	Human Rights Grievance Mechanisms	x																																																																																																																																																	
	Anti-Corruption	x	O																																																																																																																																																
	Anti-Competitive Behavior	x																																																																																																																																																	
SO	Compliance	x																																																																																																																																																	
	Supplier Assessment for Impacts on Society		O																																																																																																																																																
	Grievance Mechanisms for Impacts on Society	x																																																																																																																																																	
	Customer Health and Safety	x																																																																																																																																																	
	Products and Service Labeling	x																																																																																																																																																	
PR	Marketing Communications	x																																																																																																																																																	
	Compliance	x																																																																																																																																																	
G4-22	Effect of any restatements of information provided in previous reports and the reasons for such restatements	++	Page c-34, Chapter Our Planet Engagement																																																																																																																																																
G4-23	Significant changes from previous reporting periods in the Scope and aspect boundaries	++	Page c-11, Chapter Materiality Analysis Corporate Website: Beiersdorf Materiality Analysis																																																																																																																																																

Indicator	GRI Standard Information	Status ¹	Reference
ASPECT: STAKEHOLDER ENGAGEMENT			
G4-24	List of stakeholder groups engaged by the organization	++	Corporate Website: Beiersdorf Sustainability Stakeholder Engagement Beiersdorf Sustainability Stakeholder Dialog
G4-25	Basis for identification and selection of stakeholders with whom to engage	++	Corporate Website: Beiersdorf Sustainability Stakeholder Engagement Beiersdorf Sustainability Stakeholder Dialog
G4-26	The organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group	++	Page c-59, Chapter Stakeholder Engagement Corporate Website: Beiersdorf Sustainability Stakeholder Engagement Beiersdorf Sustainability Stakeholder Dialog
G4-27	Key topics and concerns that have been raised through stakeholder engagement	++	Corporate Website: Beiersdorf FAQ
ASPECT: REPORT PROFILE			
G4-28	Reporting period	++	The reporting period is the calendar year 2017.
G4-29	Date of most recent previous report	++	Our last Sustainability Review 2016 as well as the complementary GRI Content Index was published in May 2017.
G4-30	Reporting cycle	++	Beiersdorf AG has an annual reporting cycle.
G4-31	Contact point for questions regarding the report or its contents	++	Beiersdorf Contact Sustainability
G4-32	The 'in accordance' option the organization has chosen	++	Page c-2, Chapter Report Profile Corporate Website: Beiersdorf Sustainability Reporting
G4-33	External assurance	++	For information on the external assurance please refer to the "Independent Auditor's Limited Assurance Report" in the Beiersdorf Group and Beiersdorf AG Sustainability Review 2017.
ASPECT: GOVERNANCE			
G4-34	Governance structure of the organization, including committees of the highest governance body	++	Corporate Website: Beiersdorf Management Structure Beiersdorf Corporate Governance Statement Annual Report: Beiersdorf Corporate Governance Report 2017
ASPECT: ETHICS AND INTEGRITY			
G4-56	Organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics	++	Page c-12, Chapter Compliance Management and page c-15, Chapter Human Rights Corporate Website: Beiersdorf Our Core Values Beiersdorf Compliance Principles Beiersdorf Code of Conduct Beiersdorf Sustainability Responsible Sourcing

Specific Standard Disclosures

¹ ++ completely reported
+ partially reported

Indicator	GRI Standard Information	Status ¹	Reference
ECONOMIC			
G4-DMA - Disclosures on Management Approach EC		++	Annual Report: Beiersdorf Shares and Investor Relations 2017 Beiersdorf Key Figures 2017 Beiersdorf Business and Strategy 2017

Indicator	GRI Standard Information	Status ¹	Reference
-----------	--------------------------	---------------------	-----------

ASPECT: ECONOMIC PERFORMANCE

G4-EC1	Direct economic value generated and distributed	++	Annual Report: Beiersdorf Key Figures 2017 Beiersdorf Results of Operations Consumer 2017 Beiersdorf Regional Reporting 2017 Beiersdorf Notes Income Statement 2017 Beiersdorf Employee Expenses 2017
G4-EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change	+	The implications of climate change poses similar risks and opportunities for Beiersdorf to those it poses for the entire cosmetics industries. These risks range from resource scarcity, to opportunity-related risks when seeking to satisfy new upcoming consumer demands. To address these opportunities and risks, and to fulfill our corporate responsibility, we defined a new climate target for our energy-related emissions in 2016 and are now defining and implementing targets and measures towards these. Corporate Website: Beiersdorf Sustainability Focus Planet Beiersdorf Sustainability Focus Products
G4-EC3	Coverage of the organization's defined benefit plan obligations	++	Annual Report: Beiersdorf Pension Provisions 2017
G4-EC4	Financial assistance received from government	++	No material governmental financial assistance was received in 2017.

ENVIRONMENTAL

G4-DMA – Disclosures on Management Approach EN	++	Corporate Website: Beiersdorf Sustainability Strategy Beiersdorf Sustainability Focus Planet Beiersdorf Sustainability Management
--	----	--

ASPECT: MATERIALS

Aspect-specific DMA guidance (Materials)		++	Page c-21, Chapter Our Product Engagement Corporate Website: Beiersdorf Sustainability Products Beiersdorf Sustainability Raw Materials Beiersdorf Sustainability Packaging
G4-EN1	Materials used by weight or volume	+	Calculation is based on primary data for the externally sourced materials used to produce our Consumer business products at our own production sites. The only exception is packaging material, which refers to all packaging used for sold products. Each material category includes renewable and non-renewable materials.
			Materials used
			unit
			Packaging materials 146,299 t
			Formula raw materials 534,310 t
			Production materials 832 t
			Others 114 t

