Non-financial Statement 2021

Combined Non-financial Statement of the Beiersdorf Group and Beiersdorf AG

The application of the CSR Directive Implementation Act (CSR-RUG) formally requires us to complement our existing financial reporting with information on material non-financial aspects of our business activity. In particular, these include aspects regarding the environment, employees, society, human rights, and anti-corruption.

The following chapters constitute the Combined Non-financial Statement (NFS) for the Beiersdorf Group (Consumer and tesa Business Segments) and Beiersdorf AG, as defined respectively under § 315b and § 289b of the German Commercial Code (HGB). For the second time, its contents will be published in the Annual Report this year.

Furthermore, both the Consumer and tesa Business Segments publish separate sustainability reports which provide further information on their respective sustainability activities and projects.

Application of international reporting frameworks

No international reporting frameworks as defined under § 315c s.3 HGB in conjunction with § 289d HGB were applied in compiling the Beiersdorf Group and Beiersdorf AG Non-financial Statement. However, the Consumer business segment follows the Global Reporting Initiative (GRI) standards in its broader sustainability reporting and publishes a separate GRI-Index.

Both Business Segments are United Nations Global Compact (UNGC) members and report on their achievements and measures taken in the reporting period in order to implement the ten defined UNGC Principles in the areas of human rights, working conditions, environmental protection, and anti-corruption. This Non-financial Statement is submitted as a communication on progress by the Beiersdorf Group.

Material non-financial topics for the business segments

The Consumer Business Segment last updated its materiality matrix in 2020 and validated it internally. The material non-financial topics identified are climate and energy, product sustainability, resource efficiency, water, employee development, diversity and equal opportunities, occupational health and safety, human rights, prevention of anticompetitive behavior, and product safety.

The tesa Business Segment last updated its materiality matrix in 2020 and validated it internally. The material non-financial topics identified are climate and energy, product sustainability, resource efficiency, water, employee development, diversity and equal opportunities, occupational health and safety, human rights, prevention of anticompetitive behavior, and product safety.

You will find an overview of the material NFS topics for the Consumer and tesa Business Segments, as well as chapter and page indications, in our NFS-Index on page 59.

Statement scope

Disclosures on the material NFS topics are mainly provided separately for the tesa and Consumer Business Segments. In principle, all information is reported jointly for the Beiersdorf Group and Beiersdorf AG. Key indicators produced separately for Beiersdorf AG are provided in a table on page 62.

Under Art. B 8 EU Taxonomy Regulation, we are reporting for the first time in this Non-financial Statement on “environmentally sustainable” revenues, capital expenditures, and operating expenditures for the environmental goals “Climate change mitigation” and “Climate change adaptation.” The Consumer and tesa Business Segments report jointly in this area.

The STOP THE WATER WHILE USING ME! business acquired in 2020 is managed as a separate business unit and is not included in the reported indicators due to its comparatively low sales volume. Neither is our joint venture NIVEA-KAO in Japan, as this is managed independently with regard to non-financial topics.

The Non-financial Statement has been subjected to a limited assurance engagement by the auditing company Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft based on the International Standard on Assurance Engagements 3000 (Revised).

In order to avoid redundancies, reference is made to passages in the Combined Management Report that contain non-financial disclosures. This relates to the areas “Business and Strategy” and “People at Beiersdorf.” Some of the information in these chapters also forms part of the Non-financial Statement. The corresponding sections are marked with ☐ in the Combined Management Report.
### Strategy

Sustainability is a core component of Beiersdorf corporate culture and of fundamental importance in our decision-making and business processes. We strive to reconcile environmental protection, social responsibility, and economic success, and have further expanded our commitment and engagement in all these areas since 2020. Since then, for example, we have had our climate targets verified by the Science Based Targets initiative, made new commitments in the area of circular economy, and introduced sustainability targets for the Board of Management.

The Beiersdorf Group has two cross-functional management committees to oversee our approach to climate issues and other relevant sustainability topics: In addition to the group-wide sustainability function, the Consumer Business Segment has established a Sustainability Council and Tesa a Sustainability Committee. The directors of all relevant business units are represented on these committees, each of which is chaired by an Executive Board Member. Both committees meet at least every quarter.

We also maintain a regular dialog with our external stakeholders. This exchange ensures that we continuously review our sustainability activities and include current social and environmental developments in our planning.

### Consumer

To reaffirm how central the topic of sustainability is to our Corporate Purpose, we have defined sustainability as a cornerstone of our company in our C.A.R.E.+ business strategy, which we have pursued since 2019.

Our “Care Beyond Skin” Sustainability Agenda has been an integral part of C.A.R.E. + since 2020. It sets out our Corporate Purpose and comprises seven focus fields that concentrate on the impact of our activities throughout the entire value chain - from the climate impact of our products and processes, the circularity of the resources we use and their influence on land and water use, through to the health and safety of our employees and consumers, and our commitment to an inclusive society.

In all these areas we have set ourselves ambitious targets that we want to achieve by 2025 and 2030 respectively. The Ten Principles of the United Nations Global Compact (UNGC) and the UN Sustainable Development Goals (SDGs) form the basis of our engagement and our Sustainability Agenda pays into 13 of the overall 17 SDGs.

2021 was characterized by the consistent implementation of our Sustainability Agenda “Care Beyond Skin”. We were able to both expand our social commitment and make significant progress on our environmental targets. Among other achievements, we reached the important milestone of launching the first climate-neutralized products for our global skin care brand NIVEA.
tesa

tesa defined a Sustainability Agenda as part of its "newhorizon" business strategy in 2020. It affects the Business Segment’s entire value chain, from raw materials and suppliers, through to production and employees, and customers, and tesa’s worldwide support for social initiatives and projects. The Agenda is based on the Ten Principles of the United Nations Global Compact (UNGC) as well as on the United Nations Sustainable Development Goals (SDGs).

The Sustainability Agenda consists of the three areas of Environment, Customers, and Society, which in turn is broken down into seven fields of focus. Each of these sets out tesa’s mid- to long-term goals. Existing initiatives will also be continued within these fields. For each of the three Sustainability Agenda areas, objectives have already been or will be defined, and we continue to develop our sustainability strategy further.

We are continuously developing our sustainability strategy. In the coming years, we will regularly report on current developments and measures within the framework of the Sustainability Agenda.

Material Risks

Due to its size and reputation, a company like Beiersdorf has to set an example and is of interest to the general public. Our actions regarding the environment, labor, and society, how we combat corruption and bribery, and our respect for human rights therefore play an important role in the public’s perception. If we do not act sustainably in these areas, this can give rise to non-financial risks to our company.

As part of our Group-wide integrated management system, we therefore regularly evaluate which non-financial risks are relevant to Beiersdorf and where we need to actively manage these. In 2021 for instance, we again identified inadequately disposed plastic packaging as a material risk. The use of plastic packaging can lead to environmental pollution if it is not disposed of properly or if the disposal infrastructure in the country of sale is inadequate. It is therefore classified as a significant risk according to the CSR Directive. This risk is reflected in changing consumer behaviour regarding the use of certain materials. We counter these risks through our circular economy strategy, which includes the reduction of fossil-based plastics and the increased use of recycled materials.

Description of the Business Model

Beiersdorf is one of the world’s leading companies in the consumer goods industry. Since its foundation in 1882, the company has become well-established thanks to its strong brands and it now employs over 20,000 people. The Beiersdorf business is divided into two segments: The Consumer Business Segment which focuses on skin care, and the tesa Business Segment which concentrates on developing high quality self-adhesive systems and product solutions. A detailed description of the business model is provided in the “Business and Strategy” chapter in the Group Management Report from page 37.
**Environment**

As a consumer goods manufacturer, we are highly aware of the impact of our business activities on the environment. We therefore work continuously to minimize the environmental consequences of our processes and products. We focus our efforts especially on the areas of climate protection, circular economy, sustainable land use, and water.

**Climate protection**

We view climate change as one of the biggest challenges of our time. Risks and opportunities arising from climate change therefore influence our business strategy and entrepreneurial actions.

Risks associated with climate change, for example, effects on raw material prices and material availability or the introduction of new fiscal instruments, are managed in the integrated risk management system as are the corresponding risk minimization measures.

In addition, in the year under review, the Consumer Business Segment carried out an analysis of climate-related physical and transitory risks as well as opportunities in accordance with the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD), and produced a qualitative description of potential risks. For 2022, we plan to analyze these in greater depth and carry out a financial risk evaluation to integrate these risks into our existing risk management system in the next reporting cycle. A summary of TCFD relevant information is available in a separate document on our website.

A detailed description of our risk management structure can be found in the “Risk Report” chapter of the Combined Management Report from page 99.

Climate protection is a core field of action in the sustainability strategies of both; the Consumer and tesa Business Segments. Therefore, the actions required to achieve our climate goals are integrated in our financial and investment planning. The Sustainability Council in the Consumer Business Segment and the Sustainability Committee at tesa are responsible for overseeing their respective climate-related decisions: The objective here is to continuously develop these strategies, review progress towards our climate targets, and ensure the implementation of our climate protection measures.

In the reporting year, the Sustainability Council began to break down the climate targets by individual corporate functions and product categories for the Consumer Business Segment, which will enable us to set internal boundaries at the function level and to foster climate action.

**Our climate targets**

Beiersdorf has committed to ambitious climate targets in 2020 that apply to both the Consumer and tesa Business Segments. By 2025 we plan to achieve an absolute reduction of 30% in energy-related Scope 1 and Scope 2 emissions1 compared to the 2018 baseline figure. We have also committed to reduce our indirect GHG emissions along our value chain (Scope 3 emissions) by an absolute 10% by 2025 as compared to a 2018 baseline. These climate targets have been recognized by the Science Based Targets Initiative (SBTi) and correspond to the 1.5-degree scenario set out in the Paris Climate Accord. The Consumer Business Segment has set additional targets to reduce Scope 3 emissions by 30% in absolute terms by 2025 versus a 2018 baseline and achieve climate-neutrality in all its production centers by 2030.

Furthermore, both the Consumer and tesa Business Segments have signed a long-term voluntary commitment to achieve net zero emissions by 2050 at the latest.

We made considerable progress in the reporting year with regards to our climate targets: Absolute Scope 1 and Scope 2 emissions were reduced by 26% versus the 2018 baseline in the Consumer Business Segment, and by 16.5% in the tesa Business Segment. This led to an overall reduction of absolute Scope 1 and Scope 2 emissions of 21%. The absolute Scope 3 emissions2 of the Consumer Business Segment were reduced by 12% over the same period, bringing the total reduction across Scope 1 to 3 to 12.7%.

We were also able to achieve our goal of obtaining electricity exclusively from renewable energy by 2020. As a result, all of our office and production sites worldwide, in the tesa and Consumer Business Segments, now purchase 100% of their electricity from renewable energy sources.3

**Climate metrics: Energy, Scope 1, and Scope 2 emissions**

We capture, consolidate, and analyze our energy consumption data to determine our global GHG emissions. Progressively gathering this data continuously helps us to verify the effectiveness of the measures we carry out and identify further potential for energy and emission savings. Through close cooperation with data providers, a standardized working procedure has been introduced that covers processes from data collection to regular validation, thus further improving the quality of our Scope 1 and Scope 2 reporting.

We calculate our GHG emissions according to the requirements of the Greenhouse Gas Protocol (GHG Protocol). The GHG Protocol specifies different consolidation approaches for calculating Scope 1 and Scope 2 data. Scope 3 emissions include the categories purchased goods and services, upstream transport and logistics, and business travel. The consolidation approach we choose for calculating our emissions is operational control.

These calculations are mainly based on emission factors from the Intergovernmental Panel on Climate Change (IPCC), along with emission factors of our energy suppliers and the International Energy Agency (IEA). Further emissions such as steam from district heating are calculated using the emission factors provided by the GaBi database, and the British Department for Environment, Food & Rural Affairs (Defra).

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1 Scope 1 includes all emissions that we create ourselves through the combustion of energy sources at our production sites, for example during power generation. Scope 2 emissions are caused by energy generation, e.g. electricity which we procure externally.

2 For Scope 3 emissions we have defined target boundary for purchased goods and services, upstream transport and logistics, and business travel.

3 Beiersdorf purchases green electricity directly from energy suppliers or acquires “International Renewable Energy Certificates” (I-RECs), European Guarantees of Origin, or country-specific certificates when purchasing electricity.
The Consumer Business Segment gathers energy consumption data at all its production sites, the warehouses we operate, as well as offices with more than 50 full-time equivalent employees. tesa collects energy consumption data for all its ISO 14001-certified sites. That accounts for six production sites and the main headquarters.

