

CARE BEYOND SKIN

Creating a Sustainable Tomorrow

2020



Beiersdorf

CARE BEYOND SKIN

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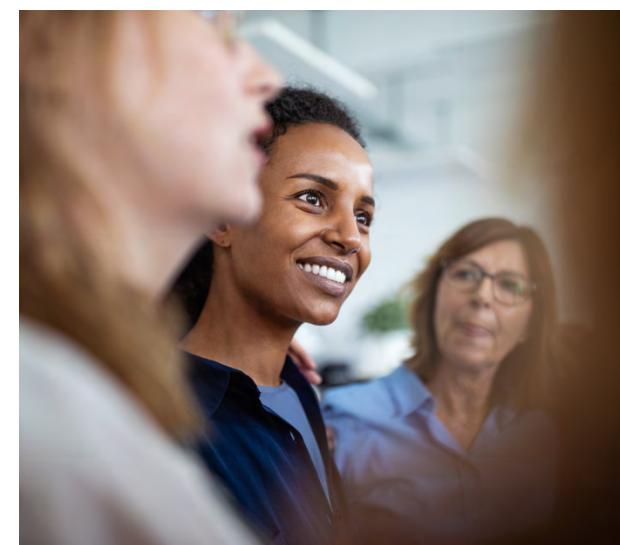
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Foreword

Dear Readers,

Could there be sufficient attention for sustainability in the shadow of an unprecedented year of pandemic? Would there be enough people, struggling with disruptions and anxieties caused by an invisible, life-threatening virus, who still seriously care about sustainability?

We repeatedly asked ourselves these questions over the last year. Each time, we were delighted to see overwhelming evidence pointing to a world more strongly connected than ever and unshakably united in the cause of sustainability. If at all, the pandemic has triggered much more reflections upon human impact on our environment. It has sharpened the collective awareness of "taking action now and taking action together".

At Beiersdorf we had further upgraded sustainability as one of the cornerstones of our C.A.R.E.+ strategy in 2019. We developed an ambitious new Sustainability Agenda in that year with a focus on ENVIRONMENT, SOCIETY and CONSUMER. It is contributing to the United Nations' Sustainable Development Goals (SDGs) and considering the Ten Principles of the UN Global Compact (UNCG).



Stefan De Loecker
Chairman of the Executive Board



Zhengrong Liu
Member of the Executive Board
Human Resources | Sustainability | Services

2020 was supposed to be the first year of full-scale implementations. In reality, 2020 unmistakably became the first high-pressure test of our management resolve and our execution quality in sustainability. We are proud to say our teams and our partners have together done an outstanding job in passing this unexpected and severe test: In 2020, Beiersdorf made substantial progress in all major sustainability fields.

You are now reading the 2020 edition of our sustainability publication, for the first time entitled "CARE BEYOND SKIN - Creating a Sustainable Tomorrow". We believe our Sustainability Agenda, with a planning and action horizon reaching beyond the coming decade, deserves to carry our Beiersdorf Purpose CARE BEYOND SKIN directly.



For us, the crisis year of 2020 was the right time to raise our ambition, rather than lower it. It was the right time to step up our commitment and actions rather than slowing them down.

In the ENVIRONMENT area we achieved several major milestones. We published new, far-reaching climate targets which were subsequently approved by the "Science Based Targets initiative" (SBTi). It publicly certified our plan to be in-line with independent recommendations by the international scientific community. Beiersdorf was among the first 200 companies worldwide that committed to limit global warming to 1.5°C and contribute through intensifying their climate protection efforts. To be concrete: we aim to reduce greenhouse gas emissions by 30% in absolute terms throughout our value chain by 2025. Further we have committed to making all our production sites climate-neutral by 2030. And we are progressing well: At the end of 2020, we were recognized by the "Carbon Disclosure Project" (CDP) as a "Climate A-List" company for our ambitions and actions in combatting climate change - a great acknowledgement.

In the SOCIETY area, in April 2020 we launched the largest international aid program in our company's history, with a total commitment of €50 million. First and foremost, it delivered rapid humanitarian and medical aid in more than 60 countries severely hit by COVID-19. Furthermore, through providing direct financial support to our partners Plan International, CARE and Ashoka, we are supporting more than 15 projects that aim to counter the

mid- and long-term socioeconomic impacts of the pandemic. We especially focus on the vulnerable groups of girls and young women in Africa, Latin America and South Asia.

In the CONSUMER area, last year we launched an extensive glossary that explains over 600 ingredients in our NIVEA products to ensure 100% transparency towards our consumers. The glossary is accessible worldwide via our NIVEA websites and responds to our consumers' growing interest and quest for information on the sustainability of our products.

While further expanding our commitments, we also made sure that we delivered on the targets we had previously set ourselves. We switched 90% of our PET bottles in Europe to recycled PET by the end of 2020 – an important milestone. Regarding sustainable ingredients, we achieved our 2020 target to solely use palm (kernel) oil-based raw materials from sustainable sources according to the "Round-table on Sustainable Palm Oil" (RSPO) Mass Balance Model. Our next milestone for palm (kernel) oil is to source completely deforestation-free by 2025. Last but not least, in 2020 our worldwide production was powered once again by 100% renewable electricity.