ASPECT: ENERGY

Aspect-specific DMA guidance (Energy)	++	Page c-34, Chapter Our Planet Engagements and page c-37, Chapter Energy Corporate Website: Beiersdorf Sustainability Focus Planet Beiersdorf Sustainability Energy
---------------------------------------	----	---

Indicator	GRI Standard Information	Status¹	Reference																																													
G4-EN3	Energy consumption within the organization	++	<div>Page c-34, Chapter Our Planet Engagement</div> <div><div>Scope 1</div><div>Stationary direct energy</div><div>unit</div><table><tr><td>Natural gas</td><td>506,036</td><td>GJ</td></tr><tr><td>Liquid petroleum gas, stationary use (LPG)</td><td>8,459</td><td>GJ</td></tr><tr><td>Petrol (for generators)</td><td>240</td><td>GJ</td></tr><tr><td>Diesel (for generators)</td><td>4,822</td><td>GJ</td></tr><tr><td>Fuel oil</td><td>369</td><td>GJ</td></tr><tr><td>Renewable energy produced on site</td><td>3,098</td><td>GJ</td></tr><tr><td>Total</td><td>523,024</td><td>GJ</td></tr></table><div><div>Scope 1</div><div>Mobile energy</div><div>unit</div><table><tr><td>Nonrenewable fuel</td><td>148,946</td><td>GJ</td></tr><tr><td>Renewable fuel</td><td>8,079</td><td>GJ</td></tr><tr><td>Total</td><td>157,025</td><td>GJ</td></tr></table><div><div>Scope 2</div><div>Stationary indirect energy</div><div>unit</div><table><tr><td>Electricity purchased</td><td>428,030</td><td>GJ</td></tr><tr><td>District heating</td><td>2,540</td><td>GJ</td></tr><tr><td>Steam purchased</td><td>16,242</td><td>GJ</td></tr><tr><td>Direct cooling purchased</td><td>904</td><td>GJ</td></tr><tr><td>Total</td><td>447,716</td><td>GJ</td></tr></table></div></div></div>	Natural gas	506,036	GJ	Liquid petroleum gas, stationary use (LPG)	8,459	GJ	Petrol (for generators)	240	GJ	Diesel (for generators)	4,822	GJ	Fuel oil	369	GJ	Renewable energy produced on site	3,098	GJ	Total	523,024	GJ	Nonrenewable fuel	148,946	GJ	Renewable fuel	8,079	GJ	Total	157,025	GJ	Electricity purchased	428,030	GJ	District heating	2,540	GJ	Steam purchased	16,242	GJ	Direct cooling purchased	904	GJ	Total	447,716	GJ
Natural gas	506,036	GJ																																														
Liquid petroleum gas, stationary use (LPG)	8,459	GJ																																														
Petrol (for generators)	240	GJ																																														
Diesel (for generators)	4,822	GJ																																														
Fuel oil	369	GJ																																														
Renewable energy produced on site	3,098	GJ																																														
Total	523,024	GJ																																														
Nonrenewable fuel	148,946	GJ																																														
Renewable fuel	8,079	GJ																																														
Total	157,025	GJ																																														
Electricity purchased	428,030	GJ																																														
District heating	2,540	GJ																																														
Steam purchased	16,242	GJ																																														
Direct cooling purchased	904	GJ																																														
Total	447,716	GJ																																														
G4-EN5	Energy intensity	++	<div>Results refer to Scope 1 and 2 energy consumption as reported in EN3. Calculation is based on data genuinely measured. References (ratio denominator) are shown in the tables.</div> <div><div>PCs</div><div>unit</div><table><tr><td>Direct energy/1,000 production units</td><td>145</td><td>MJ</td></tr><tr><td>Indirect energy/1,000 production units</td><td>128</td><td>MJ</td></tr><tr><td>Energy/1,000 production units</td><td>273</td><td>MJ</td></tr></table></div>	Direct energy/1,000 production units	145	MJ	Indirect energy/1,000 production units	128	MJ	Energy/1,000 production units	273	MJ																																				
Direct energy/1,000 production units	145	MJ																																														
Indirect energy/1,000 production units	128	MJ																																														
Energy/1,000 production units	273	MJ																																														
ASPECT: WATER																																																
Aspect-specific DMA Guidance (Water)		++	<div>Page c-41, Chapter Water</div> <div>Corporate Website: Beiersdorf Sustainability Water Beiersdorf Sustainability Water Consumption Beiersdorf Sustainability Conserving Resources Together</div>																																													
G4-EN8	Total water withdrawal by source	+	<div><div>Water withdrawal (primary data)</div><div>PCs</div><div>Offices</div><div>unit</div><table><tr><td>Municipal water supplies or other water utilities</td><td>1,638,377</td><td>m³</td></tr><tr><td>Groundwater</td><td>59,459</td><td>m³</td></tr><tr><td>Rainwater</td><td></td><td>m³</td></tr><tr><td>Surface water</td><td></td><td>m³</td></tr><tr><td>Wastewater taken from other organizations</td><td></td><td>m³</td></tr><tr><td>Total water consumption</td><td>1,697,836</td><td>89,126 m³</td></tr></table></div>	Municipal water supplies or other water utilities	1,638,377	m³	Groundwater	59,459	m³	Rainwater		m³	Surface water		m³	Wastewater taken from other organizations		m³	Total water consumption	1,697,836	89,126 m³																											
Municipal water supplies or other water utilities	1,638,377	m³																																														
Groundwater	59,459	m³																																														
Rainwater		m³																																														
Surface water		m³																																														
Wastewater taken from other organizations		m³																																														
Total water consumption	1,697,836	89,126 m³																																														
G4-EN9	Water sources significantly affected by withdrawal of water	+	<div>Page c-41, Chapter Water</div> <div>Corporate Website: Beiersdorf Sustainability Water Consumption</div>																																													
G4-EN10	Percentage and total volume of water recycled and reused	+	<div><div>PCs (primary data)</div><div>unit</div><table><tr><td>Recycled and reused water</td><td>54,479</td><td>m³</td></tr><tr><td>Percentage of recycled and reused water</td><td>3.21</td><td>%</td></tr></table></div>	Recycled and reused water	54,479	m³	Percentage of recycled and reused water	3.21	%																																							
Recycled and reused water	54,479	m³																																														
Percentage of recycled and reused water	3.21	%																																														

