Sustainability Highlight Report

CARE BEYOND SKIN

2021

Beiersdorf
CARE BEYOND SKIN

SUSTAINABILITY HIGHLIGHT REPORT

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Dear Readers,

At Beiersdorf, we recognize our role in rising to one of the greatest challenges of our time: tackling climate change. In 2021, we successfully reduced our carbon footprint – in absolute terms – for the third year in a row, while continuing our business growth. By the end of 2021, as our consumer business returned to pre-COVID-19 levels, we have reduced our carbon emissions by 12.7% (vs. 2018).

We are proud of this result, because it proves business growth and decarbonization can go hand in hand.

Decoupling human economic activity from natural resource consumption is perhaps the most challenging and ultimate goal of the global sustainability movement. It has inspired Beiersdorf’s ambitious Sustainability Agenda, with its clear focus on investment and innovation-led reduction of our overall environmental footprint.

Transforming our products, including their packaging and formulations, is one of the biggest levers to reduce CO2 emissions. It is something that we’ve committed extra investment and brainpower in recent years. In 2021, we pushed ourselves further, despite continuous economic headwinds caused by the pandemic. Thanks to the ingenuity of our experts and partners, we were able to demonstrate that superior skin care can be achieved in more sustainable ways. Our consumers across the world appreciate that: our new biodegradable shower formulations or mineral oil-free lip care products are just two examples that have been enjoying high popularity with global consumers.

We are encouraged by the positive sentiment, we launched our “climate care” – bringing climate care to skin care – mission last year. We are anchoring climate protection at the center of our product transformation towards sustainability. You can read more about this and our “climate-neutralized” products in this report.

Innovating sustainably means exploring new materials and technologies, working in partnership with others alongside new, agile processes. Each reformulation or change to packaging material is preceded by intensive cross-functional collaboration. In the day-to-day setting, sustainability requirements and business KPIs are often not a perfect match. At Beiersdorf,
we have chosen to address such tensions directly. An open attitude and the drive to innovate has helped our teams to find solutions. Where reconciliation was not easily possible, we did not shy away from making tough decisions to ensure our ambitious targets were being met. For example, manufacturing products with recycled plastics is more costly and technologically more demanding. But this hasn’t prevented us from increasing the share of recycled plastics in our packing from 1% to 7% with-in a year. Our goal for 2022 is going to be 15%. Achieving our 2015 commitment to make all NIVEA products 100% free of microplastics by the end of 2021 is another excellent example of long-term fruitful collaboration.

However, today’s sustainability journey continues to set complex new tasks in front of us. Ensuring skin care performance during the reformulation process or mitigating the color impact of recycled materials are some of the latest challenges our industry faces. Securing the supply of new packaging and raw materials needed for sustainability in times of increasing disruptions in the global supply chain comes on top of an already long list.

Beiersdorf’s sustainability community stepped up to these difficulties always in the same fashion: with even more agility, even closer collaboration, and even stronger personal engagement. We thank all of them sincerely for their hard work and dedication to push our sustainability journey forward.

**We are proud of this result, because we know the standards we apply in setting and measuring our targets are amongst the highest.**

Our climate target is in line with the latest climate science and is recognized by the “Science-based Target initiative”. By reducing our emissions by 30% in absolute terms by 2025 (vs. 2018), we are among the leading international companies in the fight against climate change.

We calculate greenhouse gas emissions according to the strict requirements set by the GHG Protocol and we disclose our performance publicly. Our key performance indicators are subject to external verification by renowned, independent partners. In our desire to continuously learn and improve, we regularly invite external experts to critically examine our strategy as well as action plans.

A good example for this is our engagement in afforestation projects. Growing the world’s natural capacity to absorb carbon is essential and we are convinced we have a role to play in filling the gap between what is technologically possible in terms of own emission reduction and what the entire world immediately needs. Without financial support from the private sector, many climate projects in the developing world would not have a chance to be implemented.

At the same time, we are aware of the controversy surrounding some of the “climate neutral” claims across different industries. We understand and support some of these key critical voices and our stance as Beiersdorf is clear: we prioritize our own ambitious reduction strategy, while at the same time we actively invest in climate projects that remove carbon from the atmosphere. We therefore select projects developed by partners with deep expertise and high international reputation. All our projects are certified according to the highest quality standards. In addition we always seek to support those projects that provide additional benefits to communities and bolster biodiversity.

We have also been stepping up internal quality standards on sustainability management. Often neglected, this is something that requires significant investment. At Beiersdorf, we have been treating the continued professionalization and automation of our sustainability management as a high priority throughout 2021. We have been treating the continued professionalization and automation of our sustainability management as a high priority throughout 2021.

**Our Sustainability Agenda is holistic, including continuous initiatives to serve people and society.**

In 2021, we expanded our partnership with the Ashoka Social Entrepreneur network into Europe. Together with Ashoka, we are committed to supporting five female social innovators who are leading projects that will positively impact the future of girls and women.

With our partners CARE and Plan International we initiated ‘Empowering Girls’ mission and advanced well with our projects in Africa and Latin America. This important work addresses COVID-19 related challenges, which disproportionately affect girls and young women.

**Enjoy the report!**

We hope you enjoy reading about our 2021 highlights. We thank everyone for their commitment to, and passion for, our sustainability journey.

As always, we welcome your feedback and comments.