These days sustainability is not just a top-down initiative by the Executive Board at Beiersdorf. The CARE BEYOND SKIN Sustainability Agenda is being carried out every day by a large number of cross-functional teams globally, often also in collaboration with external expertise. We want to thank all those passionate people for their hard and successful work.

It's still going to be a long and sometimes tenacious journey. But it's a rewarding and an inspiring journey, too.

We now invite you to discover "CARE BEYOND SKIN - Creating a Sustainable Tomorrow". We are happy to receive your feedback. It can make our sustainability work become even better.

Sincerely,



Stefan De Loecker



Zhengrong Liu



Driving the Transformation



Since July 1, 2020, Jean-François Pascal is heading Beiersdorf's Corporate Sustainability Team, driving our new Sustainability Agenda CARE BEYOND SKIN forward. Jean-François Pascal, who has been with the company for more than 25 years in various marketing and management positions both in Hamburg and abroad, is very passionate about sustainability and wants to create real change - a transformation of the business. Jean-François Pascal talks about strategy, goals and his vision in this interview.



Mr. Pascal, what motivates you in your new role?

J.F. Pascal Sustainability is one of the big topics of our time, if not the biggest one. It has become increasingly important for all of us, across many aspects of our lives - the world is changing for the better. This also applies to companies, how they can do business in a more sustainable way. Over recent years, while I was responsible for the French

market, consumers and trade partners have transformed so rapidly towards sustainability - it was impressive. I am convinced that we at Beiersdorf can also push the topic forward more proactively. We can accelerate the good things that are going on and bring about a transformation of our business. I envision us not only as the worldwide No. 1 in skin care, but also among the leaders in sustainability.

INTERVIEW
with Jean-François
Pascal, Vice President
Corporate Sustain-
ability

What is Beiersdorf's new Sustainability Agenda all about?

J.F. Pascal With CARE BEYOND SKIN we are not only describing the motto of our Sustainability Agenda, CARE BEYOND SKIN is our Corporate Purpose, underlining our self-understanding that for us, CARE goes far beyond our core business of skin care. We want to make a meaningful contribution not only to our consumers but also to society and



“
We want to make a meaningful contribution not only to our consumers but also to society and our environment. Hence, our Sustainability Agenda takes a holistic approach with the overall aim of delivering sustainable actions across seven focus fields.

Jean-François Pascal
Vice President Corporate Sustainability

our environment. Hence, our Sustainability Agenda takes a holistic approach with the overall aim of delivering sustainable actions across seven focus fields.

Beiersdorf has defined new ambitious targets for 2025 - why?

J.F. Pascal Bringing a new Sustainability Agenda to life requires us to mobilize a large internatio-

nal company with thousands of employees around the world. For this, a clear set of targets is key. Our Sustainability Agenda CARE BEYOND SKIN formulates very clear pledges across all key dimensions. Each function can therefore understand their precise role in achieving our corporate sustainability targets and develop a roadmap of actions to get there. In order to achieve our targets on a company level, all functions, regions, and countries have to contribute in a joint effort. That's why clear and precise targets are so important.

Is there any target of particular importance?

J.F. Pascal We have a large set of targets, especially in the area of our environmental engagement. Above all stands the issue of climate change. All production and product-related actions of our company can be measured in greenhouse gas emissions - and these therefore can be seen as an overarching "currency" of sustainability. Our ambitious climate target that we set in 2020 and that has been approved by the „Science Based Targets initiative“ to be in line with scientists' 1.5°C recommendation, therefore plays a key role within our Sustainability Agenda.

Looking back at 2020, what would you highlight?

J.F. Pascal Of course, 2020 was dominated by the pandemic and we had to face many challenges. Nevertheless, we decided within this very specific momentum to accelerate our social and environmental actions. Beiersdorf initiated a glo-

bal aid program, the biggest in its history, and we launched long-term partnerships with global non-governmental organizations (NGOs), Plan International Germany and CARE to help girls and young women, as they have been hit especially hard by the COVID-19 crisis and its effects. On the environmental side of our sustainability approach, we also achieved some good advancements. My highlight of 2020 was to be recognized as a "Climate A-List" company by the Carbon Disclosure Project (CDP). This is a great acknowledgement of our progress and proves we are on a good way.

What do you wish for 2021?

J.F. Pascal We will further accelerate our efforts and we have high ambitions. Not only myself, all of us at Beiersdorf are very serious and passionate about achieving them. For 2021 I have the strong wish that we fully recover from the COVID-19 pandemic. We are fully committed to establish an even more sustainable business model and to make our contribution to a Green Recovery.

Jean-François Pascal, thank you very much.





Our Commitments

As a company that is active worldwide, we bear responsibility for our own employees, for everyone involved in our value chain, for our consumers, for society, and for the environment. Our Corporate Purpose **CARE BEYOND SKIN** literally states how we have always understood our mission - taking responsibility beyond our core skin care business.