Indicator	GRI Standard Information	Status ¹	Reference
-----------	--------------------------	---------------------	-----------

ASPECT: BIODIVERSITY

Aspect-specific DMA Guidance (Biodiversity)		+	Page c-21, Chapter Our Product Engagement
G4-EN11	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	++	None of our operations are in or adjacent to protected areas, or areas of high biodiversity value outside protected areas.
G4-EN14	Total number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk	++	There are no IUCN Red List species affected by Beiersdorf operations.

ASPECT: EMISSIONS

Aspect-specific DMA Guidance (Emissions)		++	Page c-34, Chapter Our Planet Engagement and page c-37, Chapter Energy Corporate Website: Beiersdorf Sustainability Energy Beiersdorf Sustainability Reducing CO2 Emissions
--	--	----	--

G4-EN15	Direct greenhouse gas emissions (Scope 1)	+	Scope 1 GHG emissions (own production, leased/owned offices) referring to the direct energy consumptions reported in EN3. Company vehicle emissions are based on fuel consumptions (refer to EN3) and calculations of driven distances (not included in EN3). The amounts are reported in carbon equivalents. The figures are based on primary data without extrapolation. Page c-34, Chapter Our Planet Engagement and page c-37, Chapter Energy
---------	---	---	--

Scope 1

GHG emissions	PCs	Offices	unit
Natural gas	23,120	5,347	t CO ₂ e
Liquid petroleum gas, stationary use (LPG)	491	44	t CO ₂ e
Petrol (for generators)	0	17	t CO ₂ e
Diesel (for generators)	243	117	t CO ₂ e
Fuel oil	14	13	t CO ₂ e
Company car emissions	711	13,063	t CO ₂ e
Total	24,579	18,601	t CO₂e

G4-EN16	Energy indirect greenhouse gas emissions (Scope 2)	+	Scope 2 GHG emissions (own production, leased/owned offices, leased/owned vehicles) referring to the indirect energy consumptions reported in EN3. Amounts are reported in carbon equivalents. Figures are based on primary data from energy bills and meters without extrapolation. Page c-34, Chapter Our Planet Engagement und page c-37, Chapter Energy
---------	--	---	--

Scope 2 (market-based)

GHG emissions	PCs	Offices	unit
Electricity purchased	31,421	5,098	t CO ₂ e
District heating	0	159	t CO ₂ e
Steam purchased	1,013	0	t CO ₂ e
Mobile energy	48	0	t CO ₂ e
Total	32,482	5,257	t CO₂e

Scope 2 (location-based)