**KEY FIGURES**

<table>
<thead>
<tr>
<th>Business Area</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scope 1 emissions (t CO₂eq)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Beiersdorf Group</td>
<td>98,980</td>
<td>94,175</td>
<td>93,057</td>
<td>100,458</td>
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<tr>
<td>Consumer</td>
<td>43,341</td>
<td>43,854</td>
<td>38,929</td>
<td>42,085</td>
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<tr>
<td>tesa</td>
<td>55,639</td>
<td>50,321</td>
<td>54,128</td>
<td>58,373</td>
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<tr>
<td>Scope 2 emissions¹ (t CO₂eq)</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Beiersdorf Group</td>
<td>30,060</td>
<td>19,749</td>
<td>1,240</td>
<td>1,569</td>
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<td>Consumer</td>
<td>15,809</td>
<td>6,628</td>
<td>1,228</td>
<td>1,569</td>
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<td>tesa</td>
<td>14,251</td>
<td>13,121</td>
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<td>0</td>
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<tr>
<td>Scope 1 and Scope 2 emissions (t CO₂eq)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Beiersdorf Group</td>
<td>129,040</td>
<td>113,924</td>
<td>94,297</td>
<td>102,027</td>
</tr>
<tr>
<td>Consumer</td>
<td>59,151</td>
<td>50,482</td>
<td>40,157</td>
<td>43,654</td>
</tr>
<tr>
<td>tesa</td>
<td>69,890</td>
<td>63,442</td>
<td>54,140</td>
<td>58,373</td>
</tr>
<tr>
<td>Total energy consumption (GWh)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Beiersdorf Group</td>
<td>668</td>
<td>650</td>
<td>631</td>
<td>687</td>
</tr>
<tr>
<td>Consumer</td>
<td>341</td>
<td>349</td>
<td>321</td>
<td>343</td>
</tr>
<tr>
<td>tesa</td>
<td>327</td>
<td>301</td>
<td>310</td>
<td>344</td>
</tr>
</tbody>
</table>

¹ The Scope 2 emissions reported in this section are based on the market-based method.

**Identifying Scope 3 emissions**

Emissions also occur along our value chain, for example by purchasing goods and services, or transport activities. These are referred to as Scope 3 emissions.

Since 2018, the tesa Business Segment has gathered data on material emissions throughout the value chain. Through this, we identified raw materials, finished good suppliers, and product transport as material Scope 3 categories. In the future, we intend to expand our CO₂ monitoring for Scope 3 emissions.

Based on an input-output model, the Consumer Business Segment began by identifying the most relevant categories of Scope 3 emissions². This model assesses the resource consumption and environmental impact throughout the entire supply chain, using internationally standardized statistics and databases. The analysis identified the following material areas for the Consumer Business Segment: Packaging materials, raw materials for product formulations, finished goods suppliers, externally purchased transportation and warehousing services, business travel, covers more than two-thirds of our total Scope 3 emissions, which meets the requirements of SBTI. The key figures regarding Scope 3 emissions can be found in the “Consumer” subchapter.

**Consumer**

**Improved Scope 3 calculations**

For all defined categories included in our target boundary, we have developed methods of calculation that rely on precise data as far as possible. This enables us to better monitor the progress of our reduction measures. The majority of our Scope 3 emissions are generated by the manufacturing processes of the packaging³ and raw materials we need for our products. The calculations of these GHG emissions are based on primary data for material consumption, and secondary emission factors derived from life cycle databases.

We work together with service providers to consistently improve data on emissions factors for life cycle analyses (LCAs). We are also developing internal IT solutions to automate data analysis and reporting.

To calculate emissions originating from our outsourced production and storage, we survey our suppliers of finished goods and storage⁴ providers for their energy consumption data and emission factors for purchased electricity⁴. These data are based on the quantities of goods produced for us or on goods turnover. The calculation methodology is congruent with the Scope 1 and Scope 2 calculations for our own sites. In 2021, the data we gathered in the survey covered 95% of our outsourced finished goods production and 94% of our warehousing activities. The values in the following table are extrapolated emission values to cover all our finished goods suppliers and warehousing.

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² In all the following remarks on our Scope 3 emissions, only the mass market and the dermocosmetics business of the Consumer Business Segment are included. The Scope 3 emissions of the premium segment with LA PRAIRIE are not in scope, as LA PRAIRIE’s sales volume represents a minor share of Beiersdorf’s total business.
³ We include consumer packaging and secondary packaging in our calculation. Packaging materials that are added as part of packaging processes or during preparation for transport are not included.
⁴ For outsourced production and storage, the data collection period (December 2020 to November 2021) differs from the reporting period.
To calculate global upstream and downstream GHG emissions from transport activities, we use the EcoTransIT tool in accordance with the European DIN EN 16258 standard. Data on distances, loads, and the various modes of transport are obtained from our internal logistics network.

To quantify our emissions from business travel, information on distance and modes of transport is either exported from our travel management system or reported directly by our affiliates. For the data collected via our travel management system, we calculate emissions according to the methodology established by German Association of Business Travel Agents (Verband Deutscher Geschäftsreiseveranstalter, VDR), taking into account a “radiative forcing index” (RFI) factor of 2 for business flights. In the case of business travel data, which is reported directly to us, we calculate emissions based on IEA data. The 2020 flight emissions of our German companies were offset in the reporting year 2021 retroactively, and we will do the same for our flight emissions in the upcoming reporting year. Compared to our 2018 baseline, our business travel emissions declined by 84%. This development can be attributed, among other things, to the continuing impact of the COVID 19 pandemic.

In addition to the Non-financial Statement, we disclose our management approaches and data on climate topics as part of the annual CDP survey. We received an “A-” rating in 2021 for the “Climate Change program”.

<table>
<thead>
<tr>
<th>SCOPE 3 GHG EMISSIONS CONSUMER (UNIT: T CO₂E)¹</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Category 1: Purchased goods and services²</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Packaging</td>
<td>443,082</td>
<td>429,849</td>
<td>385,261</td>
<td>388,305</td>
</tr>
<tr>
<td>Raw materials</td>
<td>556,601</td>
<td>533,541</td>
<td>507,479</td>
<td>530,213</td>
</tr>
<tr>
<td>Finished goods manufacturing</td>
<td>36,706</td>
<td>22,052</td>
<td>25,700</td>
<td>10,316</td>
</tr>
<tr>
<td>Category 4: Upstream transportation and distribution³</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Finished goods transport</td>
<td>118,594</td>
<td>120,863</td>
<td>115,979</td>
<td>107,909</td>
</tr>
<tr>
<td>Warehousing</td>
<td>11,705</td>
<td>11,879</td>
<td>9,729</td>
<td>2,283</td>
</tr>
<tr>
<td>Business travel</td>
<td>17,046</td>
<td>18,750</td>
<td>3,693</td>
<td>2,677</td>
</tr>
<tr>
<td>Total Scope 3 GHG emissions</td>
<td>1,183,734</td>
<td>1,136,934</td>
<td>1,047,841</td>
<td>1,041,703</td>
</tr>
</tbody>
</table>

¹ The categories are defined by the GHG Protocol.
² The emission data for packaging and raw materials 2018, 2019 and 2020 have been adjusted due to updated emission factors. COPPERTONE is not included in this category.
³ Transport emissions for 2018, 2019 and 2020 have been recalculated due to methodological changes. Warehousing data is extrapolated based on stored pallets.

Transition towards climate neutralization

We have created a climate neutralization plan which will drive forward our transition to net-zero. Our “Climate Neutralization Framework” transparently describes the entire neutralization process for our brands and products. It was developed based on the principles and requirements of the internationally recognized PAS 2060 standard.

Our climate neutralization process consists of three steps. The first step is “Measure”. All GHG emissions are quantified in accordance with the GHG Protocol. The second step is “Reduce”. This is reflected in our ambitious climate targets, which are based on scientific findings to limit global warming to 1.5 degrees Celsius. We focus our activities and resources mainly on achieving these reduction targets. The third step is “Neutralize”. In order to leverage additional CO₂ storage potentials in the transition phase to our “net-zero” target, we invest in certified climate projects to neutralize remaining GHG emissions.

As our GHG emissions and the accounting methods have been detailed in the previous sections, we will elaborate on the second and third steps below.

Reducing operating emissions

At our production sites especially, energy-related emissions can be reduced to increase their energy efficiency. Our goal is to ensure all of our production facilities are climate neutral by 2030. To achieve this, we rely on various measures:

In addition to purchasing 100% green electricity, we have installed photovoltaic systems at twelve of our production sites and offices, through which we cover part of our own electricity needs. In the reporting year, these systems produced 3,117 MWh of electricity worldwide. In 2020, we also launched the “Sustainability in Manufacturing” initiative. The initiative involves all 15 production sites worldwide and supports target achievement in the areas of climate, waste, and water by 2025. The responsible project breaks down the overarching company’s goals by production site, analyzes energy consumption, waste and water usage, and derives necessary reduction measures from them. Locally gained knowledge is exchanged in the form of best practice examples within our international network and, where it makes sense, also applied to other locations.
Modern energy-efficient buildings and production facilities also make a major contribution to reaching our climate targets. When we construct a new building or redesign an existing one, we examine its full life cycle and implement sustainable energy concepts. In our new construction and expansion projects, we continually strive to achieve certification to the Leadership in Energy and Environmental Design (LEED) standard. This includes our new Group headquarters and Research Center in Hamburg’s Eimsbüttel neighborhood, scheduled for completion in 2023. In addition to the LEED standard, we aim to achieve the “WELL Building Standard” for this project, which will extend to over 100,000 square meters.

We are also aiming for CO₂-neutral operations in our upcoming hub in Leipzig, along with relevant sustainability certification. In addition to energy-efficient processes, there will be green facades and roofs and photovoltaic modules will be installed.

Moreover, we are retrofitting our existing plants: Our site in Berlin will be the first Beiersdorf plant to purchase 100% biomethane in 2022, cutting the plant’s GHG emissions by 99%. The biogas is produced in Denmark from organic waste and fed into the European gas grid1.

Reducing emissions along the value chain
Cutting our Scope 3 emissions is a greater challenge than Scope 1 and Scope 2, as their origin is beyond our direct operational control. For this reason, we work cross-functionally, as well as with our suppliers to identify innovative measures to reduce our carbon footprint. In the reporting year we also developed a roadmap to reduce emissions within our most important Scope 3 categories, which are listed below:

Packaging
Most of the emissions from packaging are caused by using plastics and aluminum. We are therefore working on innovative solutions to prevent, reduce, reuse and recycle our product packaging by 2025. Furthermore, we strive to increase the proportion of recycled aluminum in our aluminum packaging, and to source aluminum with a lower carbon footprint (see chapter “Circular Economy”, p. 65).

Product formulations
We also plan to make our product formulations more environmentally friendly. To achieve this, we developed an action plan in the reporting year that comprises of the following measures:

• Increasing plant-based ingredients with a lower carbon footprint,

• Increasing the use of materials from renewable carbon sources, e.g. bio-based materials, materials made from chemical recycling, and materials derived from carbon capture and utilization,

• Cooperating closely with our main suppliers to introduce renewable energy at their production sites, thus reducing the carbon footprint of our raw materials,

• Sourcing further renewable raw materials from sustainable and deforestation-free cultivation. To ensure this we have entered various partnerships, such as the Roundtable on Sustainable Palm Oil (RSPO) (see chapter “Sustainable Land Use”, p. 68).

Finished goods manufacturing and third-party warehousing
A key driving force for the reduction of GHG emissions from our products and packaging is to switch over to renewable electricity at our suppliers too. To achieve this goal, we are leading intensive discussions with suppliers and third-party manufacturers to find mutual solutions for switching to renewable energy. In the reporting year we formulated a step-by-step plan for the gradual implementation of such measures. In 2021, all third-party manufacturers and third-party warehouse operators included in our data query purchased electricity from renewable energies or their electricity purchases were covered by corresponding energy certificates.

Transport
Along with our packaging and formulation emission, we are exploring ways to reduce and prevent emissions in transport. Wherever possible, we plan to shift the transportation of our goods to rail. This applies in Europe and North America especially, where our largest markets are located. For our global sea freight transports, we have largely been purchasing mass-balanced biofuels from waste and residues via certificates. Since April 2021, our truck transport service providers started to use biofuels for our products outbound transportation from Hub Nordics to Scandinavian countries. In addition, we are investigating possibilities for the use of other alternative fuels, such as the use of trucks powered by electricity. We are working closely with our logistics providers to achieve this goal.

In our drive to understand and implement new transport technologies, we are in close dialogue with external consultants and scientific experts. One example is our cooperation with EcoTransIT to calculate our transport emissions. We share this knowledge with our logistics providers worldwide.

Neutralizing remaining emissions
In addition to its efforts to reduce GHG emissions in the value chain, Beiersdorf invests specifically in climate protection projects. We only select high-quality projects that are in line with the Paris Agreement and are certified by internationally recognized organizations such as Verra or the Gold Standard. We focus on projects that store carbon from the atmosphere - for example through reforestation, afforestation, and soil management - and at the same time provide additional benefits for biodiversity or local communities. With these projects, we offset the remaining GHG emissions of selected products.

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1 The consumer business segment acquires biogas certificates. The certificates prove that a corresponding amount of biogas has been produced and fed into the natural gas grid.
2 tesa SE sold its subsidiary tesa scribos in 2021.
Company management systems for environmental protection

The tesa Business Segment uses ISO 14001 certified environmental management systems at seven sites for the continuous management and planning of our corporate environmental protection. The ISO 14001 standard is an internationally recognized approach to managing the direct and long-term environmental impacts of products, services, and processes within a company.

As part of the matrix certification of ISO 14001 sites, external environmental audits are also carried out annually. In addition, the environmental management systems at selected ISO 14001 sites are reviewed during internal audits by specialists at the headquarters.

In addition to the environmental management system, the two largest production facilities with the highest GHG emissions (Hamburg and Offenburg) are certified to ISO 50001:2018 standard. These two factories account for almost 70% of GHG emissions of all ISO 14001 certified sites. tesa’s headquarters are also certified to ISO 50001, as it is the site with the largest workforce and has the largest research and development division. The energy management systems set the stage for increasing energy efficiency at each of plants.