Kind regards

Vincent Warnery
Zhengrong Liu
WE CARE BEYOND SKIN FOR OUR CONSUMERS

We put our consumers first.
We act sustainably.
We live our values.
Every person is different and has their own needs. This naturally applies to skin care, too. Through our products, we respond to our consumers’ individual expectations and wishes, while keeping global trends and regional characteristics firmly in view. This high proximity to people and markets helps us regularly set new milestones in the sector through our innovations, and continually expand our brand portfolio.

We want to remain internationally successful in the future and do so in a sustainable way. Our corporate strategy C.A.R.E., which defines sustainability as one of our priorities, guides us in this endeavor, and our core values Care, Simplicity, Courage and Trust provide the compass for our actions. This shared understanding of values gives us the basis for implementing our strategy successfully over the long term.

Care is especially important to us here. We apply this value far beyond our core business: Care comprises our responsibility toward people and the environment. This is why “Care Beyond Skin” is our Corporate Purpose and at the same time the name of our Sustainability Agenda CARE BEYOND SKIN.

**Our Values, our Brands, our Strategy**

Since 1882 Beiersdorf has stood for innovative skin care. Our unique brands and high-quality skin and body care products set us apart, convincing millions of consumers worldwide – day after day.

**Overview of 2021:**

- **15,740** employees contributed daily to our success
- **€6.1bn** in sales revenues were generated in 2021
Our Sustainability Agenda
CARE BEYOND SKIN

Sustainability plays a central role in our business strategy C.A.R.E.+, which we have pursued since 2019. In view of this, since 2020 we have consistently implemented our Sustainability Agenda CARE BEYOND SKIN. The Agenda comprises a total of seven focus fields that reflect the impact of our activities along the entire value chain. CARE BEYOND SKIN also means that we take action – to care for people and the environment. We see this as our responsibility and want to make a contribution – not only to the consumers around the world who trust our brands and products but also to society and the environment.

To achieve significant progress in the overall topic area of sustainability, all our employees, all corporate functions as well as the regional and country organizations pull together. Our joint ambitious sustainability goals, which we plan to achieve by 2025 and 2030 respectively, help us in this undertaking.

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For Consumer Health and Wellbeing
• Trust and Transparency
• Product Safety
• Skin Health

For Employees along our entire Value Chain
• Health and Safety
• Diversity
• Human Rights

For an Inclusive Society
• Human Touch Projects
• Fighting the Stigma of Skin Ailments
• Girls’ Empowerment

For a Climate Positive Future
• Reduction of GHG Emissions
• Renewable Energy
• Use of Renewable Raw Materials

For Fully Circular Resources
• Renewable and Biodegradable Ingredients
• Refillable, Reusable or Recyclable Packaging
• Recycled Content in Packaging
• Zero Waste to Landfill
• Waste Reduction

For Sustainable Land Use
• Responsible Sourcing
• Sustainable Landscape and Smallholder Support

For Regenerative Water Environments
• Water Use in Production and Products
• Water Use in Product Consumption
• Clean Water Provision
• Protected Marine Environments
As a global company we do not act alone. Especially with regard to current challenges such as climate protection and upholding human rights, it is vital to look beyond the boundaries of our own company. Comprehensive collaboration and cooperation are therefore becoming increasingly important. From the sustainable procurement of raw materials through to improving working and living conditions, we want to make a difference, trigger change processes and play an active role in the overall transformation. For this reason, we actively engage in associations and sustainability initiatives, also across industry boundaries and national borders, and seek to enter strong and lasting partnerships.
Our Promise toward Consumers

Together with our consumers, we choose to take the path toward a more sustainable future. This makes the CONSUMER Business Segment a vital cornerstone of our Sustainability Agenda.

How we fulfill rising expectations

It is our top priority to provide our consumers with outstanding skin care products that fully satisfy their very diverse expectations. Our product portfolio therefore promises quality, safety and sustainability. In this we will not only be measured by our words but by our specific actions. Our new packaging and product innovations are an excellent example of how we are meeting the increasing expectations of our consumers regarding sustainability aspects.

Committed to 100% transparency

Our consumers are increasingly interested in the sustainability and environmental compatibility of product formulas and packaging. In view of this, transparent communication is a key concern for us: It includes regular, candid communication about our sustainability activities and our product ranges. Among other initiatives, we have implemented the motto “100% transparency” in the presentation of the exact recycling proportions in our packaging, for example in the NIVEA Natural Balance series.

Beiersdorf also joined the Eco-Beauty Score Consortium in 2021 in response to the need for greater transparency regarding the environmental impact of cosmetic products. The aim of this industry initiative is to develop an evaluation framework that reveals the environmental impact of a cosmetic product for consumers regarding its formula, packaging and application.

We guarantee the highest quality and product safety

With 140 years of skin care expertise, it is a matter of course for us to develop skin care products that meet the highest quality standards and are absolutely safe to use. Our consumers expect this from us, and we do everything we can to meet their demands. We use scientific methods of the highest standards to extensively research our products and active ingredients to better understand their effect on skin and hair and to ensure the excellent quality and safety of our products.

Find more information on the Consumer Business Segment here
WE CARE BEYOND SKIN FOR OUR ENVIRONMENT

We drive climate protection forward.
We support the circular economy.
We care for our planet.