GHG emissions	PCs	Offices	unit
Electricity purchased	50,239	8,143	t CO ₂ e

Indicator	GRI Standard Information	Status ¹	Reference																																										
G4-EN17	Other indirect greenhouse gas emissions (Scope 3)	++	<p>Scope 3 GHG emissions in 2016 (outsourced finished-product production, finished product transportation, and business travel). Amounts are reported in carbon equivalents. Figures are based on primary data without extrapolation. The chosen consolidation approach for emissions is operational control. Page c-34, Chapter Our Planet Engagement</p> <table><tr><td colspan="3">Scope 3</td></tr><tr><td colspan="3">GHG emissions Beiersdorf</td></tr><tr><td colspan="3">unit</td></tr><tr><td>Business travel total</td><td>12,560</td><td>t CO₂e</td></tr><tr><td>Finished product transport emissions</td><td>71,454</td><td>t CO₂e</td></tr></table> <table><tr><td colspan="3">Scope 3</td></tr><tr><td colspan="3">GHG emissions 3PMs</td></tr><tr><td colspan="3">unit</td></tr><tr><td>Energy related GHG emissions</td><td>49,545</td><td>t CO₂e</td></tr></table>	Scope 3			GHG emissions Beiersdorf			unit			Business travel total	12,560	t CO ₂ e	Finished product transport emissions	71,454	t CO ₂ e	Scope 3			GHG emissions 3PMs			unit			Energy related GHG emissions	49,545	t CO ₂ e															
Scope 3																																													
GHG emissions Beiersdorf																																													
unit																																													
Business travel total	12,560	t CO ₂ e																																											
Finished product transport emissions	71,454	t CO ₂ e																																											
Scope 3																																													
GHG emissions 3PMs																																													
unit																																													
Energy related GHG emissions	49,545	t CO ₂ e																																											
G4-EN18	Greenhouse gas emissions intensity	++	<p>All ratios are based on genuinely covered and measured data.</p> <table><tr><td colspan="3">Beiersdorf</td></tr><tr><td colspan="3">unit</td></tr><tr><td colspan="3">Scope 1</td></tr><tr><td>GHG emissions/1,000 product units</td><td>14.76</td><td>kg CO₂e</td></tr><tr><td colspan="3">Scope 2</td></tr><tr><td>GHG emissions/1,000 product units</td><td>12.90</td><td>kg CO₂e</td></tr><tr><td>Total</td><td>27.66</td><td>kg CO₂e</td></tr></table> <table><tr><td colspan="3">Thereof PCs</td></tr><tr><td colspan="3">unit</td></tr><tr><td colspan="3">Scope 1</td></tr><tr><td>GHG emissions/1,000 product units</td><td>8.40</td><td>kg CO₂e</td></tr><tr><td colspan="3">Scope 2</td></tr><tr><td>GHG emissions/1,000 product units</td><td>11.11</td><td>kg CO₂e</td></tr><tr><td>Total</td><td>19.51</td><td>kg CO₂e</td></tr></table>	Beiersdorf			unit			Scope 1			GHG emissions/1,000 product units	14.76	kg CO ₂ e	Scope 2			GHG emissions/1,000 product units	12.90	kg CO ₂ e	Total	27.66	kg CO₂e	Thereof PCs			unit			Scope 1			GHG emissions/1,000 product units	8.40	kg CO ₂ e	Scope 2			GHG emissions/1,000 product units	11.11	kg CO ₂ e	Total	19.51	kg CO₂e
Beiersdorf																																													
unit																																													
Scope 1																																													
GHG emissions/1,000 product units	14.76	kg CO ₂ e																																											
Scope 2																																													
GHG emissions/1,000 product units	12.90	kg CO ₂ e																																											
Total	27.66	kg CO₂e																																											
Thereof PCs																																													
unit																																													
Scope 1																																													
GHG emissions/1,000 product units	8.40	kg CO ₂ e																																											
Scope 2																																													
GHG emissions/1,000 product units	11.11	kg CO ₂ e																																											
Total	19.51	kg CO₂e																																											
G4-EN19	Reduction of Greenhouse Gas Emissions	+	Page c-34, Chapter Our Planet Engagement and page c-37, Chapter Energy																																										
G4-EN21	NO _x , SO _x , and other significant air emissions	+	<p>The reported amounts refer to finished goods transportation and are based on EcoTransIT. Transport modes covered: road, rail, maritime shipping, and inland shipping. Calculations are based on Well-to-Wheel data including load-factor specifications. All data refers to internally available information. Page c-34, Chapter Our Planet Engagement</p> <table><tr><td colspan="3">Scope 3</td></tr><tr><td colspan="3">unit</td></tr><tr><td>EcoTransIT SO₂</td><td>165,940</td><td>kg SO₂e</td></tr><tr><td>EcoTransIT NO_x</td><td>371,083</td><td>kg NO₂</td></tr><tr><td>EcoTransIT Particles PM10</td><td>23,305</td><td>kg PM10</td></tr></table>	Scope 3			unit			EcoTransIT SO ₂	165,940	kg SO ₂ e	EcoTransIT NO _x	371,083	kg NO ₂	EcoTransIT Particles PM10	23,305	kg PM10																											
Scope 3																																													
unit																																													
EcoTransIT SO ₂	165,940	kg SO ₂ e																																											
EcoTransIT NO _x	371,083	kg NO ₂																																											
EcoTransIT Particles PM10	23,305	kg PM10																																											

ASPECT: EFFLUENTS AND WASTE

Aspect-specific DMA Guidance (Effluents and Waste)	++	<p>Page c-40, Chapter Waste and page c-41, Chapter Water</p> <p>Corporate Website: Beiersdorf Sustainability Focus Planet Beiersdorf Sustainability Waste Beiersdorf Sustainability Water </p>
--	----	---

Indicator	GRI Standard Information	Status ¹	Reference																																
G4-EN22	Total water discharge by quality and destination	++	<p>We do not differentiate between planned and unplanned water discharges. Therefore, the amounts indicated refer to measured and estimated discharges based on invoices of water suppliers for our PCs and offices (if that data is available). The methods of our internal wastewater treatment plants fulfill local legal requirements concerning discharge parameters.</p> <table><tr><th>Water discharge</th><th>PCs</th><th>Offices</th><th>unit</th></tr><tr><td>Municipal sewer</td><td>712,630</td><td></td><td>m³</td></tr><tr><td>Surface waters</td><td>31,042</td><td></td><td>m³</td></tr><tr><td>Groundwater</td><td>0</td><td></td><td>m³</td></tr><tr><td>Gardening</td><td>27,107</td><td></td><td>m³</td></tr><tr><td>Other</td><td>671</td><td></td><td>m³</td></tr><tr><td>Total</td><td>771,450</td><td>88,904</td><td>m³</td></tr></table>	Water discharge	PCs	Offices	unit	Municipal sewer	712,630		m ³	Surface waters	31,042		m ³	Groundwater	0		m ³	Gardening	27,107		m ³	Other	671		m ³	Total	771,450	88,904	m³				
Water discharge	PCs	Offices	unit																																
Municipal sewer	712,630		m ³																																
Surface waters	31,042		m ³																																
Groundwater	0		m ³																																
Gardening	27,107		m ³																																
Other	671		m ³																																
Total	771,450	88,904	m³																																
G4-EN23	Total weight of waste by type and disposal method	+	<p>Our internal waste-disposal standards determine the waste-disposal methods, under consideration of local legal requirements. The amounts indicated are based on invoices and estimations for our PCs and offices.</p> <table><tr><th>PCs</th><th>Nonhazardous waste</th><th>Hazardous waste</th><th>unit</th></tr><tr><td>Disposal of finished goods</td><td>304</td><td>307</td><td>t</td></tr><tr><td>Recycling</td><td>11,068</td><td>591</td><td>t</td></tr><tr><td>Landfilling</td><td>922</td><td>0</td><td>t</td></tr><tr><td>Composting</td><td>588</td><td></td><td></td></tr><tr><td>Incineration</td><td>8,635</td><td>22,812</td><td>t</td></tr><tr><td>Total</td><td>21,517</td><td>23,710</td><td>t</td></tr></table> <table><tr><th>Offices</th><th>unit</th></tr><tr><td>Waste total</td><td>2,426 t</td></tr></table>	PCs	Nonhazardous waste	Hazardous waste	unit	Disposal of finished goods	304	307	t	Recycling	11,068	591	t	Landfilling	922	0	t	Composting	588			Incineration	8,635	22,812	t	Total	21,517	23,710	t	Offices	unit	Waste total	2,426 t
PCs	Nonhazardous waste	Hazardous waste	unit																																
Disposal of finished goods	304	307	t																																
Recycling	11,068	591	t																																
Landfilling	922	0	t																																
Composting	588																																		
Incineration	8,635	22,812	t																																
Total	21,517	23,710	t																																
Offices	unit																																		
Waste total	2,426 t																																		
G4-EN24	Total number and volume of significant spills	++	There were no significant spills in 2017 .																																
G4-EN25	Weight of transported, imported, exported, or treated waste	++	In 2017, we did not transport, import, export, or treat hazardous waste as defined under the Basel Convention (Annexes I, II, III, and VIII).																																