Through our internal planning and reporting activities we identify, assess, and monitor risks and measures that target a reduction in GHG emissions. We review the effectiveness of our activities for reducing these emissions by recording monthly energy consumption at each site. We lowered our Scope 1 and Scope 2 emissions in absolute terms by 16% between 2018 and 2021. We achieved a reduction in specific emissions of 15.5% per metric ton of end product over the same period.

Identify energy-saving opportunities and increase efficiency

Energy consumption is an important management driver for reducing our environmental impact. Within the framework of a continuous improvement process, and based on the environmental program and the environmental audits, we identify energy-saving opportunities and optimize energy-intensive processes, while simultaneously reducing our CO₂ emissions and related costs. tesa corporate management conducts a management review every year as part of this process. The environmental and energy experts at each site bear operational responsibility.

A further strategic approach for increasing energy efficiency is the use of energy- and resource-saving technologies. This includes generating our own energy efficiently. At several production sites, we utilize combined cooling, heat and power (CCHP) or combined heat and power (CHP) systems for climate-friendly cogeneration. We not only use the electricity generated but also harness the heat produced in these systems for our production processes and heating. In the reporting year, we purchased biogas certificates for our CHP plant at Group headquarters for the first time. The biogas is produced in England and fed into the European gas grid. This means we continue to benefit from the high generation efficiencies of the CHP plant. By using biomethane instead of natural gas we can also rely on renewable, climate-friendly sources of energy. Overall, in 2021 we were able to produce over 50% of our electricity needs ourselves via energy-efficient CHP systems.

In addition, we increasingly rely on electricity production through photovoltaics. During the reporting period, a photovoltaic generator with a total capacity of 964 MWh annually brought onstream at our production site in Suzhou. In contrast to conventional electricity, we save around 900 metric tons of CO₂ per year with this system. At our site in Italy, we have launched a study on the installation of a photovoltaic system.

Circular Economy

Consumer

The products of the Consumer Business Segment stand for high quality and effective skin care worldwide. We aspire to meet our own high quality standards, our stakeholders’ increased sustainability demands, and to maintain the trust of consumers in our products. This trust also includes being responsible for continually optimizing the environmental compatibility of our products, consciously using resources to mitigate impact on the environment, and protecting nature.

The Executive Board is responsible for integrating product sustainability into our C.A.R.E. corporate strategy and at brand level. Our Sustainability Council (see chapter “Strategy”, p. 59) is in regular contact with senior management in Marketing and Research & Development and reports on ongoing projects and the status of targets, for example in the area of emissions reduction. We also leverage the expertise of various departments and external stakeholders such as suppliers and institutes to implement cross-functional and cross value-chain projects.

Holistic perspective on products

It is important to us that we evaluate our products holistically according to their environmental and social impact. By means of life cycle assessments (LCAs), all the impacts from our procurement of raw materials through the disposal of the final product are listed and summarized. A life cycle assessment is a comprehensive analysis that shows the impact of a product on the environment – and where there is still room for improvement. Beyond the use phase, the environmental impact of our products depends above all on the raw materials and the resource efficiency of our packaging. This is why we focus our sustainability efforts on these areas.

In the year under review, we successfully developed our own system that enables us to calculate the CO₂ footprint of a product as early as the product development phase. This transparency enables us to subsequently make formula changes that result in a lower carbon footprint.

1 tesa acquires biogas certificates. The certificates prove that a corresponding amount of biogas has been produced and fed into the natural gas grid.
Sustainable packaging
The consumption of natural resources has increased continuously worldwide over the past decades. Negative environmental impacts as well as waste production are steadily increasing and causing lasting damage to the environment. To counteract this, Beiersdorf is committed to strengthening the circular economy: The recyclability of our packaging and ingredients is significant to us.

Our packaging consists of plastics to a large extent, as this material has many positive characteristics such as low weight and high stability combined with flexibility. Unfortunately, the volume of these crude oil-based materials continues to increase worldwide, and plastic packaging is often not recycled. So, we work intensively to optimize our plastic packaging in accordance with the four sustainability principles of “avoid, reduce, reuse, and recycle” to contribute toward a fully functional circular economy.

To make our initiatives in this area measurable, we have set ourselves the following global packaging targets by 2025:

- We aim to use 50% less petroleum-based virgin plastic in our packaging in comparison to 2019
- and integrate at least 30% recyclate (i.e. recycled material) in our plastic packaging.
- 100% of our packaging should be refillable, reusable or recyclable.

For the reporting year we can report the following progress towards our circular economy targets:

- 9% reduction in petroleum-based virgin plastics in our packaging
- 7% recycled material in our plastic packaging.

Our third objective in the area of plastic packaging focuses on the end of the life cycle. In the year under review, we developed and introduced a methodology measure the recyclability of our plastic packaging. At first, we analyze plastic bottles, which are the most widely used packaging format at Beiersdorf. The analysis includes the total weight of all plastic bottles for which data is available. The brand Coppertone and bottles bought in outsourced production are excluded.

Taking the definition of the Ellen MacArthur Foundation, packaging or packaging components are recyclable if their successful post-consumer collection, sorting, and recycling is proven to work in practice and on a large scale. We assess the recyclability of each type of packaging using a standardized digital application published by an independent certifier. Based on these individual analyses, we then make projections for the overall portfolio.

Using a standardized digital application published by an independent certification body, we assess the recyclability of individual packaging. Based on these individual analyses, projections are then made for the entire portfolio.

In the year under review, 81% (by weight) of all our plastic bottles was recyclable. Compared to the total weight of all our plastics, this equates to a recyclability percentage of 41%.

In the coming year we want to include other packaging formats in our analysis and a further parameter in our reporting: Design for Recycling. This way we will be able to report holistically on all the relevant parameters: The use of materials, design to enable future recycling, and ultimately the actual recyclability percentage.

In addition to plastic, we use other materials such as paper, aluminum, and glass in our packaging. For the use of these materials, we also continuously evaluate more sustainable solutions and review how we can implement the principles of “avoid, reduce, reuse and recycle” here as well. In the reporting year, for example, we launched our first aerosol cans made from 100% recycled aluminum. Through these measures, we aim to reduce the risk of negative impacts of our packaging on the environment. In close collaboration with our suppliers, our teams work across different departments to develop optimal solutions for sustainable, safe and appealing packaging for our packaging materials.

Environmentally friendly product formulations
We also optimize the circularity of our product formulations by setting ourselves ambitious goals, both for eliminating microplastics as defined by the United Nations Environment Programme (UNEP), and for the use of bio-degradable polymers.

At the end of the reporting year 2021, the production of all NIVEA products was switched to microplastic-free formulas (according to UNEP). This means that the set target was achieved. For Eucerin, we aim to achieve this target for all cosmetic formulas by the end of 2023. Between 2016 and 2021, we have already reduced the use of microplastics at Eucerin by 45% in terms of raw material volume. At the end of the reporting year, 19 Eucerin products still contained microplastics. These are currently being revised and should also be microplastic-free by the end of 2023.

We also aim to use exclusively biodegradable polymers in our European product formulas by the end of 2025. A polymer is a molecule consisting of many repeating subunits and is widely used in cosmetics. Biodegradability refers to the degradability of molecules through the action of microorganisms such as bacteria or fungi, thereby avoiding environmental pollution. By implementing environmentally friendly and alternative bio-degradable raw materials, we are striving to improve the environmental compatibility of our overall product portfolio.

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1 The United Nations Environmental Program (UNEP) defines microplastics as solid plastic particles that are smaller than 5mm, not biodegradable, and water-insoluble.
By gradually eliminating non-biodegradable polymers, we pursue the goal of reducing harmful effects on the environment. We evaluate all raw materials with regard to their biodegradability. For this assessment, we apply Annex XIII of the REACH regulation and the corresponding guidelines on information requirements (Chapter R. 11), which also contain the criteria for persistence. These criteria describe the non-biodegradable properties of a molecule over a specific period. The Annex and the guidelines on information requirements are used to identify polymers that are not biodegradable and are therefore to be avoided in our European product formulations by the end of 2025. To achieve this goal, we not only replace these ingredients directly, we also develop completely new polymer technologies.

We already achieved a 52% reduction in the use of non-biodegradable polymers in our European product formulations compared to the 2016 baseline.

In addition, we are increasingly using non-fossil renewable materials. Our goal is to increase the use of natural and renewable raw materials while assuring sustainable sourcing to prevent environmental impact from an increased demand for certain raw materials (see chapter “Sustainable Land Use”, p. 68).

**Partnerships to achieve our product goals**

Alongside decarbonization, the transition to new carbon sources is also important. Beiersdorf co-founded the Renewable Carbon Initiative (RCI) to prevent and replace the use of fossil carbon as a material basis for raw materials and packaging. The aim of this initiative is to support and accelerate the transition to renewable carbon for all organic chemicals and materials. Renewable carbon is all carbon sources that prevent or replace additional fossil carbon.

A specific example of this is our collaboration with Sabic in the development of recyclable plastic tubs for NIVEA Naturally Good face care products. The raw material used for ISCC PLUS certified, renewable polypropylene (PP) is tall oil – a forestry by-product that replaces crude oil in Sabic’s plastic production. This renewable carbon source is seamlessly integrated into the manufacturing process and aligned with the principle of mass balance. This measure contributes to our goal of reducing the use of oil-based plastics.

To reduce its carbon footprint in the aluminum sector, Beiersdorf has teamed up with Swiss packaging specialist Nussbaum to develop an aluminum can made entirely from old beverage cans, demonstrating new opportunities in the circular economy.

Beiersdorf joined the Eco Beauty Score Consortium to meet its stakeholders’ demand for greater transparency on the environmental impact of cosmetic products – in terms of formulas, packaging, and application. The objective of this initiative is to develop an assessment scheme that makes the environmental impact of a cosmetic product transparent. In this way, we want to make our consumers aware of our commitment not only at company level, but also at brand and product level.

**Product Sustainability**

**tesa**

**Innovative solutions for greater sustainability**

With our innovative product solutions, we strive to offer our customers technological progress combined with an active contribution to sustainability. We want to increasingly use recycled and renewable raw materials in our products and packaging. Our understanding of product sustainability includes not only product development, but also the use phase by our customers.

With our “Project Sustainability Assessment”, we have established an instrument in 2020 for evaluating projects in the area of product and technology development at an early stage regarding their contribution to sustainability. Development and larger investment projects have to undergo the assessment. Quantitative and qualitative statements on specific sustainability aspects must be made for the assessment. The structure of the assessment is based on our sustainability agenda and the Sustainable Development Goals of the United Nations.

Since as early as 2010 we have provided adhesive rollers, adhesive films, packing tape, glue sticks and correction rollers, among other products, under the “tesa ecoLogo” sub-brand. We manufacture these articles primarily from recycled or natural materials. The tesa ecoLogo product range dispenses completely with solvents in production and uses primarily bio-based materials and recycled packaging.

It is our goal to increase the share of sustainable products in our overall portfolio by 2025. For us this means we want to use more renewable or recycled raw materials for our products and pay even more attention to the end-phase of product life in future. The development of appropriate metrics will help us to be transparent about progress in this area in the coming years.

**The entire life cycle in focus**

The fundamental concept of the circular economy includes reduced consumption of materials, increased reuse of the same, and recycling at the end of a product’s useful life. If the product or individual components can be recycled or reused, resources can in turn be saved elsewhere. To achieve this, we consider the end of the product life cycle at an early development stage and are investing in further research on this topic. One focus here is on removable adhesive bonds.

At the moment, our main focus is on understanding the CO₂ footprint of each of our products. To this end, during the reporting period we assigned emission factors to many of our most used raw materials and determined the estimated carbon footprint of roughly 25 products. We also regularly discuss this topic with our suppliers to improve the accuracy of our calculations through primary data.
We use the results of our analyses to identify relevant emission sources throughout the value chain and to be able to reduce our emissions in a targeted manner through suitable measures. Alongside this, we are working to further standardize our methodology and produce more advanced life cycle analyses (LCAs) that integrate additional environmental impacts such as acidification or eutrophication. We also plan to further reduce our use of solvents in production.

Our understanding of product sustainability goes further, however. Across the manufacturing industry, the electronics sector, and wind and solar energy, selected products can help our customers to operate efficiently and drive sustainable technologies. For example, our adhesive solutions help save resources and energy while enabling the repair or recycling of products. This allows our customers to potentially reduce waste and cut GHG emissions.

**Sustainable paper products**
Since we use large quantities of paper for our products and packaging, we also pay great attention to sustainable paper and increasingly source “Forest Stewardship Council” (FSC)-certified paper. Since 2019 FSC® certification of thesa SE has given us a significant boost. In this context, we also launched the first two FSC-certified products on the market in the reporting year. Our production plants in Offenburg, Suzhou, Concagno and Hamburg are also FSC-certified. For the future, we are striving for further certifications of our plants as well as increasing the development of FSC-certified products.

**Sustainable packaging**
We intend to make our packaging sustainable beyond the Scope of regular optimizations. To achieve this goal, in 2021 we set up a project team to determine the current status of our packaging and analyze potential improvement. We see paper and plastics as the greatest opportunities for optimization. Our goals are thus: For fiber-based raw materials such as paper and cardboard, we will rely primarily on FSC quality and aim to achieve a share of 80% by 2025. Regarding plastic, our objective is to use at least 30% recycled materials by 2025.