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Our Targets

Protecting nature and the environment is the focus of our Sustainability Agenda CARE BEYOND SKIN. In the ENVIRONMENT area, we have defined four focus fields in which we can and want to achieve a great deal. We have set ourselves ambitious targets to minimize our environmental footprint progressively in all areas.

**For a Climate Positive Future**
- **TARGET 1**
  - 30% absolute reduction in Scope 1, 2 and 3 greenhouse gas emissions by 2025 (vs. 2018 base year)
  - **PROGRESS** Project ongoing

**For Fully Circular Resources**
- **TARGET 2**
  - Climate-neutral production sites by 2030
  - **PROGRESS** Project ongoing

- **TARGET 3**
  - 30% recyclate in our plastic packaging by 2025 (vs. 2019 base year)
  - **PROGRESS** Project ongoing

- **TARGET 4**
  - 100% of our packaging refillable, reusable or recyclable by 2025
  - **PROGRESS** Project ongoing

**For Sustainable Land Use**
- **TARGET 5**
  - 100% of our main renewable raw materials to come from sustainable sources by 2025
  - **PROGRESS** Project ongoing

- **TARGET 6**
  - Deforestation-free procurement of our main raw materials (incl. palm oil, soy, paper) by 2025
  - **PROGRESS** Project ongoing

**For Regenerative Water Environments**
- **TARGET 7**
  - 25% reduction in our water consumption per manufactured product by 2025 (vs. 2018 base year)
  - **PROGRESS** Project started

- **TARGET 8**
  - NIVEA products 100% free of microplastics by the end of 2021
  - **PROGRESS** Target achieved

- **TARGET 9**
  - Eucerin products 100% free of microplastics by the end of 2023
  - **PROGRESS** Target achieved

- **TARGET 10**
  - Exclusive use of biodegradable polymers in our European product formulations by the end of 2025
  - **PROGRESS** Project ongoing

1 Only primary packaging
Climate Care: Our Holistic Approach to Climate Protection

The fight against climate change is at the heart of our Sustainability Agenda and is the compass for our decisions. Under the umbrella of our “climate care” mission we pursue a holistic approach to drive climate protection forward at all levels.

A large share of our emissions is attributable to raw material extraction and procurement, and to packaging. Our goal here is to leverage the full emissions reduction potential, progressively make our product formulas climate-friendlier, and at the same time maintain the high quality of our products. For us this is not a contradiction, but an incentive.

Our Climate Roadmap

In 2021, a team of experts evaluated our raw materials portfolio to identify those with the greatest impact on total emissions. The result is our internal Climate Roadmap for reducing CO2 emissions from product ingredients. It will help reduce our overall emissions by 30% by 2025.

We are relying on the following measures, among others:

- Switchover to plant-based raw materials with a lower CO2 footprint
- Increasing our use of ingredients from non-fossil sources
- Increasing our use of upcycled ingredients
- Procuring our main renewable raw materials from certified sustainable cultivation
- Close cooperation with our suppliers to initiate the switchover to renewable energy sources at their production sites

All these already delivered results in 2021 that we are very proud of. On the following pages, we offer you specific examples of our emissions-reduction measures: These demonstrate there is no conflict between sustainable and high-quality product development processes. On the contrary, the vision of climate-friendlier products is a major boost to our innovative drive.
Our Approach to Climate Neutralization

In addition to our ambitious CO2-reduction targets, we are committed to take further steps. Under the umbrella of our “climate care” mission, we have started investing in projects that store carbon from the atmosphere to balance remaining product-based emissions. An example of these projects includes afforestation efforts that help mitigate climate change. Trees absorb CO2 from the atmosphere through photosynthesis, and the carbon is stored in their biomass, e.g., tree trunks, roots and leaves. We only select climate projects that are certified according to external international standards, such as the Verified Carbon Standard (VCS) or the Gold Standard. This ensures that our climate impact is real, measurable, permanent and third-party-verified. Moreover, we focus on projects that provide additional benefits for biodiversity or local communities.

The result is a balance between CO2 emissions and CO2 absorbed by nature. Whenever we follow this approach, we talk about “climate-neutralized” instead of “climate-neutral” because we want to underline that our products are not completely climate-neutral once they leave our production sites. Instead, climate neutralization is a result of a subsequent action contributing to the fight against climate change.

In 2021, our global skin care brand NIVEA launched its first climate-neutralized products. They have a significantly reduced CO2 footprint and remaining emissions are balanced through certified climate projects. For example, the NIVEA shower gel range in Germany with round about 30 different products is available in stores as climate-neutralized since June 2021. In the coming years, we will launch additional climate-neutralized products, thereby making it easier for our consumers to make sustainable choices.
People and Nature in Balance – Innovative NIVEA Products

NIVEA is leading by example on our journey toward greater sustainability. Innovative product formulas and modern packaging make the NIVEA product portfolio a pioneer in the transformation of our overall company.

Over the past year, NIVEA repeatedly set standards and launched several new products that deliver on our sustainability promise to our consumers.
Innovative spray deodorant technology

With NIVEA ECODEO, we market-launched an innovative spray deodorant in 2021 that is climate-friendlier compared to our standard deodorants and also introduced the industry’s first 100% recycled aluminum cans. Our ECODEO is based on the innovative Eco-Valve technology, in which nitrogen extracted from the air is the propellant: This saves emissions and also enables us to increase the active ingredient content in the spray cans. The result is that NIVEA ECODEO lasts twice as long as comparable products and thus contributes to lowering packaging waste.