ASPECT: PRODUCTS AND SERVICES

Aspect-specific DMA Guidance (Products and Services)		++	Page c-21, Chapter Our Product Engagement and page c-27, Chapter Packaging Corporate Website: Beiersdorf Sustainability Focus Products Beiersdorf Sustainability Raw Materials Beiersdorf Sustainability Packaging
G4-EN27	Extent of impact mitigation of environmental impacts of products and services	+	Page c-21, Chapter Our Product Engagement and page c-27, Chapter Packaging Corporate Website: Beiersdorf Sustainability Raw Materials Beiersdorf Sustainability Packaging

ASPECT: COMPLIANCE

Aspect-specific DMA Guidance (Compliance)		++	Page c-12, Chapter Compliance Management, page c-15, Chapter Responsible Sourcing und page c-18, Chapter Sustainability Management Corporate Website: Beiersdorf Sustainability Environmental Protection and Safety Standards Beiersdorf Code of Conduct Beiersdorf Sustainability Responsible Sourcing
G4-EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	++	We were not subject to any significant fines or non-monetary sanctions in 2017.

Indicator	GRI Standard Information	Status ¹	Reference
ASPECT: TRANSPORT			
Aspect-specific DMA Guidance (Transport)		++	Page c-34, Chapter Our Planet Engagement and page c-37, Chapter Energy Corporate Website: Beiersdorf Sustainability Green Logistics
G4-EN30	Significant environmental impacts of transporting products and other goods and materials or employee transportation	+	Page c-34, Chapter Our Planet Engagement and page c-37, Chapter Energy Corporate Website: Beiersdorf Sustainability Green Logistics
			Scope 1 unit
			Company vehicle emissions 13,774 t CO ₂ e
			Scope 3 unit
			Business travel 12,560 t CO ₂ e
			Finished product transport emissions 71,454 t CO ₂ e
ASPECT: OVERALL			
Aspect-specific DMA Guidance (Overall)		++	Page c-8, Chapter Strategy Corporate Website: Beiersdorf Sustainability Strategy
G4-EN31	Total environmental protection expenditures and investments by type	++	unit
			Total expenditures for waste disposal, emissions treatment, and remediation 4.04 EUR m
			Total prevention and environmental management costs 7.70 EUR m
			Total 11.74 EUR m
ASPECT: SUPPLIER ENVIRONMENTAL ASSESSMENT			
Aspect-specific DMA Guidance (Supplier Environmental Assessment)		++	Page c-15, Chapter Responsible Sourcing Corporate Website: Beiersdorf Sustainability Responsible Sourcing
G4-EN32	Percentage of new suppliers that were screened using environmental criteria	+	100% of our suppliers are covered by our initial risk screening. Page c-15, Chapter Responsible Sourcing Corporate Website: Beiersdorf Sustainability Responsible Sourcing
G4-EN33	Significant actual and potential negative environmental impacts in the supply chain and actions taken	++	In 2017, we did not have any cases of supplier relationship termination due to a major breach of Supplier CoC. Page c-15, Chapter Responsible Sourcing Corporate Website: Beiersdorf Sustainability Responsible Sourcing
ASPECT: ENVIRONMENTAL GRIEVANCE MECHANISMS			
Aspect-specific DMA Guidance (Environmental Grievance Mechanisms)		++	A clear commitment to act in a responsible manner, coupled with a process for addressing weaknesses is an essential element of an effective environmental management system. An emergency and environmental management strategy is implemented at all sites. At every site, we maintain close relationships with our neighborhood and the local authorities. We also offer targeted contact information on our local and corporate websites. Any grievance reaching us via any of these channels is promptly addressed and followed up to resolution.
G4-EN34	Number of grievances about environmental impacts	++	In 2017, we did not register any grievances. Results refer to available regional data evaluated in our annual Sustainability Review.

Indicator	GRI Standard Information	Status ¹	Reference
-----------	--------------------------	---------------------	-----------

SOCIAL: LABOR PRACTICES AND DECENT WORK

G4-DMA – Disclosures on Management Approach LA	++	Page c-49, Chapter People at Beiersdorf
--	----	---

ASPECT: EMPLOYMENT

Aspect-specific DMA Guidance (Employment)		++	Page c-49, Chapter People at Beiersdorf
G4-LA2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	+	Page c-49, Chapter People at Beiersdorf
G4-LA3	Return-to-work and retention rates after parental leave, by gender	+	The return-to-work rate after parental leave for both female and male employees is 100% (based on all employees of Hamburg affiliates, who returned from parental leave in 2017). The retention rate after parental leave is 96% for women and 92% for men (retention rate is for minimum continuance of twelve months at Beiersdorf after parental leave; based on employees who returned from parental leave in 2016).