**Sustainable Land Use**

**Consumer**

**Sustainable cultivation of raw materials**
Natural raw materials are a key element in the development of our product formulas. We work hard to avoid environmental pollution or damage caused either by our sourcing or the use of these raw materials. Our objective is therefore to procure our key renewable raw materials only from sustainable sources by 2025. Furthermore, we plan to source our main raw materials such as palm (kernel) oil derivatives, soy, tallow and paper completely deforestation-free by 2025. To support this objective, “Sustainable Land Use” is firmly anchored in our Sustainability Agenda as a focus field. We have been implementing robust sustainability programs for palm-based raw materials and paper-based packaging for many years now. Similar programs for soy and tallow are currently in the design phase.

Within Beiersdorf we cooperate with colleagues from various specialist departments including Procurement, Research & Development (R&D), and Supply Chain to implement our programs for sustainably certified raw materials and packaging worldwide. In addition, the Sustainability Council is regularly updated on progress and involved in strategy workshops. Its input is important in continuously developing our programs and reviewing the achievement of our goals.

**Palm (kernel) oil derivates**
Palm (kernel) oil derivatives are fundamental raw materials in our cosmetic and body care products. Essential ingredients such as emulsifiers and surfactants are obtained from both mineral and vegetable oils such as palm (kernel) oil and its suitable derivatives. Beiersdorf does not source the oil directly, but uses its derivatives – that is, processed substances based on palm (kernel) oil. Our total procurement volume in 2021 was around 30,000 tons.

Palm (kernel) oil is a renewable raw material with high cultivation efficiency: The oil palm delivers almost five times the yield\(^1\) per cultivated land area compared to other crops such as coconut, rapeseed or sunflower. This is what makes oil palm cultivation so attractive – and leads to the progressive destruction of rainforests. Our goal is to avoid the deforestation of rainforests worldwide.

By pushing for certification, transparency and transformation, we work to identify and minimize the environmental and social risks throughout the supply chains of palm (kernel) oil-based raw materials. Our “Palm Sustainability Roadmap” and “Sustainable Palm Policy” guide our worldwide commitment toward achieving sustainable raw materials procurement while also improving the working conditions of local smallholder farmers, for instance. To achieve our goals, we pursue various approaches:

**Sustainable certification**
We have achieved our goal of using 100% sustainably certified palm (kernel) oil and its derivatives by the end of 2020\(^2\). This means that in our products we only use raw materials from sustainable sources according to the mass-balance model established by the Roundtable on Sustainable Palm Oil (RSPO).

According to the mass-balance model, products containing RSPO-certified and non-certified palm oil can be certified. Here, it must be ensured that the processed quantity of RSPO-certified palm oil corresponds to the purchased quantity of certified palm oil. This option is particularly relevant to the use of palm (kernel) oil-based derivatives, as derivatives production is extremely intricate and complex, and there is no infrastructure for an RSPO segregated supply chain.

Our goal is to procure our palm (kernel) oil derivatives completely deforestation-free by 2025.

**Supply chain transparency**
Unlike the crude palm (kernel) oil supply chain, the derivatives supply chain is highly complex and involves a great number of different actors. We source palm (kernel) oil-based raw materials from external suppliers and can therefore only have a limited impact on this upstream supply chain.

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1 FONAP: https://www.forumpalmoel.org/home
2 Including LA PRAIRIE and STOP THE WATER WHILE USING ME!
To trace the origin of our raw materials back to the level of the refinery, mill and plantation, we are founding members of the cross-industry initiative “Action for Sustainable Derivatives” since 2019. The ASD’s aim is to increase the transparency and sustainability of derivative supply chains. To do this, the initiative contacts our direct suppliers and requests information on their own upstream supply chains and palm oil volumes, among other data. This way, the ASD works steadily upwards through the entire palm oil supply chain. The objective of the annual tracing of our raw materials sourcing is to maximize transparency in our palm (kernel) oil supply chain, to identify “hot spots”, and provide targeted support for projects locally.

**Sustainable transformation in cultivation regions**

We engage for sustainability directly in palm oil cultivating regions to help improve the fundamental local working and living conditions of smallholder farmers in the long term, and to protect the environment. Our goal is to convince the smallholders and their cooperatives that transitioning to sustainable oil palm cultivation without further deforestation will improve both their income and their living conditions.

Since 2018 we have cooperated with the World Wide Fund for Nature (WWF) in a smallholder farmer project in West Kalimantan, Indonesia. We support a total of three villages with a combined population of around 4,500 inhabitants, including 240 smallholder farmers. In the 2021 reporting year, we succeeded in bringing the smallholder farmers together to form a cooperative and in legalizing their plantations’ land-use rights. In addition, the WWF carried out numerous training courses on sustainable palm oil and rubber cultivation and gave smallholder farms access to oil palm seedlings. This has helped the smallholders to diversify their sources of income, which also benefits the inhabitants of the three project villages.

In 2020, together with the WWF and our supplier Evonik, a specialty chemicals company, we also initiated a landscape project in Sabah, Malaysia. The goal of the project is to make the production of palm oil more sustainable and to halt deforestation. By 2025, small and medium-sized palm oil farms with a total area of 20,000 hectares are to be certified to the RSPO standard.

Besides this we also supported a project initiated by the Forum for Sustainable Palm Oil (FONAP) in Perak, Malaysia. These projects form an important building block in the continued development of our “Palm Sustainability Roadmap”.

**Shea**

Shea butter is another key ingredient in many of our products; therefore, Beiersdorf has been a member of the Global Shea Alliance (GSA) since 2019. In cooperation with the GSA and our shea suppliers, Beiersdorf is supporting women shea collectors in some of the poorest rural regions of the “Shea Belt”, the main cultivation region in Africa. For instance, we support shea collectors in Ghana und Burkina Faso and train them over five years in the areas of health, occupational safety, product quality, and fundamental economic know-how. In addition, as part of the “Clean Cookstoves” project, female shea collectors learn how to make cookstoves from local materials such as termite sand. Furthermore, we intend on planting 10,000 shea trees locally by 2024, thus contributing to fighting climate change, as the trees bind CO2 and can counteract desertification.

**Paper**

We use paper and cardboard in many of our product packages. We also want to procure this natural resource sustainably, and for this purpose we have implemented a “Sustainable Paper and Cardboard Policy” with the goal of using exclusively paper and cardboard materials worldwide that are recycled, or certified sustainable according to the “Forest Stewardship Council” (FSC) standard, by the end of 2020.

100% of our folding boxes, used in the outer packaging of our face creams for instance, are already sourced from FSC-certified material. However, we did not reach our target by the end of 2020 in all regions for other paper-based packaging such as shipping boxes and other retailing materials; we are therefore currently working intensively on swapping further paper-based materials to FSC-certified or recycled paper.

**Resource Efficiency**

**tesa**

Using resources efficiently is fundamental for tesa. We want to promote the circular economy and utilize materials that can remain in the cycle at the end of their useful lives or can be used in other ways. At present, waste cannot be completely avoided in our goods production. However, we are committed to reducing it effectively in order to preserve precious natural resources. We therefore work continually to raise all stakeholders’ awareness of the need to avoid unnecessary waste and ensure professional recycling.

Measures to protect resources are an integral part of our corporate environmental protection. In addition to statutory regulations, we continuously develop our environmental management systems and also exchange information with external experts for this purpose.

**Avoidance and recycling**

We base our waste and raw material management on the “waste pyramid”: Avoiding and reducing waste takes highest priority, followed by various options for recycling. Waste is sent for disposal only when it is unavoidable. Our production plants pursue the objective of “zero waste to landfill” by 2025, i.e., eliminating the disposal of waste via landfill sites. We have already achieved this status for over 70% of our production plants.

In order to use materials efficiently and recycle wherever possible, our production plants constantly work on minimizing production-related losses of the raw materials we use. This applies equally to adhesives production as well as to coating tapes and cutting rolls.

We are also reducing our waste volumes through ongoing improvements to our machinery and production processes. In the reporting period, for example, we were able to optimize the delivery of raw materials in mass production and thus save 12 tons of material per year.
Production waste is collected separately on a site-specific basis according to various waste categories and then the materials are recycled to the greatest extent possible. Waste is summarized by categories, based on whether it is non-hazardous or hazardous, and whether it is for disposal or recycling and published in our annual sustainability report. tesa recycles almost all non-hazardous waste as well as hazardous waste containing solvents.

**High recycling rate for packaging**
The reduction of packaging materials also helps minimize waste and therefore its negative impact on the environment. In our production, our constant goal is to reduce the amount of packaging materials as far as possible and avoid all packaging that is not absolutely necessary - without impacting the quality, performance, or protection of our products in any way.

For packaging, we seek to maximize the recyclability of the materials used. For example, we prioritize cardboard packaging and reusable pallets, and use single-source plastic as far as possible.

In the area of sustainable packaging we worked on new goals in 2021 as part of our Sustainability Agenda. Going forward we plan to use even fewer raw materials for our packaging and increasingly use alternative and/or recycled raw materials. The development of specific key indicators will help us make our progress in this area transparent in the following year.

**Active involvement of employees**
At tesa we leverage our employees’ expertise in further developing waste-reduction measures. In 2021 we therefore continued the successful “Great Ideas - Not Waste” campaign at our plant in Offenburg. Driving this campaign is a long-term project through which we intend to continuously reduce energy and resource consumption, with the participation of employees from the production, process development, and technology areas.

Regular intra- and interdepartmental discussions form a cornerstone of this project. The purpose of these discussions is to agree specific steps for the implementation of potential improvement measures and to exchange best-practice solutions. Moreover, the project includes communication measures designed to raise awareness of the issue among employees. In 2021 we implemented 28 projects targeting resource efficiency. To date these have resulted in savings of € 277,000.

**Water**
Water is the basis for all life forms. However, our planet’s water resources are unequally distributed and threatened by a range of factors such as climate change, population increase, pollution, and overuse. Many regions are particularly affected by drought and in parallel, clean drinking water resources are becoming scarcer worldwide. In light of this situation, we consider it vital to use water responsibly. We strive to keep water consumption as low as possible and to minimize our wastewater generation in all business divisions and processes throughout our supply chain.

**Managing water risks**
The “Aqueduct Water Risk Atlas” is a data tool provided by the World Resources Institute (WRI). We use this to assess the water risk annually for all our Consumer Business Segment production sites as well as for all tesa Business Segment production sites and its headquarters. This tool takes a range of factors into account, including the type of water withdrawal, water quality and how water consumption is managed. In addition, we identify locations with an elevated risk of water scarcity or water stress.

Going forward, our objective is to handle water as a precious resource even more carefully and to drive our comprehensive water management forward. To support us in achieving this we are in dialogue with the WWF to expand our risk analyses with their “Water Risk Filter.”

Our Consumer and tesa Business Segments submit water management data annually as part of the CDP “Water Security Program.” With regard to their statements on “Water Security,” the Consumer Business Segment received a “B” assessment in the reporting period, and the tesa Business Segment a “C. We strive to work more intensively on further improving this rating in the coming year.

**Consumer**
The Consumer Business Segment uses water in a broad variety of ways. It is needed to manufacture our products and it is a core ingredient in our product formulas. Naturally, it is also used by our consumers when they apply our products. We are therefore fully committed to handling this vital resource responsibly and to consistently promote the sustainable use of water.

We work continually on minimizing water consumption in our production processes, for instance. By 2025 we want to reduce our water consumption per manufactured product by 25% (vs. base year 2018). In 2021, water consumption per manufactured product increased by 9% compared to the base year. Compared to the previous year, this represents a reduction of 3%.

**Focus on sustainable water management**
The importance of sustainable water management is also a key factor in planning expansions to our production sites: Under our global initiative “Sustainability in Manufacturing,” we are working intensively to integrate innovative ideas into our production processes. Here we are focused on developing increasingly effective solutions to reduce water loss, determine water consumption at relevant production plants, and implement innovative approaches to treating wastewater for reuse in production processes.

We rely on state-of-the-art equipment and leading technologies, especially for high-consumption cleaning processes. We harness efficient technical processes to purify wastewater for reuse in cooling, irrigation and sanitation, for example. These measures are frequently implemented at our production sites as part of their “LEED” certification (see chapter “Climate protection”, p. 61). Even apparently minor improvements such as modernizing sanitary facilities, or targeted consumption measurements in production areas, all contribute to sustainable water management.
In order to continuously improve our water management, we are also in dialogue with water suppliers, local authorities and neighboring companies. Additionally, we regularly review our production sites for opportunities for optimization to reduce water consumption and facilitate wastewater cleaning processes.

**Employee attractiveness**

We want to be the first-choice employer for our staff and to offer them a secure, attractive, and inclusive working environment where everyone feels they belong and has the same opportunities to succeed and give their best performance. For us, this includes open dialogue across all hierarchical levels in the sense of participation and involvement, achieving the goals we set ourselves together and a responsible leadership culture. Our employees’ emotional engagement is an issue particularly close to our heart and is regularly reviewed using global employee surveys.

Further information on the results of these surveys can be found in the “People at Beiersdorf” section of the Combined Management Report, starting on page 49.

**Diversity and inclusion**

We are convinced that a diverse workforce enriches our teamwork enormously. Different perspectives not only strengthen our ability to innovate but also boost our competitiveness, make us more creative, and help us to better understand the needs of our consumers. Diversity and inclusion are thus not only actively promoted but form a core component of our business strategy.