The key to success was our intensive cooperation with suppliers and partners. NIVEA worked together with Salford Valve Company Ltd. and Nussbaum Matzingen AG to develop this innovative, more sustainable solution.

Certified, recycled and recyclable

Our new solid facial cleanser NIVEA MagicBAR is vegan and free of microplastics, which makes it possible for consumers to do without plastic packaging for the product. The ingredients are 99% of natural origin. The packaging philosophy of this cleansing range is based on sustainably sourced FSC-certified paper and recycled materials. All the packaging is also fully recyclable. We are proud to present NIVEA MagicBAR, our first natural cosmetics range bearing the Eco-cert® Cosmos Natural seal.

Refilling instead of throwing away

NIVEA is currently testing a new product format in the UK: NIVEA EcoRefill is the first refillable hand soap in the form of tabs, combining a sustainable product formula and a sustainable packaging design. The tab is dissolved in a refillable bottle by the consumer at home in tap water and then turns into liquid soap. The formula is 99% biodegradable and contains 97% naturally derived ingredients. The reusable packaging is made of 100% recycled material and the repurchasable tabs can be dissolved in it again and again, delivering significant savings in packaging material.

Fewer emissions by using renewable plastics

In 2021, we launched our first climate-neutral products with the NIVEA Naturally Good face care range in about 30 countries. Both the jar and the lid of the face creams are made of certified renewable plastic, which enables a significant cut in emissions. The formulas in the range are also particularly sustainable: They are made from 99% natural and vegan ingredients and are free from microplastic.¹

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1 According to UNEP definition. The United Nations Environment Programme (UNEP) describes microplastic particles as solid plastic particles less than 5 mm in diameter that are not biodegradable as well as not soluble in water.

2 Ingredients from nature that retain more than 50% of the molecular structure (natural state) after processing, including water.

3 Compared to our standard 150 ml deodorants that use conventional hydrocarbon propellants.
Eucerin: Dermocosmetics Meets Sustainability

Eucerin pursues Beiersdorf’s ambitious environmental sustainability goals and works continually to ensure the highest product quality, while reducing the negative impact of the products on the ecological balance.

We continuously examine our products for their potential to save raw materials, or switch to more sustainable alternatives. Last year, we were able to implement numerous sustainability initiatives in the Eucerin product portfolio.

**Rethinking packaging – less plastic, more recycling**

Supporting the circular economy conserves natural resources. This is why we increasingly rely on reusable and recycled materials. Through these and further measures, we promote the use of sustainable raw materials without compromising on the effectiveness of our products. This also holds true for the switchover of our packaging, e.g., for our DermatoCLEAN and DERMOPURE facial cleansing products: Since 2021, these have consisted of 97% recycled PET (rPET). However, that was just the beginning: In the years to come, we will consistently convert further product ranges to rPET packaging.

Where possible, we also reduce the use of plastic in our packaging. In 2021, for example, Eucerin switched its Hyaluron-Filler Concentrate over to cardboard packaging, thereby saving 80% plastic compared with the previous version.

**Goodbye to outer packaging and package inserts**

Above and beyond, this we have set ourselves the overarching goal of reducing our paper consumption.

On the one hand, we are achieving this by doing away with outer packaging. In 2021, for example, we removed the outer packaging of our shampoos and the Atopi Control Lotion (400ml) and thus achieved an annual saving of 44 tonnes of paper. Further products will follow year after year for which outer packaging is not absolutely necessary.

A further step is that we have progressively eliminated our package inserts. Since mid-2021, all our cosmetic products have been produced very largely without package inserts; as a result, we have eliminated 20 million package inserts worldwide every year – the equivalent of 47 tonnes of paper.

Further measures will follow over the coming years, such as switching to a lighter paper for products that still require outer packaging.

Overall we will save more than 200 tonnes of paper annually by 2025 compared with the 2019 base year, meaning a significant saving in our consumption of natural resources and ultimately in our CO2 emissions as well.
La Prairie Combines Sustainability and Luxury

Our luxury brand La Prairie represents the epitome of exclusivity and excellence. At the same time, it is shaped by its vision of creating a world of timeless beauty - now and in the future. With the Pure Gold Collection, La Prairie heralds a new era that blends timelessness, sustainability and luxury.

The Pure Gold Collection - a timeless approach to beauty

The products in the Pure Gold Collection reflect the close connection between La Prairie’s vision of timelessness and the brand’s responsibility toward the environment. Since 2021, the products in this facial care collection have retailed in refillable brushed metal jars, which can be reused indefinitely. Only the glass flasks contained within are replaced when the formula has been exhausted - and these are fully recyclable. With this innovation, La Prairie paves the way for a more sustainable product portfolio, aligned with Beiersdorf’s CARE BEYOND SKIN Sustainability Agenda.

Engagement in research - preserving the beauty of glaciers

La Prairie’s engagement for the protection of nature goes beyond the sustainability of its products. Since 2019, the brand has cooperated with the Institute of Glaciology at the Swiss Federal Institute of Technology, Zurich (ETH Zurich). Both partners are united through their strong bond with their Swiss homeland, and their commitment to exploring and preserving timeless beauty. As a patron, La Prairie supports the university in two research projects investigating the effects of climate change on glaciers in the Swiss Alps.
Climate-neutral Production in Leipzig and Berlin

For us, one thing is certain: Climate change is the greatest challenge of our age. We are tackling this with conviction and determination. To do this, we are taking measures along our entire value chain – not only in developing our products but also in designing our production facilities sustainably.