	Number of employees
Parental leave	
Employees entitled to parental leave	130
thereof male employees	31
thereof female employees	99
Employees on parental leave	113
thereof male employees	16
thereof female employees	97
Employees returned after parental leave	140
thereof male employees	42
thereof female employees	98
Employees returned after parental leave and still employed after 12 months	103
thereof male employees	33
thereof female employees	70

ASPECT: LABOR/MANAGEMENT RELATIONS

Aspect-specific DMA Guidance (Labor/Management Relations)		++	Page c-49, Chapter People at Beiersdorf
G4-LA4	Minimum notice periods regarding operational changes	+	Page c-49, Chapter People at Beiersdorf
As an employer, Beiersdorf keeps employee representative bodies informed of significant operational changes in compliance with corporate and legal regulations. In Germany we provide timely information to employee representatives in the respective committees of the company's Works Council. For cross-border matters within Europe, the guidelines of the European Dialogue govern our working relationships with employees.			

Indicator	GRI Standard Information	Status¹	Reference																														
ASPECT: OCCUPATIONAL HEALTH AND SAFETY																																	
Aspect-specific DMA Guidance (Occupational Health and Safety)		++	Page c-55, Chapter Occupational Health and Safety and page c-56, Workplace Health Corporate Website: Beiersdorf Sustainability Focus People Beiersdorf Sustainability Employee Safety Beiersdorf Sustainability Safety Management Beiersdorf Sustainability Workplace Health Beiersdorf Sustainability Dangerous Goods																														
G4-LA5	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs	++	Over 75% of the total workforce is represented in formal joint management-worker health and safety committees. Page c-55, Chapter Occupational Health and Safety																														
G4-LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region, and by gender	+	Our global accident reporting follows GRI G4 guidance. We operate different reporting schemes in different countries, as defined by local law and the respective insurance schemes. <table><tr><th colspan="2">Global Accident Reporting</th><th>unit</th></tr><tr><td>Accident Frequency Rate (over 200,000 working hours)</td><td>0.39</td><td></td></tr><tr><td>Lost Day Rate (over 200,000 working hours)</td><td>6.74</td><td></td></tr><tr><td>Absentee Rate</td><td>0.03</td><td>%</td></tr><tr><td>Commuting accidents</td><td>110</td><td></td></tr><tr><td>Number of occupational accidents resulting in absenteeism of more than one working day</td><td>52</td><td></td></tr><tr><td>Number of occupational accidents NOT resulting in absenteeism of more than one working day</td><td>496</td><td></td></tr><tr><td>Scheduled working hours</td><td>26,840,887</td><td>h</td></tr><tr><td>Fatalities</td><td>0</td><td></td></tr></table>	Global Accident Reporting		unit	Accident Frequency Rate (over 200,000 working hours)	0.39		Lost Day Rate (over 200,000 working hours)	6.74		Absentee Rate	0.03	%	Commuting accidents	110		Number of occupational accidents resulting in absenteeism of more than one working day	52		Number of occupational accidents NOT resulting in absenteeism of more than one working day	496		Scheduled working hours	26,840,887	h	Fatalities	0				
Global Accident Reporting		unit																															
Accident Frequency Rate (over 200,000 working hours)	0.39																																
Lost Day Rate (over 200,000 working hours)	6.74																																
Absentee Rate	0.03	%																															
Commuting accidents	110																																
Number of occupational accidents resulting in absenteeism of more than one working day	52																																
Number of occupational accidents NOT resulting in absenteeism of more than one working day	496																																
Scheduled working hours	26,840,887	h																															
Fatalities	0																																
G4-LA7	Workers with high incidence or high risk of diseases related to their occupation	++	In the reporting period, we did not have occupational positions exposed to a high risk of injury or disease.																														
G4-LA8	Health and safety topics covered in formal agreements with trade unions	++	There are no formal agreements with trade unions (neither local nor global) covering health and safety.																														
ASPECT: TRAINING AND EDUCATION																																	
G4-LA9	Average hours of training per year per employee by gender, and by employee category	+	Page c-49, Chapter People at Beiersdorf <table><tr><th colspan="2">Trainings conducted in Hamburg</th><th>2017</th></tr><tr><td>Communication skills and personal development</td><td></td><td>76</td></tr><tr><td>Functional training</td><td></td><td>85</td></tr><tr><td>Leadership development</td><td></td><td>195</td></tr><tr><td>Recommendation for new employees/onboarding</td><td></td><td>17</td></tr><tr><td>Afterwork/weekend training sessions</td><td></td><td>274</td></tr><tr><td>IT training</td><td></td><td>76</td></tr><tr><td>Language training</td><td></td><td>481</td></tr><tr><td>Intercultural training</td><td></td><td>23</td></tr><tr><td>Total number of participants</td><td></td><td>1,227</td></tr></table>	Trainings conducted in Hamburg		2017	Communication skills and personal development		76	Functional training		85	Leadership development		195	Recommendation for new employees/onboarding		17	Afterwork/weekend training sessions		274	IT training		76	Language training		481	Intercultural training		23	Total number of participants		1,227
Trainings conducted in Hamburg		2017																															
Communication skills and personal development		76																															
Functional training		85																															
Leadership development		195																															
Recommendation for new employees/onboarding		17																															
Afterwork/weekend training sessions		274																															
IT training		76																															
Language training		481																															
Intercultural training		23																															
Total number of participants		1,227																															

Indicator	GRI Standard Information	Status ¹	Reference
G4-LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	+	Page c-49, Chapter People at Beiersdorf
G4-LA11	Percentage of employees receiving regular performance and career development reviews	++	Page c-49, Chapter People at Beiersdorf

ASPECT: DIVERSITY AND EQUAL OPPORTUNITY

G4-LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	+	Page c-49, Chapter People at Beiersdorf Corporate Website: Beiersdorf Sustainability Diversity
---------	--	---	--

ASPECT: SUPPLIER ASSESSMENT FOR LABOR PRACTICES

Aspect-specific DMA Guidance (Supplier Assessment for Labor Practices)		++	Page c-15, Chapter Responsible Sourcing Corporate Website: Beiersdorf Sustainability Responsible Sourcing
G4-LA14	Percentage of new suppliers that were screened using labor practices criteria	+	100% of our suppliers are covered by our initial risk screening. Page c-15, Chapter Responsible Sourcing Corporate Website: Beiersdorf Sustainability Responsible Sourcing
G4-LA15	Significant actual and potential negative impacts for labor practices in the supply chain and actions taken	++	In 2017, we did not have any cases of supplier relationship termination due to a major breach of Supplier CoC.