The new D&I Strategy Roadmap is helping us create a culture built on diversity and inclusion. It consists of three strategic priorities, which are introduced in more detail in the “People at Beiersdorf” section of the Combined Management Report, starting on page 49. You will also find the corresponding key figures in this chapter, such as the proportion of women in management positions and the internal filling of management vacancies.

**Employee development**

Competition for employees with scientific and technical backgrounds is constantly on the rise within our industry. The advance of digitization and internationalization is also changing work requirements and methods. We are meeting these challenges with comprehensive education and further training programs, as highly qualified, committed, and performance-oriented employees represent a decisive competitive advantage for tesa. In addition, a diverse range of training and further education opportunities enhance our attractiveness as an employer and contribute to employee satisfaction and motivation to work for us long term.

To meet the challenges of the labor market and a competitive environment, we have developed a tesa-specific training course that helps young people gain access to working life. It also gives us the opportunity to train employees in those areas that are relevant to our business. For example, we teach our trainees our understanding of quality and service from the outset, as well as the key competencies that are important at tesa.
To secure our long-term success we also need to offer our employees attractive development opportunities - both professionally and personally, at all levels and in all areas. To identify and fully leverage the potential of our employees we have established target group and competency-oriented training programs. These include basic qualifications for new employees as well as special formats tailored to the requirements of individual business areas. In addition to face-to-face courses and training, tesa also offers its employees a wide range of online further training courses. These topics areas such as compliance, occupational safety, sales, and management and leadership. We significantly expanded these in recent years to be able to offer our employees a wide range of further training opportunities - despite the requirement to increasingly work from home due to the COVID-19 pandemic.

Training
In the tesa Group, independent training is offered at the production sites in Hamburg-Hausbruch and Offenburg. Trainees can choose from five different technical apprenticeships: chemicals technician, electronics technician for industrial engineering, industrial mechanic, machine and plant operator, and mechatronics technician. We also offer dual degree programs in safety engineering and plastics and elastomer technology.

By the end of 2021, the tesa plant in Hausbruch, Hamburg, employed 36 trainees and one dual student. Machine and plant operators formed the largest group with 13 trainees. The tesa plant in Offenburg employed 35 trainees, eight of whom are completing a dual degree program.

The trainee retention rates show that we want to keep our trainees for the long term: In Hamburg-Hausbruch, 66% of the trainees who completed their training in 2021 were retained, while in Offenburg the retention rate was 75%, 25 percentage points higher than in the previous year.

Given the existing demographic developments and the resulting increase in competition for young talent, especially in the technical and scientific fields, the recruitment of new trainees and dual students is increasingly a challenge. For this reason, among other initiatives the tesa Offenburg plant has sponsored the South Baden regional competition “Jugend forscht” (Youth Does Research).

Further training programs and open course program
In view of the COVID-19 pandemic, we digitized our continuing education program to the greatest extent possible and across all divisions in 2021. This means the courses can be taken anywhere in the world. In-person training only took place rarely and under special hygiene regulations in certain regions, e.g., China. A total of 284 training and qualification measures (virtual classroom training, and face-to-face training) were carried out with a total number of 4,015 participants. Training opportunities were used by employees on all continents.

For the first time, the qualification program for new managers was also offered in an online format in the reporting year. In total, three international courses with 14 participants on average place in 2021. In addition, a digital qualification program for middle management executives was developed and the first module was piloted in November 2021.

From the start of Q3, there was a higher demand for in-person training courses, which took place to a limited extent while adhering to distancing rules and hygiene measures. By the end of the year, two in-person training courses with a total number of twelve participants had taken place.

Online training opportunities
Our qualification programs are enhanced by the integrated digital LinkedIn Learning platform. With 1,562 active licenses worldwide and an average learning duration of 30 to 60 minutes per week per tesa employee (in the period from January to December 2021), the platform and its Learning Journeys are now well established and in regular use.

We also expanded our existing E-Learning courses in 2021, for example, by adding a new Sustainability E-Learning module. tesa registered a total of 3,858 people taking part in e-learning worldwide in 2021.

Since introducing the Learning Hub Learning Management System (LMS) in 2018, the tool has been used as an information and registration platform for all training courses at tesa. At the same time, the platform serves to automate and harmonize the administration and organization of face-to-face training, e-learning programs, and blended learning internationally. At present we are looking into deeply integrating LinkedIn Learning into the Learning Hub in order to further simplify access to LinkedIn Learning options for our users.

Diversity and equal opportunity
A diverse workforce is not only a constant goal for us but also a key competitive factor: Different perspectives help us to understand the needs of our customers better and enrich our ideas for innovations. We are therefore actively committed to achieving greater diversity in our workforce and ensuring equal opportunities for all our employees. We strive continually to create a working environment in which all employees are valued and individual performance is recognized. In this we focus on two main areas: Designing an international working environment and promoting women in management positions. We also raise awareness among our HR departments and managers worldwide to prevent discrimination of any kind in the recruitment process.

International workforce
When filling new positions, we attach great importance to hiring new employees with different cultural backgrounds. We want to promote an international workforce, particularly at our Norderstedt headquarters. This increases our ability to better understand and serve the diverse requirements and market conditions of our international customer base. We are pleased to
report our initial successes: The ratio of non-German employees increased by 1.8 percentage points to 7.2% within nine months (December 2020 to December 2021). We want to consolidate and grow this trend further, e.g. by advertising all vacancies above a certain level exclusively in English.

With our worldwide X-perience career path model we promote international and cross-functional exchanges, as well as the career mobility of our employees. In 2021 we also continued to pursue our “x-perience the tesa world” concept, in particular through internal employment vacancy advertisements that allow both international and cross-functional applications.

**Women in management**

We want to fill more management positions with women in the future. Our goal is to create a culture in which equal opportunity is actively lived out. At the beginning of 2020, Angela Cackovich became the first woman in tesa history to be elected to the Executive Board, and we see this as a sign of positive change. Over the next few years, we want to step up our efforts to promote gender equality within the workforce and in leadership roles.

To do so, we set up a corresponding reporting system in 2021 that will be completed and evaluated on a quarterly basis. The proportion of women among our international executives has now risen to over 15%.

**Occupational Health and Safety**

Safety at work and the health of our employees are top priorities for Beiersdorf. We view occupational health and safety as a comprehensive, holistic, and preventive management task. Our strategic objective is therefore to reduce the number of accidents at work to zero, avoid work-related illnesses, and undue physical and psychological stress factors. To achieve this goal, we regularly check to see how we can make our workplaces even safer and healthier.

Our “Accident Frequency Rate” (AFR) documents all accidents at work that result in at least one day's absence from work. In the Consumer Business Segment our AFR sank in 2021 to 1.0 accidents per million hours worked (38% lower than in 2020). We are particularly pleased to report that 73% of our production centers operated completely accident-free throughout the whole of 2021. At tesa, the AFR of documented accidents resulting in at least one day of absence was 4.1 per million working hours worldwide in the reporting year (2020: 3.5).

**COVID-19 pandemic**

The global COVID-19 pandemic remains a threat from which we need to protect all our employees’ health worldwide. At the beginning of 2020 we set up crisis teams at all our sites and plants that work to avoid infections and health risks. Specific measures were developed under top management leadership to combat COVID-19 and these continue to require further effort from our teams.

**Consumer**

Driven by our Care Beyond Skin Purpose and guided by our Core Values, we are committed to the continuous reduction of potential health and safety risks and incidents. Our global Occupational Safety department is responsible for managing workplace safety, but here we also count on the involvement of all employees at our sites.

Our occupational health and safety strategy applies worldwide. It comprises our most important current measures and programs and serves as a basis for our sites to develop their own local implementation plans and measures. We monitor the progress of these measures using indicators at a global level.

Within our continuous improvement efforts we focus on minimizing the core risks in terms of slips, stumbles, falls, as well as the safe operation of forklifts and further machinery.

We also carry out behavior-based safety training at our sites, in which our managers learn to recognize safe and unsafe behavior. In addition, they are trained to conduct positive dialogues with employees on the topic of safety.

**Management systems**

In 2021 we introduced our new “Corporate Health & Safety Policy,” which defines the basis for health and safety management at Consumer. This demonstrates our leadership’s commitment to integrating health and safety into our corporate strategy and day-to-day work.

To ensure a robust occupational health and safety management system that enables continuous improvement, we conduct external audits every three years at all our sites in accordance with our Internal Environmental and Safety Management Audit System (ESMAS) (see chapter “Upholding Human Rights”, p. 76). ESMAS is based on the two internationally recognized standards ISO 14001 (environmental management systems) and ISO 45001 (occupational health and safety management systems).

**What’s next?**

We are pursuing the implementation of our strategy and continue to expand the programs that strengthen our health and safety management system. In 2022 we will continue to focus on reducing the number of accidents related to the main risks in our operations, while introducing new best practices and programs that should lead to improvements in work permit procedures, machine safety and movement of materials.
Occupational health and safety management are firmly anchored in the tesa organization. In addition to statutory requirements, our Group-wide Occupational Safety Guidelines form the basis of our internal occupational safety management system.

The guidelines are complemented by company regulations and specific directives at each site. These stipulate that employees are regularly informed and made aware of security risks and potential hazards via specific training. The objective is to enable employees to prevent accidents and avoid health hazards through correct, responsible behavior.

The guidelines also apply to subcontractors carrying out work at our sites. In the respective occupational health and safety committees and annual Management Review, the Executive Board evaluates incidents each year together with the Occupational Safety department. On this basis, management initiates new measures to improve employee safety and reduce work-related health risks.

Systematic approach to occupational safety

Our occupational safety management focuses on our ISO 14001 certified production sites, as these represent a greater risk for accidents and increased health impairments compared to our administrative offices. In our Sustainability Agenda we set out an ambitious roadmap: By 2025, all tesa sites that already have an environmental management system in accordance with ISO 14001 should also achieve ISO 45001 certification in occupational safety.

By achieving ISO 45001 certification in 2021 at our plant in Suzhou, China, we reached a further important milestone in occupational safety at tesa. This certification demonstrates that occupational health and safety has been systematically integrated into the Business Segment’s management and organization.

We employ our own occupational safety specialists at all ISO 14001 certified sites. At the same time, we specifically promote international dialogue between these specialists. They discuss material occupational safety and health risks at annual in-person meetings as well as regular virtual conferences. In addition, they initiate joint projects, set standards, and share their experiences. This approach contributes to the continuous improvement of accident prevention at tesa.

Ad hoc risk assessments are carried out at tesa. These form the basis for selecting or designing work equipment, work materials, work methods, workplaces, and work processes in such a way that technical and organizational deficiencies are avoided and employees can behave in a safe and healthy way. But changes in machinery, systems, or working premises, new purchases and process adjustments can all have an impact on our employees’ health and safety. Through the involvement of expert employees, safety testing and acceptance as well as systematic hazard identification and risk assessment, are carried out at the time of procurement and commissioning of equipment.

If we identify a security risk in this context, we take appropriate preventive or corrective action. On occupational safety committees, safety experts, employee representatives as well as management discuss the material results of risk assessments and define satisfactory measures. Furthermore, regular inspections and evaluations take place, and we carefully incorporate the insights gained from these. Further preventive measures are rapidly implemented as required, while our relevant health and safety documentation is regularly updated.

The handling of hazardous materials is also regulated in detail. Together with the Corporate Regulatory Affairs department as well as Research & Development and Production managers, the Occupational Safety department designs tesa-specific processes for the handling, labeling, storage, and transportation of hazardous materials. Employees who work with certain hazardous substances undergo routine health examinations. In addition, equipment and tasks are checked at regular intervals for their safety and emissions. Action to be taken in the event of an accident with hazardous materials is governed by our emergency management procedures.

Preventive measures

The “SafetyTour-App” developed by the IT department was introduced at all tesa production sites worldwide in 2021. CIP (Continuous Improvement Process) safety insights and the required measures identified during governmental safety inspections can also be integrated in the backend of the app, in addition to the findings and measures during routine tesa-internal safety inspections. The easy data and image logging system enables these measures to be prioritized, selected, tracked and better archived using a traffic-light system. An integrated checklist ensures that no aspect is overlooked during the tour.

The “Safe Travels - avoid commuting accidents” campaign carried out at the headquarter in 2021 aimed to raise awareness among employees by providing tips and advice on how to get to and from their workplace safely.

Fire protection was once again a focus in the 2021 reporting year. Fire extinguishing training, for example, was held for fire safety assistants at our production plants, observing COVID-19 safety measures. At the tesa Technology Center, the firefighting concept was adapted to increase employees’ safety when extinguishing with CO2 and to prevent accidents.

As part of ongoing training during the COVID-19 pandemic, a joint digital refresher course was set up for safety officers at the German facilities.

In the reporting year, safety dialogues were offered at headquarters for every manager, with more than 97 managers participating.
Society

Consumer

Community engagement

As a global company, we consider it our duty to take responsibility for our social environment and to have a lasting positive impact on the situation of our fellow citizens. Through our Corporate Purpose Care Beyond Skin, we express our passion and ambitions to reach beyond our core business and contribute to greater social cohesion.