Our production sites are an essential lever in lowering our energy-related emissions. We are pursuing the goal of **climate-neutral operations at all our plants by 2030**.

**Laying the cornerstone in Leipzig**

A milestone on this journey was the laying of the foundation stone for the new Beiersdorf plant in Leipzig in September 2021. At our new cosmetics production center in the east of Germany, we are focusing on innovation and sustainability.

Our new Leipzig plant meets high environmental standards and contributes through numerous aspects to the CARE BEYOND SKIN Sustainability Agenda: The plant is to be operated completely CO2-neutrally thanks to the use of renewable energies. It is equipped with a photovoltaic system and charging stations for electric vehicles. Heat, wastewater and ethanol (used for the production of aerosols) can be recovered and reprocessed onsite in a specialized facility. In line with our own standards, we are striving for LEED Gold certification for this new building.

Production at the new plant in Leipzig is scheduled to launch as early as 2022.

**State-of-the-art logistics hub**

In the immediate vicinity of the new Leipzig plant, Beiersdorf is planning a state-of-the-art logistics hub. We are explicitly aiming for CO2-neutral operations and sustainability certification here, too. By greening its façades and roofs, and installing photovoltaic modules on the buildings themselves, we are setting a further example with this new logistics hub.

Our existing plants are also becoming more sustainable. In Berlin, where we produce a variety of skin cleansing products such as shower gels and shampoos, production will be climate-neutral from 2022 onwards. Our “capital plant” will switch over fully to biomethane and green electricity at the beginning of 2022 and will thus **reduce its CO2 footprint by a total of 99%** compared with the 2018 base year.
WE CARE BEYOND SKIN FOR OUR SOCIETY

We empower people.
We encourage social cohesion.
We think on a global and local community scale.

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CARE BEYOND SKIN

Our Targets

For us, CARE BEYOND SKIN also means working for a fairer, more inclusive society and strengthening social cohesion. This is why we are engaged in specific fields of action in the area of SOCIETY and have defined corresponding goals - for our employees, everyone within our value chain and society as a whole.

Global Beiersdorf Diversity Targets by 2022
- 10% women in Executive Board
- 35% women in Management Level 1-3

**PROGRESS**

Project ongoing

Beiersdorf Diversity Targets for Germany by 2022:
- 35% women in Management Level 1
- 50% women in Management Level 2

**PROGRESS**

Project ongoing

Over 90% of suppliers are to accept Code of Conduct for business partners

**PROGRESS**

Target achieved

By 2023, reach more than 300,000 people directly through our Girls’ Empowerment projects in Africa and Latin America

**PROGRESS**

Project ongoing

By 2023, Eucerin will implement local social projects promoting the quality of life of people affected by skin diseases in at least 15 countries

**PROGRESS**

Project ongoing

By 2025, NIVEA’s skin-touch projects will have a positive impact on the individual health and wellbeing of more than 150,000 people, supported by a financial commitment of €20 million

**PROGRESS**

Target achieved

100% transparency toward our consumers

**PROGRESS**

Project ongoing
Our Engagement for Sustainable Palm Oil Cultivation in Indonesia

Together with the WWF, we work to improve the living conditions of smallholder farmers in palm oil cultivation areas. Palm (kernel) oil-based raw materials are an indispensable ingredient in our high-quality cosmetic and personal care products. However, the conventional cultivation of oil palms endangers species-rich landscapes and ecosystems such as the rainforest. Our involvement in projects in Indonesia and Malaysia demonstrates our commitment to a sustainable palm oil cultivation and the local communities.
The green heart of Borneo

The island of Borneo harbors our planet’s second-largest rainforest. But here, not only large industries but also smallholder farmers are hacking down the virgin jungle for new oil palm plantations. For the WWF, this region is therefore an important area for nature conservation. As part of our Palm Sustainability Roadmap, together with WWF, we launched our smallholder farmer project in West Kalimantan, Indonesia, in 2018. The first project phase is expected to be completed in March 2022.

Through our engagement we want to help ensure that the green heart of the island of Borneo will continue to beat in the future. We have already achieved a lot within the project period, from promoting sustainable palm oil cultivation to improving the living standards of around 4,500 people in three project villages, including 240 smallholder farmers and their families.

Long-term holistic measures

With the aim of promoting the sustainable cultivation of oil palms, the local people are trained to manage their plantations accordingly. Further training will be carried out to support the development of smallholder farmer associations. In addition, these farmers are able to purchase high-quality oil palm seedlings and are supported in establishing contacts with local palm oil mills in order to gain better market access.

The WWF and Beiersdorf see it as vital to strengthen these local communities holistically. For example, this includes the development of alternative sources of income that do not depend on the rainforest. We promote female craftsmen through specific training and encourage smallholder farmers to cultivate rubber sustainably. In addition, we support measures to improve the drinking water supply and are committed to a “Green School” concept that anchors environmental protection in schools.