ASPECT: LABOR PRACTICES GRIEVANCE MECHANISMS

Aspect-specific DMA Guidance (Labor Practices Grievance Mechanisms)		+	Page c-15, Chapter Responsible Sourcing Corporate Website: Beiersdorf Sustainability Responsible Sourcing
G4-LA16	Number of grievances about labor practices filed, addressed, and resolved through formal grievance mechanisms	++	In the reporting period, no material grievances were filed through formal grievance mechanisms.

SOCIAL: HUMAN RIGHTS

G4-DMA – Disclosures on Management Approach HR	++	Page c-15, Chapter Human Rights and page c-15, Chapter Responsible Sourcing Corporate Website: Beiersdorf Sustainability Responsible Sourcing
--	----	---

ASPECT: INVESTMENT

Aspect-specific DMA Guidance (Investment)		++	Page c-15, Chapter Human Rights and page c-15, Chapter Responsible Sourcing Corporate Website: Beiersdorf Sustainability Responsible Sourcing
G4-HR2	Total hours of employee training on human rights policies or procedures	++	Page c-15, Chapter Human Rights We do not have a specific human rights training course, but have included human rights in our CoC training. We also provide an orientation session for new Beiersdorf employees that covers the CoC for Employees. In addition, our Procurement staff are refreshed annually on the Supplier CoC via the Procurement Academy course.

Indicator	GRI Standard Information	Status ¹	Reference
ASPECT: NON-DISCRIMINATION			
G4-HR3	Total number of incidents of discrimination and corrective actions taken	++	No material incidents have been reported in the reporting period. Page c-12, Chapter Compliance Management
ASPECT: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING			
Aspect-specific DMA Guidance (Freedom of Association and Collective Bargaining)		++	Page c-49, Chapter People at Beiersdorf and page c-15, Chapter Responsible Sourcing Corporate Website: Beiersdorf Sustainability Responsible Sourcing
G4-HR4	Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and measures taken to support these rights	++	Page c-15, Chapter Responsible Sourcing Corporate Website: Beiersdorf Sustainability Responsible Sourcing
ASPECT: CHILD LABOR			
G4-HR5	Operations and suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor	++	Page c-15, Chapter Responsible Sourcing Corporate Website: Beiersdorf Sustainability Responsible Sourcing
ASPECT: FORCED AND COMPULSORY LABOR			
G4-HR6	Operations and suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor	++	Page c-15, Chapter Responsible Sourcing Corporate Website: Beiersdorf Sustainability Responsible Sourcing
ASPECT: ASSESSMENT			
G4-HR9	Total number and percentage of operations that have been subject to human rights reviews or impact assessments	+	Page c-15, Chapter Human Rights and page c-15, Chapter Responsible Sourcing Corporate Website: Beiersdorf Sustainability Responsible Sourcing
ASPECT: SUPPLIER HUMAN RIGHTS ASSESSMENT			
Aspect-specific DMA Guidance (Supplier Human Rights Assessment)		++	Page c-15, Chapter Human Rights and page c-15, Chapter Responsible Sourcing Corporate Website: Beiersdorf Sustainability Responsible Sourcing
G4-HR10	Percentage of new suppliers that were screened using human rights criteria	+	100% of our suppliers are covered by our initial risk screening Page c-15, Chapter Human Rights and page c-15, Chapter Responsible Sourcing Corporate Website: Beiersdorf Sustainability Responsible Sourcing
G4-HR11	Significant actual and potential negative human rights impacts in the supply chain and actions taken	+	In 2017, we did not have any cases of supplier relationship termination due to a major breach of Supplier CoC. Page c-15, Chapter Human Rights and page c-15, Chapter Responsible Sourcing Corporate Website: Beiersdorf Sustainability Responsible Sourcing

Indicator	GRI Standard Information	Status ¹	Reference
ASPECT: HUMAN RIGHTS GRIEVANCE MECHANISMS			
Aspect-specific DMA Guidance (Human Rights Grievance Mechanisms)		+	Page c-12, Chapter Human Rights, page c-15, Chapter Responsible Sourcing and page c-15 Chapter Compliance Management Corporate Website: Beiersdorf Sustainability Responsible Sourcing
G4-HR12	Number of grievances about human rights impacts	++	No material grievances have been filed in the reporting period.
SOCIAL: SOCIETY			
G4-DMA – Disclosures on Management Approach SO		++	Page c-12, Chapter Compliance Management, page c-15, Chapter Human Rights, page c-15, Chapter Responsible Sourcing and page c-49, Chapter People at Beiersdorf Corporate Website: Beiersdorf Sustainability Focus People Beiersdorf Compliance Principles Beiersdorf Code of Conduct Beiersdorf Sustainability Responsible Sourcing Beiersdorf Sustainability Safety Management
ASPECT: ANTI-CORRUPTION			
Aspect-specific DMA Guidance (Anti-corruption)		++	Page c-12, Chapter Compliance Management We make appropriate monetary and non-cash donations solely for the promotion of family-strengthening projects. We do not make any financial donations to political parties, similar institutions nor to individuals. Before making donations, we naturally perform a thorough check of the respective institution. A more comprehensive guideline is currently in development. Beiersdorf AG does not yet participate in any collective action to combat corruption.
G4-SO4	Communication and training on anti-corruption policies and procedures	+	In individual, potentially risk-prone cases, business partners are informed about our anti-corruption policies and procedures. A standardized procedure for communication to business partners has not yet been implemented. Anti-corruption policies and procedures as part of the Beiersdorf Corruption Prevention Program have been communicated comprehensively to governance-body members worldwide. Our employees have been informed comprehensively about anti-corruption policies and procedures worldwide. Corruption prevention training courses as part of the Beiersdorf Corruption Prevention Program have been rolled out Group-wide. Page c-12, Chapter Compliance Management
ASPECT: ANTI-COMPETITIVE BEHAVIOR			
Aspect-specific DMA Guidance (Anti-competitive Behavior)		++	Page c-12, Chapter Compliance Management
G4-SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes	++	During the reporting period, Beiersdorf Group companies were not involved in material antitrust-related investigations.
ASPECT: COMPLIANCE			
Aspect-specific DMA Guidance (Compliance)		++	Page c-12, Chapter Compliance Management
G4-SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	++	Annual Report: Beiersdorf Risk Report 2017 Beiersdorf Other Financial Obligations 2017 Beiersdorf Liabilities 2017