To achieve this goal, as the Global CSR Department we work closely together with colleagues from the individual local affiliates around the world. These implement the global strategic framework in alignment with local conditions. In addition, at Beiersdorf headquarters we collaborate with colleagues from various specialist departments such as Marketing, Legal, Controlling, Research & Development (R&D), Corporate Communications, and Medical Management. Since 2013 we have carried out annual assessments of the social projects we support worldwide. The project managers at our local affiliates collect all locally relevant data, which we standardize to enable a global analysis of our activities. The analysis results not only flow into a key database for our internal sustainability management, but they also form an integral part of our sustainability reporting.

As we pursue a vision of an "Inclusive Society," our engagement focuses especially on those people affected by social inequality, marginalization, and isolation. We support local initiatives that aim to strengthen and support physical and mental health, a sense of social belonging, and the voluntary social participation of all members of society. This is how we want to make an important contribution towards a cohesive society.

Our commitment in the Consumer Business Segment takes place both at the corporate level and at individual brand level, going far beyond our own value chain. Worldwide, the focus of our corporate commitment is on "Empowering Girls" and disaster relief. Each brand also provides targeted support in fields that match its brand identity and competence, while aligning with the social needs and concerns of the local communities.

As we are focused on achieving social improvement, we also involve our consumers in our brand engagement. We constantly and transparently provide them with information on our social initiatives, raising public awareness of key social issues.

Engagement at corporate level

In 2021 we continued the COVID-19 aid program for which Beiersdorf Consumer had already initiated global partnerships in 2020. Through the program, we aim to provide people in particular in the epicenters of the pandemic and in regions and countries with weak public health systems and infrastructures with support appropriate to their situation.

Beyond emergency aid, within these partnerships Beiersdorf is committed to providing medium to long-term support for local people. Many countries are facing long-lasting socio-economic impacts and challenges in the wake of the COVID-19 pandemic. Above all, girls and young women are affected by the pandemic and its consequences, due to their age and gender. In crises they are exposed to an increased risk of gender-based violence, for example, being married off against their will, and having to leave school permanently. Similarly, girls and young women are more likely to engage in activities that expose them to a higher risk of contracting COVID-19, for example in (home) care and healthcare. "Empowering Girls" is therefore a special focus of our COVID-19 relief program.

To provide the most effective support possible, we work with two international non-profit organizations, Plan International and CARE: Both bring highly relevant expertise in their respective fields, can rely on well-established, stable local networks, and have years of experience in measuring the aid impact.

In 2021 Beiersdorf set itself the target of directly reaching more than 300,000 people by 2023 with projects to empower girls. "Direct beneficiaries" are people who benefit directly from one or more project activities.

In the sense of a holistic, systemic approach that seeks to stimulate change across all of society, people of all genders and ages in a project’s locality can be counted as direct beneficiaries. Only by involving diverse members of a community can a lasting positive impact on individuals – in this case girls and young women – be achieved.

In partnership with Plan International, Beiersdorf works to strengthen girls’ rights to access education and contributes to preventing gender-based violence during the COVID-19 pandemic and beyond. As part of the project in Kenya, for example, scholarships are awarded to girls as direct beneficiaries, enabling them to go to school. This indirectly benefits each girl’s family members, as the household income can now be used for purposes other than the daughter’s school fees and it is assumed that the knowledge acquired by the girls will be shared or applied at home. In total, the projects reached 13,088 people in Brazil, Ecuador, and Colombia during the reporting period and 3,026 people in Kenya, Ghana and Nigeria. The projects are designed to run for a total of two years each, starting from October 2020 (Latin America) and February 2021 (Africa).

Since January 1, 2021, in partnership with CARE, Beiersdorf has worked to ensure that particularly vulnerable groups in Africa, such as girls and young women, receive information about COVID-19 and access to appropriate healthcare. In addition, the objective of this two-year project is to mitigate the socio-economic consequences for these target groups and strengthen their livelihoods. Its geographical focus is Ethiopia, Kenya, Somalia, and Sudan. In Somalia, for example, 30 girls and young women (up to 25 years old) participated in so-called Village Savings and Loan Associations (VSLAs). In these groups, they acquire knowledge of financial processes such as loans and savings rates. However, the groups also achieve much more: Girls and
young women gain greater self-confidence, pass on what they have learned to their family and their community, participate more actively in society, openly express their opinions, and can take concrete steps towards economic independence. In the reporting period, 41,475 people were reached directly through the project, which is planned to run for two years.

In 2021 Beiersdorf already reached 57,962 of the more than 300,000 people targeted by the projects to empower girls.

In addition, Beiersdorf works closely with Ashoka, the world’s largest network of social entrepreneurs in “Empowering Girls.” October 2021 marked the launch of a one-year social innovation initiative. Together with Ashoka, Beiersdorf will award grants to five leading female social entrepreneurs from the United Kingdom, Poland, Italy, Belgium, and Switzerland, whose projects are explicitly dedicated to empowering and enabling girls and women. In addition to this, Ashoka and Beiersdorf want to promote the networking of European female social entrepreneurs from January 2022. The number of beneficiaries will not be recorded in this case due to the conceptual design of the project.

A three-year psychological study with the University of Cardiff was launched in the reporting period to investigate the impact of the coronavirus pandemic and similar crises on the well-being of people with skin diseases. The study also includes an investigation into how these impacts can be mitigated with online support tools. In the first phase of the study, a detailed literature review and initial patient surveys are conducted to ensure the most patient-centered development possible.

The research project will not only give scientists key insights into the effects of the coronavirus crisis: They will also provide fundamental guidance for Beiersdorf’s future social responsibilities at brand and corporate level.

Beiersdorf also followed the news and images of destruction following heavy rainfall in Germany, Austria, Belgium, and the Netherlands in summer 2021. As a sign of solidarity and to provide rapid support for those affected, our company donated one million euros to the German and Belgian Red Cross as well as to the German Life Saving Society (DLRG). Both are long-standing partners of Beiersdorf’s Hansaplast and NIVEA brands.

**Engagement at brand level**

We continue to develop our social commitment at brand level. At the start of 2021, the NIVEA and Eucerin brands announced their own global social missions. Our colleagues in the country organisations take over the local coordination of the projects, while our global strategies and quality standards serve as a guideline.

- NIVEA’s social mission, “The Power of Human Touch,” supports Human Touch projects to promote the quality of life of people affected by loneliness, including premature babies, visually impaired people, and elderly people with dementia.

By 2025, “Human Touch” projects are intended to positively impact the individual health and well-being of more than 150,000 people. In this effort, the people who are the focus of the respective project intervention and whose quality of life is to be improved are counted, i.e. premature babies, visually impaired people and older people with dementia. The projects are to be implemented by 2025 with a total financial commitment of 20 million euros. In 2021, the subsidiaries began to implement the global strategy locally. They concentrated mainly on identifying partners and projects. Thus, a large part of the project activities will only begin in 2022. We will report on the progress of the projects in the following years.

- Eucerin is committed to promoting the social inclusion of people affected by skin disease. Its projects center on reducing social exclusion and stigmatization, as well as on improving participation in society.

In the USA, Eucerin cooperates with FIRST (Foundation for Ichthyosis & Related Skin Types). This joint project works to support teenagers and young adults suffering from the physical, emotional, and social challenges of ichthyosis; the project’s workshops strengthen their skills, knowledge, and self-confidence. The objective is to promote their social inclusion and reduce the psychological burden of the disease.

By 2023 Eucerin plans to implement local social projects in at least 15 countries to improve the quality of life of skin-disease sufferers and promote their social inclusion. In 2021 the project was already implemented in four countries, with one project this year initially focusing on Corona containment measures within the target group due to the situation on the ground.

At brand level, Beiersdorf’s Healthcare brands Hansaplast, Elastoplast, and CURITAS want to initiate a global social mission in 2022 with a focus on first-aid education for children. These brands will set up projects in cooperation with local Red Cross organizations, among others. Their common goal is to provide children with the knowledge they need to treat their own wounds and the wounds of others, and to be able to give themselves and others first-aid treatment.

**Human Rights**

Beiersdorf is actively promotes compliance with laws, codes of conduct, and human rights. This responsibility is deeply anchored in how we see ourselves, as well as in our Core Values. It applies not only to our own company branches and employees worldwide but to all business partners and their employees throughout our value chain. We do not tolerate any form of corruption, forced labor, child labor, or discrimination - neither at our own sites nor at any point in our supply chain.

**Upholding human rights throughout the value chain**

We have identified risks relating to upholding human rights above all in general procurement and purchasing, and therefore in the upstream supply chain. Our goal is to minimize all risks with regard to human rights violations as far as possible.
As mentioned in our “Declaration of Principles on Respect for Human Rights”, we are not only a signatory to the United Nations Global Compact (UNGC) but also steer our own business activities and our cooperation with business partners based on fundamental principles and guidelines. These include the UN Universal Declaration of Human Rights, the International Labour Organization (ILO) Conventions, and the OECD Guidelines for Multinational Enterprises. In addition, we ensure that country-specific regulations and official governmental requirements are fully implemented.

We focus on long-term relationships with business partners who commit to and align with our principles of sustainable, responsible corporate governance and explicitly promote these. We have also developed internal and external Codes of Conduct for our employees and our suppliers that contain binding requirements on upholding human rights.

We require our business partners to follow and comply with our standards and communicate them to their upstream supply chain as well. This applies both in terms of required product quality as well as transparent, fair, and responsible business practices. This way we want to ensure that our business partners meet their social, environmental, and economic responsibilities – and that high-quality products are the end result.

Consumer

Consumer Business Segment creates binding standards
With our Code of Conduct for Business Partners (CoC), the Consumer Business Segment has committed all our business partners along the supply chain with an annual purchasing volume of more than € 50,000 to comply fully with our standards. The CoC is aligned with our Core Values and establishes uniform, binding criteria for responsible action, including critical aspects such as prohibiting corruption, child labor, forced labor, and discrimination, as well as promoting occupational health and safety, the right to freedom of association and collective bargaining, and environmental protection. We currently process over 90% of our procurement volume through business partners according to the standardized SMETA 4-pillar audit protocol. This applies both in terms of required product quality as well as transparent, fair, and responsible business practices. This way we want to ensure that our business partners meet their social, environmental, and economic responsibilities – and that high-quality products are the end result.

Risk screenings and audits
In addition, environmental protection and occupational safety audits have been carried out at all Beiersdorf Consumer facilities since 2013. These audits are aligned with the requirements of the “Environmental Protection and Safety Management Audit Scheme” (ESMAS), which are based on the internationally recognized ISO 14001 (environmental management systems) and DIN ISO 45001 (occupational health and safety management systems) standards.

ESMAS audits take place every three years and verifies whether appropriate measures are implemented to guarantee compliance with our globally applicable environmental as well as occupational health and safety standards at our sites. In the fourth quarter of 2021 we plan to audit our facility in Argenton (Spain). In addition to the ESMAS audits, our plant in Thailand was audited in the reporting year to the standardized “Sedex Members Ethical Trade Audit” (SMETA) 4-pillar audit protocol. As part of the new supply chain law, we plan to conduct further SMETA audits at our facilities worldwide by the end of 2022.

The Vice Presidents of the functions Sustainability and Procurement are responsible for sustainability in our overall sourcing operations and throughout the supply chain. The Responsible Sourcing team analyses our more than 21,000 direct suppliers to determine whether or not deeper risk screening is needed, tailored to the specific countries from which we source our goods and services.

As well as country-specific risks, other factors also play a role in risk classification: These include the purchasing volume and the proximity of the respective goods or service providers to Beiersdorf’s brand locations. Direct suppliers with a resulting medium or high risk are required to provide comprehensive self-assessment via the Sedex platform. On this basis, the Responsible Sourcing team carries out a detailed risk assessment and decides whether a subsequent audit is required.

To ensure objectivity, the audit is carried out by independent certified auditors according to the standardized SMETA 4-pillar audit protocol. The results of the audit highlight concrete challenges and fields for action and serve as a basis for the joint development of action plans with our suppliers. In extreme cases, audit results may lead to us terminating business relationships. By leveraging international collaboration platforms such as Sedex and AIM-PROGRESS, we can continuously improve our sustainability engagement right along the supply chain.

tesa

Responsibly designing purchasing processes
We require direct suppliers to the tesa Business Segment to sign our Code of Conduct for Suppliers (CoCfS). This underpins the responsible management of our global procurement processes and sets out fundamental rules and obligations in the areas of human rights, labor standards, environmental protection, and corruption prevention. The Ten Principles of the UN Global Compact serve as the basis of the CoCfS. We expect our supplier companies to share our standards. If suppliers violate our rules, we ask them to remedy their shortcomings.

We purchase our raw materials all over the world which makes our supply chains complex. That is why we cooperate closely with our suppliers. By working closely together, we want to ensure high product quality and security of supply.
The rules for our global purchasing processes are defined and described in the Purchasing Compliance Guideline (PCG), which also forms part of our Group-wide Compliance Manual. This guideline includes binding rules of conduct for our procurement activities. We have provided a “How to source in the right way” training for all tPN employees since 2017 to raise awareness of human rights compliance among our purchasing process managers. This specially developed online training course explains the role of the CoCfS and the PCG in our purchasing processes.