Our project highlights at a glance

- Six new palm oil smallholder farmer groups were established
- Largest association in West Kalimantan: The newly founded Palm Oil Farmers’ Association has 216 farmers with 312 plantations
- 211 land plots were legalized (a total of 265 ha, which corresponds to 70% of the plantations within the project)
- 198 palm oil smallholders (both men and women) were trained in five training cycles
- More than 30 students are attending the “Green School”
The Power of Human Touch – NIVEA’s New Social Mission

The hectic character of modern life, where people are “connected” yet disconnected, has become an obstacle to close relationships, physical touch and human bonding.

The deficit of physical touch and lack of closeness have worsened in the COVID-19 pandemic. In January 2021, NIVEA therefore announced its Brand Purpose “Care for Human Touch to Inspire Togetherness.” Under this banner, the NIVEA brand is creating greater awareness of the health benefits of human touch and strengthening human bonds to alleviate the feeling of loneliness. NIVEA’s social mission “The Power of Human Touch” is a key instrument in turning these words into action.

NIVEA strengthens the power of touch worldwide

Under the mission statement “The Power of Human Touch,” NIVEA is supporting local projects worldwide to improve the quality of life of people at risk of loneliness, including premature babies, people with visual impairments, and elderly dementia patients.

By 2025, NIVEA wants to invest €20 million in these projects around the world to make a positive impact on the health and wellbeing of over 150,000 individuals.

NIVEA supports UNICEF UK

Each year, more than 15 million children are born prematurely worldwide – and we know that touch is crucial to their development. Skin-to-skin contact is vital in neonatal units, where it is often known as kangaroo care. It helps parents bond with their baby, as well as supporting better physical and developmental outcomes for the baby. As international studies have shown, the kangaroo method benefits the entire mental and social development of the premature baby – right into adulthood.

For this reason, NIVEA supports UNICEF UK’s work to ensure that babies on neonatal units get as much skin-to-skin contact as possible by funding UNICEF UK’s National Neonatal Project, an initiative designed to support 18 neonatal units in the UK to achieve Baby Friendly accreditation. Skin-to-skin contact is a part of UNICEF UK’s Baby Friendly standards and helps babies adjust to life outside the womb.
Skin diseases can have profound consequences: Many people with visible skin diseases suffer from the feeling of exclusion and stigmatization, which can lead to psychological and social stress. This is why we at Eucerin are committed to the social inclusion of people with skin diseases.

For better quality of life and social participation

In 2021 Eucerin’s new global social mission was launched. By 2023, together with local professional organizations in at least 15 countries, Eucerin will implement projects for individuals and groups of all ages with visible skin diseases. In these projects, people are supported in confronting social exclusion with greater self-confidence, in order to regain their quality of life and social participation. Another concern is the alleviation of psychological stress through targeted measures and training. Last year, we already launched projects of this type in four countries.

More self-confidence for people with ichthyosis

An example of one of our ongoing projects is the cooperation between Eucerin and Aquaphor with the Foundation for Ichthyosis & Related Skin Types (FIRST) in the USA. Ichthyosis is a form of severe skin dryness with excessive dandruff. Those affected are often psychologically burdened and tend toward social withdrawal and frustration. This joint project aims to relieve and encourage teenagers and young adults suffering from ichthyosis. Targeted workshops give these sufferers the required skills and knowledge to deal with the disease personally, strengthen their self-confidence, promote their social integration and alleviate the psychological burden of the disease.
We Stand Strong for Women and Girls Worldwide

Young women and girls around the world are affected by unequal treatment – and this is made worse by crisis situations such as the COVID-19 pandemic. Young women and girls in particular often carry out activities in which they are exposed to a higher risk of infection, for example when providing care at home. In addition, in crises there is a growing risk that girls experience violence, are married off against their will and have to leave school prematurely. Aligned with our vision of an inclusive society, we want to counteract this.
Beiersdorf launched a health program through which we are sensitizing people to health issues and informing them regarding COVID-19 prevention via local radio channels and hygiene messages.

At the same time, girls and young women, among other social groups, can access economic support in so-called Village Savings and Loan Associations (VSLAs). Here they acquire knowledge of financial topics such as loans and savings installments; this ensures that girls and women progressively become more independent and can raise their voices more confidently in family and social contexts. They are also learning new ways to provide for themselves and their families independently in times of the pandemic and beyond.

Our commitment to Plan International

Beiersdorf and Plan International are both committed to promoting and protecting girls and young women, to give them the opportunity of equality and self-determination in life. The focus is on six countries in South America and Africa that have been affected by COVID-19.

The focus of our joint actions, through which we aim to initiate important changes step by step, is structured on three levels: access to education and mentoring, training for families and communities, and collaboration with governmental authorities. In doing so, we want to help the girls as well as the communities in which they live to better manage the medium- and long-term socioeconomic impacts of the COVID-19 pandemic.

As part of a back-to-school campaign, “ZURI Guides” are being distributed in Colombia, for example: These are intended for children and adolescents and provide information on COVID-19 as well as activities on mathematics, communication and socioemotional support. Around 1,500 “ZURI Guides” have already been distributed to students in the project area since the project launch.

Our joint engagement with CARE

Together with the NGO CARE, we launched projects in four African countries in 2021 to strengthen the healthcare and livelihoods of girls and women in particular. In Kenya, for example, CARE and
Diversity and Inclusion as Key to Success

We celebrate diversity and see it both as the key to success and a prerequisite for mastering the challenges of tomorrow. Within our company-wide Diversity & Inclusion strategy, we successfully reached our first milestones in 2021 and launched several related initiatives.