Indicator	GRI Standard Information	Status ¹	Reference
ASPECT: SUPPLIER ASSESSMENT FOR IMPACTS ON SOCIETY			
Aspect-specific DMA Guidance (Supplier Assessment for Impacts on Society)		++	Page c-15, Chapter Responsible Sourcing Corporate Website: Beiersdorf Sustainability Responsible Sourcing
G4-SO9	Percentage of new suppliers that were screened using criteria for impacts on society	++	100% of our suppliers are covered by our initial risk screening. Page c-15, Chapter Responsible Sourcing Corporate Website: Beiersdorf Sustainability Responsible Sourcing
G4-SO10	Signification actual and potential negative impacts on society in the supply chain and actions taken	++	In 2017, we did not have any cases of supplier relationship termination due to a major breach of Supplier CoC. Page c-15, Chapter Responsible Sourcing Corporate Website: Beiersdorf Sustainability Responsible Sourcing
ASPECT: GRIEVANCE MECHANISMS FOR IMPACTS ON SOCIETY			
Aspect-specific DMA Guidance (Grievance Mechanisms for Impacts on Society)		++	Page c-12, Chapter Compliance Management
G4-SO11	Number of grievances about impacts on society	+	Due to confidentiality reasons, we do not provide any information on the number of reported suspicions of possible compliance infringements.
SOCIAL: PRODUCT RESPONSIBILITY			
G4-DMA – Disclosures on Management Approach PR		++	Page c-21, Chapter Our Product Engagement and page c-29, Chapter Safe and Compatible Products Corporate Website: Beiersdorf Research Center Beiersdorf Skin Research Beiersdorf Testcenter Beiersdorf Product and Consumer Research Beiersdorf Sustainability Focus Products
ASPECT: CUSTOMER HEALTH AND SAFETY			
Aspect-specific DMA Guidance (Customer Health and Safety)		++	Page c-29, Chapter Safe and Compatible Products Corporate Website: Beiersdorf Research Center Beiersdorf Skin Research Beiersdorf Product and Consumer Research
G4-PR1	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement	++	Page c-29, Chapter Safe and Compatible Products 100% of our finished cosmetic products must obtain approval for release by experts on product safety.
ASPECT: PRODUCT AND SERVICE LABELING			
Aspect-specific DMA Guidance (Product and Service Labeling)		++	Page c-29, Chapter Safe and Compatible Products Consumer and customer satisfaction is the basis of our business success. Consumers from all our markets around the world can reach us through various communication channels such as Internet-based social media, e-mail, and telephone hotlines. We use an active network of Consumer Interaction Managers to guarantee compliance with our uniform high quality standards regarding consumer contact in their markets. In addition, we evaluate complaints worldwide centrally, analyze their causes, and implement optimization measures.

Indicator	GRI Standard Information	Status ¹	Reference
G4-PR3	Type of product and service information required by the organization's procedures for product and service information and labeling	++	We comply with all legal regulations regarding necessary product and service information. Page c-29, Chapter Safe and Compatible Products
G4-PR4	Total number of incidents of non-compliance with regulations and voluntary codes	+	Only on very rare occasions are our products subject to legal inquiries regarding product information or labeling. If required by an authority or court to make any amendments to the product information or label, we would naturally comply with such a request.

ASPECT: MARKETING COMMUNICATIONS

G4-PR6	Sale of banned or disputed products	++	Beiersdorf complies with existing laws and regulatory requirements in all markets. The product formulations may therefore vary and certain products may be subject to limitations for sale in other markets. Page c-29, Chapter Safe and Compatible Products Corporate Website: Beiersdorf_FAQ Beiersdorf_Sustainability_Stakeholder_Engagement
--------	-------------------------------------	----	---

ASPECT: COMPLIANCE

G4-PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	++	Annual Report: Beiersdorf_Risk_Report_2017
--------	--	----	---

Imprint

Published by

Beiersdorf Aktiengesellschaft
Unnastraße 48
20245 Hamburg
Germany

Editorial Team and Concept

Beiersdorf Aktiengesellschaft
Corporate Sustainability

Contact

Dunja Jäger
E-mail: We.care@Beiersdorf.com

Text

Berichtsmanufaktur GmbH, Hamburg
Illumat Kommunikation, Rupert Wolf

English translation

World2World Hamburg, Jim Blake

Design

Berichtsmanufaktur GmbH, Hamburg

Sustainability on our Corporate Website:
www.beiersdorf.com/sustainability/overview

Der Nachhaltigkeitsbericht ist auch auf Deutsch verfügbar.