**Sustainability program for suppliers**

In addition to securing the explicit commitment of our key suppliers to the tesa CoCfS, our stated objective is to increase supply chain transparency and sustainability constantly and progressively. In 2020 we launched a supplier sustainability program to check our suppliers’ compliance with human rights, working conditions and environmental standards in our supply chain. Since then, we ask our suppliers to share their sustainability performance with tesa via the EcoVadis information system. The assessment is the first step to achieve supply chain transparency. Thus, it subsequently enhances sustainable development. At the end of 2021, EcoVadis self-assessments were available for 43% of our direct purchasing volume. Over the next few years, we intend to gradually increase this share: By 2025, sustainability assessments are to be available for a total of 80% of our direct purchasing volume. In the course of 2021 we expanded the sustainability program to include indirect purchasing.

**Compliance**

The following statement for the topic Compliance covers both Beiersdorf Consumer and tesa. Both Business Segments have established their own independent compliance management systems (CMS), which follow uniform standards and are implemented in close alignment between the two respective Corporate Compliance Management teams. Differences in the precise design of the CMS of the two Business Segments are described below, insofar as they exist.

**Our Core Values for responsible conduct**

For us, compliance means that statutory laws as well as commercial rules and regulations are observed without compromise. Both the Consumer and tesa Business Segments have established a respective Code of Conduct (CoC) to ensure compliance with these standards and to fulfill our social responsibility as a company in the best possible way. As an overarching value framework, the CoC is intended to provide orientation for action in all our business activities. Furthermore, it supports all our employees, managers, and company organs in complying with and living by the core principles and values of the Business Segments. As a directive for our actions, the CoC contributes to affirming our company’s status now and in the future as a trusted partner to our customers, business partners, shareholders, and further stakeholders.

**Group-wide compliance management**

Our Group-wide CMS is based on established standards such as the IDW AsS 980.

We follow these guiding principles:

- Prevent: Preventive measures are anchored into our management system to avoid wrongdoing.
- Detect: We use risk analyses to detect and manage material compliance risks Group-wide. Additional control instruments help reveal noncompliant behavior.
- React and Improve: We penalize any violations of statutory or internal regulations as appropriate in each individual case. In addition, we continuously derive improvement measures for the entire CMS.

We see our compliance management system as making an important contribution to sustainable and future-oriented action, in line with our tradition as a reliable and trustworthy group of companies.

**Prevent**

Antitrust law continues to be an important compliance issue for both parts of the Group. The reasons for this are our business models, legal complexity, the continually increasing prosecution activity worldwide, as well as the potential for sanctions by antitrust authorities. In addition to antitrust law, as in previous years, our compliance programs also focus on corruption prevention as well as data protection-compliant behavior. The programs serve to sensitize our relevant employee groups to these topics in particular, and to give them a secure basis for both action and decision-making.

Our Corporate Compliance departments are responsible for defining, developing and monitoring the minimum standards for these programs, as well as an appropriate CMS in their respective organization. These systems are under continual development, always considering the companies’ strategies and a constantly evolving international legal framework. Furthermore, the Corporate Compliance departments continually monitor the CMS, advising and supporting local compliance officers as well as local management accordingly.

Both Corporate Compliance departments also support company management in identifying risks that go beyond their own organizational responsibility and periodically carry out a holistic Compliance Risk Assessment for this purpose.

In our regions and affiliates, we have established locally responsible compliance officers who are to communicate all the elements of the compliance programs to our employees and work towards their local application. This is to ensure that all the components of our compliance system are anchored in the regions and affiliates and are also constantly monitored and improved. A special network of external lawyers specialized in antitrust issues is available to local companies.
Besides practice-oriented training and consulting services, a set of guidelines also forms a core element of our compliance programs.

- These antitrust guidelines provide clear directives on antitrust-compliant behavior, requirements for contact and the exchange of information with competitors, guidance for communication with customers, for example, with regard to sale prices, as well as fundamental dos and don’ts.

- The anti-corruption guidelines govern the handling of gifts, product samples, and invitations from and to representatives and employees of other companies or public officials. They also contain information on how to deal with conflicts of interest.

- The data protection guidelines describe in particular how the principles of the European General Data Protection Regulation (GDPR) are implemented for the lawful processing of data in our EU companies. These guidelines direct and instruct our employees on the compliant handling of data. In addition, the data protection teams have established internal partnerships with key data protection functions such as Cyber Security and Procurement.

We have implemented a comprehensive, target group-specific training concept. Taking a risk-oriented approach, we train an average of several thousand employees worldwide annually on corruption prevention as well as antitrust and data protection-compliant behavior. This training is delivered face-to-face or in an e-learning format and it serves to raise our employees’ awareness of the topic and to show them where to obtain further support. In addition, Members of the Executive Board and Supervisory Board are regularly informed about relevant compliance matters. In 2021 the Beiersdorf Consumer Segment achieved an employee training participation rate of 95% and the tesa Segment a training rate of 98% for antitrust law training worldwide. 

Our employees can find key guidance and information on the relevant compliance intranet pages. In addition, we use various communication channels such as the intranet and e-mail to inform our workforce regularly about compliance topics and related new developments. In addition, we regularly exchange information with our local affiliates, on generally relevant updates, emerging questions, or best-practice approaches for example.

We anchor the compliance principles in our companies through these regular communication and training measures. As part of a worldwide Compliance Week, in 2021 Beiersdorf once again presented the various compliance programs clearly to all its employees and explained the content of the programs to our workforce.

**Detect**

The analysis of compliance risks forms the basis of our compliance management system and our compliance programs. To this end, we regularly identify existing and future compliance risk areas in our business models and our geographical presence as part of a holistic compliance risk assessment. In addition, both corporate compliance departments support their management in identifying risks that go beyond their own organizational responsibility.

In a second step, these are evaluated and prioritized. High-priority issues are analyzed for their specific risks in order to ensure that appropriate countermeasures exist or are taken. This is done both centrally and in the subsidiaries. The results are presented to the Executive Board and leveraged to continually adapt and improve our global and local compliance programs.

In order to work and live compliantly and sustainably, as well as to maintain and further promote an open and trusting culture of compliance and communication, the personal commitment of our individual employees is essential. For this reason, we have established and communicated various reporting systems to report possible compliance violations – anonymously if desired.

For example, the Beiersdorf Consumer Business Segment has implemented the whistleblowing platform “Speak up. We care.” that can be accessed worldwide around the clock. Additionally, both Business Segments have established external ombudspersons who are available to receive notifications of potential compliance violations in confidence. Both they and the whistleblower platform are available not only to the company’s own employees but also to the general public to allow it to report possible misconduct. Besides the above, we also provide internal options for reporting such as Corporate Compliance e-mail addresses.

We have established processes to investigate and clarify any information received and ensure that appropriate measures are taken, following careful consideration. Relevant specialist functions and the Corporate Auditing department are usually involved in the investigation.

Corporate Auditing is another independent monitoring function within Beiersdorf AG. The department conducts regular audits of both Business Segments, of which compliance-relevant topics form an integral part. In addition, each Corporate Compliance department regularly monitors compliance with centrally defined minimum standards, through on-site visits or queries about the implementation of measures, for instance.

**React and improve**

We closely monitor the effectiveness of our compliance management system by means of our regular Group-wide compliance reporting. The results are reported to the Executive Board and Supervisory Board. These reports record compliance incidents as well as the status of our compliance programs centrally and at affiliates worldwide. We derive further action based on this information and implement appropriate measures. The affiliates are naturally required to inform the Corporate Compliance department immediately about any material compliance incidents, also outside the regular reporting cycles, in order to be able to react immediately.

We view the continual and thorough development of our compliance management systems as an integral part of our activities. Through these we take internal adaptation requirements into account, as well as the dynamic changes in legal frameworks and economic conditions. In the reporting year we rolled out updated antitrust guidelines and the corresponding training concepts to all affiliates in the Consumer Business Segment, and also made the necessary adjustments to existing processes in accordance with the EU Whistleblowing Directive. At tesa, existing antitrust guidelines and processes were revised, and key additional compliance training material was created and rolled out to all affiliates for local use.

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1 The participation rate refers to the target and risk group that was defined in advance for the antitrust compliance field. This includes all employees and managers who may come into contact with antitrust issues and requirements. From 2022 onwards, we intend to report further key figures on training in other compliance fields as part of the Non-financial statement.
Further matters

Product Safety

Our highest priority is to provide safe products that are fully compatible with our consumers’ health and the environment. All our products therefore need to comply with numerous statutory requirements before they can receive official market approval. Both Business Segments apply high standards in this regard.

Consumer

In this respect, our understanding of quality goes beyond the evaluation and approval of our products. We understand quality as a dynamic process of continuous improvement and express this understanding in the Beiersdorf Quality Policy. It guides our Executive Board, our management, and all our employees in their daily actions. The Policy serves to maintain and expand our customer satisfaction as well as high levels of trust for the long term, thus ensuring our future competitiveness.

Safety evaluation of all raw materials and cosmetic product formulas

To make sure we meet our own strict requirements regarding the quality of our products, we employ a team of experienced, highly qualified safety assessors. Only when raw materials and formulas have passed the legally required assessment and approval by this team can they be used in our finished products.

The safety assessors work closely with related specialist functions such as Research & Development for formulas and packaging. Together they evaluate every raw material we use and every formula with regard to their safety and compatibility for consumers. This is done primarily in accordance with the internationally recognized rules laid down in EU Cosmetics Regulation 1223/2009 for safety assessment, as well as the requirements of the SCCS Notes of Guidance in the 11th revision from 2021. These European specifications for the safety assessment of raw materials and products are recognized internationally. They are therefore frequently adopted in other countries and regions of the world, where they serve as legal guidelines for marketing.

As well as experience and technical know-how, safety evaluations of cosmetic products rely strongly on scientific exchange about new findings regarding the compatibility and safety of raw materials, formulas, and packaging materials. Accordingly, our safety assessors attend international conferences, participate in working groups and expert teams, and also take part in specialist international training courses. The focus is always on professional exchange and ongoing training. This should help us continue to act appropriately and responsibly in the future.

It is also important to us that we hold our external service providers and suppliers, such as perfume and raw material manufacturers, accountable. We require them to certify their compliance with statutory requirements as well as those that go beyond the legally required scope.

Beiersdorf’s global mandatory safety requirements

We have established our detailed safety requirements in the Beiersdorf Product Safety Policy. This is a globally binding policy, as we do not differentiate between regions or sites in our safety evaluation of raw materials, formulas, and products, but apply the same uniform standards worldwide.

The requirements of the EU Cosmetics Regulation 1223/2009 are particularly important to us. On the one hand, the EU Cosmetics Regulation governs the qualification of safety assessors and 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.

Global statutory requirements on product safety change continually. To mitigate the risk of infringing current regulations, our central Regulatory Affairs team collaborates with an international network of local regulatory affairs officers. They follow all the regulatory requirements and the latest changes to them in the countries in which our products are sold. This way, we ensure our products meet all the currently applicable requirements for their respective markets as early as the product development stage.

Animal testing

At Beiersdorf, we are committed to making animal testing obsolete worldwide. We are convinced that animal testing is not necessary to prove the skin tolerability and effectiveness of our cosmetic products. This is why we do not conduct any animal testing for our cosmetic products and their ingredients, and do not have any animal testing done on our behalf.

In the EU, animal testing has been completely banned for cosmetic products since 2004, and for all the ingredients of these products since 2013. Beiersdorf complies with these legal requirements and, for a long time before they were developed, we actively avoided animal testing worldwide whenever legally possible. It is our stated goal to advance research to the point when animal testing can be completely abandoned worldwide.

Consumer safety is our top priority. As one of the leading research-based companies, we have been involved in the development and acceptance of alternative test methods for almost 40 years. We are significantly involved in the development and validation of key methods that are now internationally accepted by the OECD (Organisation for Economic Co-operation and Development) and are recognized by important regulatory authorities.

In collaboration with numerous partners and stakeholders to date, we are actively engaged in the development of innovative alternative methods and the international acceptance of existing ones. We are involved in various working groups in the European umbrella organization of the cosmetics industry (Cosmetics Europe), cooperate with the European Centre for the Validation of Alternative Methods (EURL ECVAM) and support the OECD by providing scientific findings. We are an active member of the European Society of Toxicology In Vitro (ESTIV) and since 2006 a founding member of the European Partnership for Alternative Approaches to Animal Testing (EPAA), a joint organization of the European Commission and seven industry sectors. In addition, Beiersdorf has established cooperations in the field of innovative cutting-edge research, for example in research into so-called organ chips, which simulate the interaction of several organs.
Given the ongoing dynamic development of the formulations contained within the EU Taxonomy Regulation, uncertainties persist regarding the interpretation of its wording and terms. There may therefore be adjustments in future to our Taxonomy Impact Analysis.

Even though great progress has already been made, at the present time, there are still not officially accepted and established alternative test methods for all safety issues. Therefore, we will also continue to advocate intensively for the development and successful use of alternatives to animal testing.

**tesa**

The quality and safety of our products are decisive for the satisfaction of our customers and thereby for our economic success. tesa wants to ensure this through consistent quality management. If products display safety defects, this can have a negative impact – both on us and the people who handle them. We aim to continually make products that satisfy the highest quality and safety requirements.

**A systematic approach to quality and safety**

tesa wants to design its products and processes to ensure that they fulfill the diverse expectations of our customers and stakeholders and that no one is harmed during their production or use. Our core goal for product safety is to keep the number of product liability cases to zero. All tesa production sites therefore apply certified management systems in accordance with globally recognized quality norms, standards, and regulations. The compliance of our products, systems, and processes is periodically checked and confirmed through both internal and external audits at the relevant locations.