The implementation of our Roadmap is based on three strategic priorities:

- Promoting leadership diversity
- Promoting an inclusive culture
- Promoting the representation of our consumers

Gender balance in the spotlight

In addition to international, cross-generational and cultural diversity, we are focusing on gender equality – and in particular, equal opportunities for women and men. We are working to strengthen the awareness of gender balance among all colleagues and supporting employees through our gender diversity initiative “ENCOURAGE.” Within this context, we already held the fifth “Wo*men in Leadership Convention” in November 2021, under the banner of “Kick-start your inner potential.” Successful female leaders and external guests regularly report on their experiences in order to motivate, inspire and learn together.

Right on time for International Women’s Day on March 8, 2021, we publicly announced our “Beiersdorf Gender Parity Ambition”: This states that by 2025 at the latest, we want to achieve a 50:50 gender parity ratio in assigning management positions below Executive Board level.

Starting over with our D&I Roadmap

In the reporting year, we formulated a new Beiersdorf “Diversity & Inclusion Strategy Roadmap” to help us drive our strategy forward and deepen our culture of Diversity & Inclusion. In addition, we developed a KPI dashboard to contribute to full data transparency and thus make changes measurable and assessable.
Deepening knowledge

In order to expand the knowledge framework surrounding the topic of Diversity & Inclusion, we implemented a variety of measures in the year under review. For example, these included the first pilot of “D&I-Inclusive Language Training,” which aimed to sensitize employees to a D&I-sensitive, nuanced use of language. The offer in this area was supplemented by workshops for managers to promote an inclusive culture as well as a pilot course for our recruiters to formulate texts in job advertisements that integrate even more inclusive, gender-sensitive language in future.

We celebrate diversity through numerous initiatives and events

To promote our integrative culture holistically, we also rely on our employee networks - the “grassroots communities.” For instance, the community “wenited” was created in the reporting year, which works to promote the exchange and cohesion of international colleagues. The “#SisterhoodisPower” community established the digital #Powertalk series in 2021 among other initiatives, in which inspiring and successful leaders share their stories and thoughts. Also in 2021, the “Generation 50+” network launched learning sessions on the subject of digitalization for the first time.

In addition, we carried out activities that included the annual “Global Diversity & Inclusion Week,” “Pride Day Germany” and - for the first time - the “Beiersdorf Pride Festival.” All events took place online and offered participants a colorful mix of discussion panels, workshops, personal experience reports and keynotes by internal and external speakers.

3,000 participants joined our digital events during Diversity & Inclusion Week
WE CARE BEYOND SKIN FOR OUR FUTURE
Continuing our Sustainability Journey in 2022

Now that we are in 2022, we are eager to continue our journey to deliver on Beiersdorf’s CARE BEYOND SKIN Sustainability Agenda. As part of this, we will introduce new initiatives across our three impact areas: ENVIRONMENT, SOCIETY and CONSUMER.

At the heart of our transformation is our “Climate Care” mission

We have high aspirations and have set one of the most ambitious targets in the industry to tackle the enormous challenge we are all facing: climate change. Looking at where we stand today and the progress we have made on our reduction pathway, I am confident we can achieve our 2025 commitment of 30% absolute emissions reduction. However, there will be challenges ahead, and hard work, passion and an innovative spirit will be required every step of the way. The momentum for change I see in teams across the Beiersdorf network signals a very positive outlook for the year ahead. This motivation is essential to making our transformation for a more sustainable future a success.

Following the launch of our first climate-neutralized products in 2021, we will continue this approach in 2022. We will introduce our “climate-neutralized” promise to more of our products, which have demonstrated good progress on emissions reduction. Our NIVEA Shower range, which is already one of our most sustainable, will continue its sustainability journey and we will optimize its packaging to further reduce its emissions. We will also be expanding the use of 100% recycled aluminum packaging across our deodorant range. I am very grateful to our R&D teams for their dedicated work in these areas.

Looking beyond NIVEA, we will see big steps being taken also across our other brands in 2022: La Prairie will launch its new sustainability agenda and Hansaplast has just released its first “climate neutralized” product. At Eucerin, we will also see progress on a product level, supporting the delivery of Beiersdorf’s overall sustainability targets.

We will foster transformation beyond our company boundaries

What is also essential in 2022 is continued external and interdisciplinary collaboration. We will advance our work with key stakeholders, in particular suppliers, our NGO partners, and cross-industry initiatives, like the Eco-Beauty Score Consortium.

Continuing our dedicated and holistic sustainability journey in 2022, I look forward to seeing Beiersdorf present itself as a leading light for our industry.

Jean-François Pascal
Vice President Corporate Sustainability
We know that when it comes to driving real change, there is power in numbers. In January this year, we signed an open letter urging the UN to negotiate and implement a global treaty on plastic pollution. Along with other leading companies, we have called for a coordinated response to this growing crisis that will align businesses and governments. This question gains urgency with each day that passes, and we hope that 2022 will be the year that it is answered.

A further key priority in 2022 will be our work within the Eco-Beauty Score Consortium, which aims to develop an industry-wide environmental impact assessment and scoring system for cosmetics products. Pursuing our transparency promise and target of enabling consumers to make sustainable choices, we are eager to support this initiative through our expertise in environmental impact assessment.

Another important step for 2022 will be Beiersdorf’s engagement in a strategic partnership with the World Wide Fund for Nature (WWF Germany). In previous years, we have successfully worked together on dedicated projects around sustainable palm oil. Now, we are stepping up to a more holistic partnership with the central goal to further fuel our business transformation and strengthen our CARE BEYOND SKIN Sustainability Agenda. We are the first company in our industry to take such an integrated approach with the WWF.

In 2022, we will continue to thrive for our vision of an Inclusive Society

By building on our strong engagements with our NGO partners Plan International, CARE, Ashoka and many more, we impact individuals, communities and society as a whole.

Eucerin, for example, will launch new local projects that aim to fight the stigma of visible skin diseases and enhance the quality of life and societal participation of patients in different parts of the world. This mission is not only a testament to Eucerin’s life-changing power of dermatological skin care but also a true manifestation of CARE BEYOND SKIN.

Continuing our dedicated and holistic sustainability journey in 2022, I look forward to seeing Beiersdorf present itself as a leading light for our industry.

We hope you will follow along as our journey continues.
## Key Figures at a Glance

### Consumer Business Segment

**For a Climate Positive Future**

<table>
<thead>
<tr>
<th>Category</th>
<th>Unit</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Greenhouse gas (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 GHG emissions (Scope 3) vs. 2018</td>
<td>%</td>
<td>11.5</td>
<td>12.0</td>
</tr>
</tbody>
</table>

**For Fully Circular Resources**

<table>
<thead>
<tr>
<th>Category</th>
<th>Unit</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reduction of fossil-based virgin plastic¹ vs. 2019</td>
<td>%</td>
<td>6</td>
<td>9</td>
</tr>
<tr>
<td>Share of recycled material in our plastic packaging¹</td>
<td>%</td>
<td>1</td>
<td>7</td>
</tr>
<tr>
<td>Reduction of microplastic² in NIVEA products (based on raw material volume) vs. 2016</td>
<td>%</td>
<td>67</td>
<td>100</td>
</tr>
<tr>
<td>Reduction of microplastic² in Eucerin products (based on raw material volume) vs. 2016</td>
<td>%</td>
<td>25</td>
<td>45</td>
</tr>
<tr>
<td>Absolute waste reduction in our operations vs. 2018</td>
<td>%</td>
<td>14</td>
<td>2</td>
</tr>
</tbody>
</table>

**For Sustainable Land Use**

<table>
<thead>
<tr>
<th>Category</th>
<th>Unit</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Share of RSPO mass balance palm (kernel) oil and derivatives¹</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>

**For Regenerative Water Environments**

<table>
<thead>
<tr>
<th>Category</th>
<th>Unit</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Change of our water consumption per manufactured product vs. 2018</td>
<td>%</td>
<td>11</td>
<td>9</td>
</tr>
<tr>
<td>Reduction of nonbiodegradable polymers in European product formulas (based on raw material volume)¹ vs. 2018</td>
<td>%</td>
<td>7</td>
<td>52</td>
</tr>
</tbody>
</table>

**For Employees along our entire Value Chain**

<table>
<thead>
<tr>
<th>Category</th>
<th>Unit</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Share of women management group 1–3</td>
<td>%</td>
<td>33</td>
<td>34</td>
</tr>
<tr>
<td>Share of internal recruitments management group 1</td>
<td>%</td>
<td>60</td>
<td>100</td>
</tr>
<tr>
<td>Share of internal recruitments management group 2</td>
<td>%</td>
<td>79</td>
<td>88</td>
</tr>
<tr>
<td>Accident Frequency Rate (AFR)</td>
<td>Accidents per 1 million working hours</td>
<td>1.6</td>
<td>1.0</td>
</tr>
</tbody>
</table>

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¹ Not including Coppertone  
² According to UNEP definition
About this Report

Within the Consumer Business Segment, transparent reporting on our sustainability activities is firmly established. We have been reporting on strategic approaches, projects and measures in the area of sustainability since 2003. Our reporting aims to reach all stakeholders equally. To meet their different expectations and information needs, we use a variety of reporting formats.

With the Sustainability Highlight Report “CARE BEYOND SKIN,” the Consumer Business Segment presents a selection of particularly outstanding projects from 2021. They exemplify how sustainability is an integral part at Beiersdorf and how it is driven forward by the passion of our employees around the world.

Within the scope of our sustainability reporting, we have been publishing our Combined Non-financial Statement (NFS) for the Beiersdorf Group (Consumer Business Segment and tesa) and Beiersdorf AG within our Annual Report since 2020. It provides further information and key figures in accordance with the Non-Financial Reporting Directive (NFRD).

The tesa Business Segment publishes its own Sustainability Report on its website.

Alongside transparency, comparability in our reporting is of great importance to us. We follow internationally recognized reporting frameworks, including the guidelines of the Global Reporting Initiative (GRI). The corresponding GRI Index 2021 for the Consumer Business Segment is available for download from our website as a separate document. In the reporting year, we also disclosed information on climate-related opportunities and risks for the first time in accordance with the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD).

Our commitment to sustainability is part of our day-to-day business and is constantly evolving. We provide up-to-date information on what we are currently working on and what progress we are making on our Sustainability website. Reports and additional information from previous years are available as well.
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MINIMIZING OUR ENVIRONMENTAL FOOTPRINT

MAXIMIZING OUR SOCIAL IMPACT

OUR SUSTAINABILITY COMMITMENT

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Further Information
www.beiersdorf.com/sustainability/overview