We comply with applicable laws and guidelines. Our internal Product Safety Guidelines complements strict statutory provisions and describe mandatory measures that enable us to further increase the safety of our products. In addition, they specify the roles and responsibilities of the Product Safety & Conformity Representatives (PSCR). The tesa Product Safety Guidelines apply worldwide and our employees have access to the document via our intranet.

**Product safety officers**

Every plant worldwide has a local Product Safety & Conformity Representative (PSCR) who reports to the Corporate PSCR, the central product safety officer. All our PSCRs must complete an external training course that is recognized officially. They are usually also quality officers at the plants.

Product safety management at tesa is an essential component of quality management, for which the Executive Board holds co-responsibility. The Corporate Regulatory Affairs and Product Development departments are responsible for assessing materials and substances. For these assessments they rely on various chemicals databases, evaluate research findings, and consider information on safety-related substance properties as well as the safe handling of substances and mixtures. As a rule, a safety data sheet is available for every product that includes comprehensive safety information – for example, on materials and substances, proper storage and correct handling, as well as recommendations for disposal.

**Risk analyses ensure quality**

Avoiding product errors plays a key role for us, so the Product Development and Production departments conduct risk assessments or failure mode and effects analyses (FMEA) for every new project. This helps them to identify potential defects in design, production or even usage directions, such as inaccurate instruction manuals, during the development process. Once products are on the market, our business units continue to monitor them. If the units recognize that a renewed risk analysis and evaluation as well as further or new measures are required, they initiate the necessary steps to ensure the health and safety of our customers and employees.

**Internal audits and training courses**

Safe product solutions are due not only to the strict quality requirements of tesa but also to the consistent development of expertise within the company. In the reporting year, selected PSCRs received training on how to carry out line checks during production, in accordance with product integrity requirements. This allowed the required specialist knowledge to be expanded further.

The Quality Management department and PSCRs are responsible for our internal audits. Both event-driven and annual audits are carried out on Research and Development and Production as well as other divisions as required, for example Marketing. In the reporting year, the tesa Group’s production sites again passed an audit in accordance with globally recognized quality norms and standards such as ISO 9001 or IATF 16949. IATF certification in particular places special emphasis on the conformity of all products, processes, parts, and services, as well as product safety.

**EU Taxonomy Reporting**

With the entering into force of the EU Taxonomy Regulation, Beiersdorf is obliged to disclose information on turnover, capital expenditures (CapEx) and operating expenses (OpEx) that are associated with environmentally sustainable economic activities. The EU Taxonomy Regulation sets out criteria for determining whether an economic activity is eligible for classification as sustainable with regard to various environmental objectives. The overall objective is to create a more sustainable financial system, to channel direct investments to green and sustainable projects, and thus to contribute to the European Green Deal.

The Regulation came into effect for the financial year 2021 with simplifications for reporting, which is why the following information refers only to the taxonomy eligibility of economic activities and not to their taxonomy alignment. In addition, the information available concerns only the environmental objectives “Climate change mitigation” and “Climate change adaptation”.

**Taxonomy Impact Analysis Procedure**

To determine its overall taxonomy capability, Beiersdorf assembled a cross-functional team in spring 2021 with representatives from the tesa and Consumer Sustainability Departments, Group Accounting and Consolidation (Consumer), and Corporate Controlling (tesa) at its core. In addition, further departments including IT Controlling, Manufacturing Controlling, and Facility Management were involved in order to integrate expertise on individual business activities.
In a first step, the team identified the taxonomy-eligible activities at Beiersdorf, with reference to the definitions of the NACE codes referenced in Annex 1 of the Sustainable Finance Taxonomy Regulation (EU) 2020/852 and the activity descriptions. The Taxonomy Compass provided by the EU Commission was also applied.

In parallel, the definitions of the key OpEx, CapEx and turnover figures as defined in Annex 1 of Regulation (EU) 2020/852 were analyzed, and the data for the respective reference values (key figure denominators) were collected, based on the data in our Financial Controlling systems. The relevant cost types were identified here, particularly in the area of OpEx. For the activities identified as taxonomy-eligible, approaches were then defined for estimating and gathering data on the corresponding OpEx, CapEx and turnover.

**Taxonomy-eligible Economic Activities Identified**

The following economic activities have been identified as taxonomy-eligible:

- **Information and Communication**
  - Since the Consumer Business Segment operates a Data Center and provides these services to tesa, Activity 8.1 “Data processing, hosting and related activities” was identified as relevant. Also relevant is Activity 8.2 “Data-driven solutions for GHG emissions reductions”, as we use GaBi and SoFi emissions management software as well as energy management systems.

- **Construction and Real Estate**
  - Activity 7.4 “Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)” was identified as relevant, as we have vehicle-charging stations on our premises that are operated by a third party.
  - Activities 7.3 “Installation, maintenance and repair of energy efficiency equipment”; 7.5 “Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings” and 7.6 “Installation, maintenance and repair of renewable energy technologies” are part of our building management; they also include the installation, maintenance and repair of photovoltaic systems as well as measuring systems and energy-efficiency control units. We have classified the activities under 7.1 “Construction of new buildings” as not applicable to Beiersdorf. The construction of the factory and office buildings commissioned by us do not represent new buildings for the purpose of resale but serve our ongoing business operations.

- **Energy**
  - In this area, Activity 4.25 “Production of heat/cool using waste heat” was identified as taxonomy-eligible, as we use waste heat for internal heating processes. Other activities in this area, e.g. regarding the generation of renewable energies, were recorded in accordance with the EU Taxonomy Regulation under the economic activity “Construction and real estate”.

- **Transport**
  - All our transport activities are outsourced to service providers, so that there is no taxonomy-eligible activity here either. Only our own fleet of company cars falls under Definition 6.5 “Transport by motorbikes, passenger cars and light commercial vehicles”.

- **Manufacturing Industry / Goods Manufacturing**
  - The manufacture and sale of products from the Consumer business segment do not fall within the scope of taxonomy eligibility.
  - Tesa does not produce plastics in primary form but obtains them from suppliers. Therefore, only revenues from the production of subcomponents for batteries are taxonomy-eligible (Activity 3.4 “Manufacture of batteries”).

**Analysis and calculation to turnover**

In our analysis, we concluded that in the category of turnover, only the economic activity 3.4 “Manufacture of batteries” at tesa falls within the taxonomy-eligible business activities. However, we have classified it as not applicable to Beiersdorf, as these sales represent less than 1% of tesa’s turnover and thus significantly less than half a percent of the Group’s turnover of €7,627 million (see Consolidated Financial Statements, Income Statement).

**Analysis and OpEx Calculation**

As a basis for the calculation of the OpEx (denominator) reference value, the key financial figures for the full financial year 2021 were drawn from Beiersdorf’s Financial Controlling systems. At the same time, detailed queries were carried put to the respective Controlling Functions to ensure data quality.

Included in the reference value were:

- All Research and Development operational costs
- All short-term leases
- Maintenance and repair costs of our company car fleet
- Maintenance and repair costs of our buildings as well as building and office technology systems
- Our IT infrastructure costs.

To calculate the percentage shares of taxonomy-eligible positions in the total reference value (numerator), data was gathered directly from our financial systems as far as possible. In cases where direct allocation was not possible, percentage shares were broken down and allocated via suitable keys (e.g. personnel keys) where necessary.

Around 3% of this reference value (€408 million) relates to the activities described above as taxonomy-eligible. This value is not considered material and therefore no reporting on OpEx is provided.

**CapEx Calculation**

For CapEx we identified the investments and long-term leases associated with the activities classified as taxonomy-eligible; these are reported for both Business Segments. In addition to the investments in intangible assets (€11 million) and property, plant and equipment (€402 million; see Notes

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1 Given the ongoing dynamic development of the formulations contained within the EU Taxonomy Regulation, uncertainties persist regarding the interpretation of its wording and terms. There may therefore be adjustments in future to our Taxonomy Impact Analysis.
to the consolidated financial statements) reported in the annual report, the reference figure of € 502 million for CapEx also includes property, plant and equipment with long-term rights of use in the amount of € 89 million. As the investments of € 13 million identified as tax-deductible amount to less than 3% of the reference figure, a detailed breakdown by individual economic activity is not provided.

### RELEVANT KEY FIGURES FOR THE NON-FINANCIAL STATEMENT OF THE BEIERSDORF GROUP

#### Consumer Business Segment

<table>
<thead>
<tr>
<th>Environment</th>
<th>Unit</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>GHG emissions (Scope 1 and Scope 2)</td>
<td>t CO₂e</td>
<td>40,157</td>
<td>43,654</td>
</tr>
<tr>
<td>GHG emissions (Scope 3)</td>
<td>t CO₂e</td>
<td>1,047,841</td>
<td>1,041,703</td>
</tr>
<tr>
<td>Absolute reduction GHG emissions (Scope 1 and Scope 2) vs. 2018</td>
<td>%</td>
<td>32</td>
<td>26</td>
</tr>
<tr>
<td>Absolute reduction of GHG emissions (Scope 3) vs. 2018</td>
<td>%</td>
<td>11.5</td>
<td>12.0</td>
</tr>
<tr>
<td>Reduction of fossil-based virgin plastic vs. 2019¹</td>
<td>%</td>
<td>6</td>
<td>9</td>
</tr>
<tr>
<td>Recycled material in plastic packaging¹</td>
<td>%</td>
<td>1</td>
<td>7</td>
</tr>
<tr>
<td>Reduction of nonbiodegradable polymers in European product formulas (based on raw material volume) vs. 2016¹</td>
<td>%</td>
<td>7</td>
<td>52</td>
</tr>
<tr>
<td>Reduction of microplastic in NIVEA products (based on raw material volume) vs. 2016</td>
<td>%</td>
<td>67</td>
<td>100</td>
</tr>
<tr>
<td>Reduction of microplastic in EUCERIN products (based on raw material volume) vs. 2016</td>
<td>%</td>
<td>25</td>
<td>45</td>
</tr>
<tr>
<td>Share of mass balance palm (kernel) oil and derivates¹</td>
<td>%</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>FSC-certified paper in folding boxes¹</td>
<td>%</td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>

#### Employees

| | % | 2020 | 2021 |
| Share of women management group 1 - 3 | | 33 | 34 |
| Share of internal recruitments management group 1 | | 60 | 100 |
| Share of internal recruitments management group 2 | | 79 | 88 |
| Accident frequency rate (AFR) | Accidents per 1 million working hours | 1.6 | 1.0 |

#### Human Rights

| | % | 2020 | 2021 |
| Coverage supplier risk screening | | 100 | 100 |
| Coverage code of conduct | | 90¹ | 92 |

#### Compliance

| | % | 2020 | 2021 |
| Participation rate competition compliance training | | 96 | 95 |

#### tesa Business Segment

<table>
<thead>
<tr>
<th>Environment</th>
<th>Einheit</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>GHG emissions (Scope 1 and Scope 2)</td>
<td>t CO₂e</td>
<td>54,140</td>
<td>58,373</td>
</tr>
<tr>
<td>Specific GHG emissions per metric ton of end product</td>
<td>t CO₂e</td>
<td>0.82</td>
<td>0.80</td>
</tr>
<tr>
<td>Electricity from renewable energy sources</td>
<td>%</td>
<td>50</td>
<td>52</td>
</tr>
</tbody>
</table>

#### Employees

| | % | 2020 | 2021 |
| Accident frequency rate (AFR) | Accidents per 1 million working hours | 3.5 | 4.1 |

#### Compliance

| | % | 2020 | 2021 |
| Participation rate competition compliance training | | 98 | 98 |

#### Human rights

| | % | 2020 | 2021 |
| Coverage direct spend from suppliers assessed by EcoVadis | | 31 | 43 |

#### Product safety

| | % | 2020 | 2021 |
| tesa plants with quality management certificates | | 100 | 100 |

¹ not including COPPERTONE
² According to definition of United Nations Environment Program
³ Retrospective change in the 2020 coverage rate due to improved data quality.
## RELEVANT KEY FIGURES FOR THE NON-FINANCIAL STATEMENT OF THE BEIERSDORF AG

<table>
<thead>
<tr>
<th>Environment</th>
<th>Einheit</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>GHG emissions (Scope 1 and Scope 2)</td>
<td>t CO₂e</td>
<td>5,878</td>
<td>6,267</td>
</tr>
<tr>
<td>Absolute reduction GHG-emissions (Scope 1 and Scope 2) vs. 2018</td>
<td>%</td>
<td>11.4</td>
<td>5.21</td>
</tr>
<tr>
<td>Employees</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Share of women in first management level</td>
<td>%</td>
<td>30</td>
<td>31</td>
</tr>
<tr>
<td>Share of women in second management level</td>
<td>%</td>
<td>47</td>
<td>52</td>
</tr>
<tr>
<td>Share of internal recruitments management group 1</td>
<td>%</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>Share of internal recruitments management group 2</td>
<td>%</td>
<td>75</td>
<td>86</td>
</tr>
<tr>
<td>Accident frequency rate (AFR)</td>
<td>Accidents per 1 million working hours</td>
<td>2.1</td>
<td>2.2</td>
</tr>
<tr>
<td>Compliance</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Participation rate competition compliance training</td>
<td>%</td>
<td>92</td>
<td>99</td>
</tr>
</tbody>
</table>