Overview of the Consumer Business Segment

For over 135 years Beiersdorf has stood for innovative skin care. Our unique brands and high-quality skin and body care products set us apart, convincing millions of people worldwide day after day. It is for them that we consistently develop our internationally successful brand portfolio further, and above all our core **NIVEA, EUCERIN, LA PRAIRIE, and HANSAPLAST** brands. In 2020 we also added the brand **STOP THE WATER WHILE USING ME!** to our portfolio - a key step that expands our offer and at the same time makes it more sustainable.

When it comes to skin care, our consumers' needs are highly individual. How do we succeed nevertheless in enthusing so many people day after day for our skin and body care products? We respond to the wishes and needs of our consumers, 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.

In 2020 our Consumer Business Segment generated sales revenues of **€5,700 million** with **15,590 employees**. We fully intend to continue increasing our competitiveness and success in international markets and securing sustainable growth in future through focusing on our **C.A.R.E.+** business strategy.

WE CARE BEYOND SKIN

Success brings responsibility. **Care, Simplicity, Courage** and **Trust** are our Core Values and the constant compass for our actions.

They have shaped our company from the very beginning and still give us clear guidance today. Care is a key element of our business, and we apply this value far beyond skin care: Care comprises our responsibility towards people and the environment.

Our constant goal is to sell high-quality skin products worldwide and meet high sustainability demands at the same time.





Our Sustainability Agenda CARE BEYOND SKIN

Our business strategy **C.A.R.E.+**, which we have pursued since 2019, defines sustainability as a cornerstone of our business. We attach great importance to reconciling environmental protection, social responsibility, and economic success. This reaffirms what has always been a core element of our self-understanding and one that is firmly anchored in our business processes. The launch of our Corporate Purpose **CARE BEYOND SKIN** in 2020, in tandem with our Sustainability Agenda of the same name, has further strengthened our commitment to sustainability.

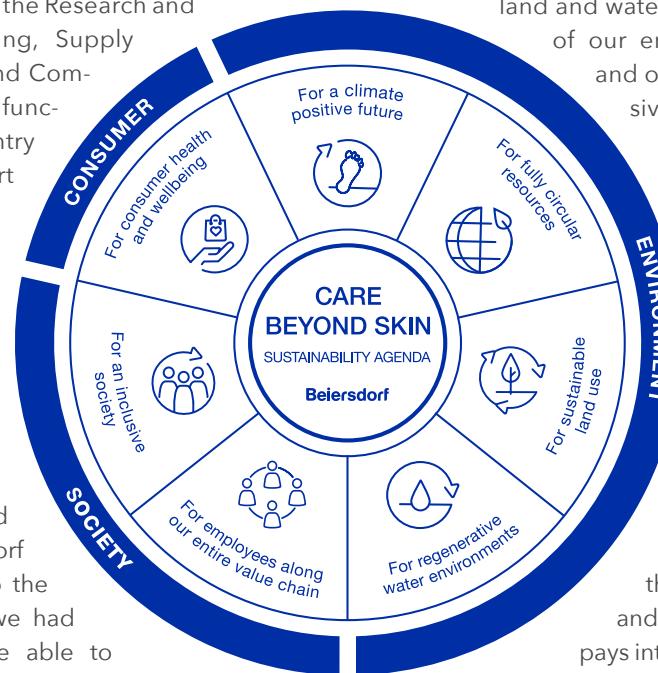
We take responsibility well beyond the skin care business by making a significant contribution to society and the environment, together with our consumers: Therefore CARE BEYOND SKIN is also the theme of our Sustainability Agenda.

The Corporate Sustainability department is responsible for the implementation of our Sustainability Agenda and reports directly to the Executive Board. The Corporate Sustainability team works closely with all company functions and is also integrated in the global Beiersdorf company network via various interfaces. The **Sustainability Council** was established in 2019: This is an additional cross-functional steering committee that complements the Sustainability department. The Council monitors climate issues and other relevant sustainability topics, ensures cross-functional prioritization, and convenes on at least a quarterly basis. It comprises man-

agers responsible from the Research and Development, Marketing, Supply Chain, Procurement, and Communications corporate functions, along with Country Managers. They report to the respective Executive Board Member responsible for their corporate function.

2020, dominated by the COVID-19 pandemic, once again made it clear that sustainable thinking and action is a great Beiersdorf strength. In addition to the economic challenges we had to overcome, we were able to make a significant contribution to society and significantly expand our commitment in the environmental area. For more details on our COVID-19 aid program please see page 35.

Our **CARE BEYOND SKIN** Sustainability Agenda comprises a total of seven focus fields that reflect the impact of our activities along the entire value chain and beyond - comprising the impact of our products and processes on the climate, the circular economy capability, and sustainability of the resources we consume as well as their impact on



land and water use, the health and safety of our employees and consumers, and our commitment to an inclusive society.

As part of the new Sustainability Agenda we have also set ourselves fresh, ambitious targets that we want to achieve by 2025 and 2030 respectively. The **Ten Principles of the United Nations Global Compact** (UNG) 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**.

The exact contents of our focus fields are shown in the table on the following page.



Our CARE BEYOND SKIN Strategy Wheel will guide you through the individual chapters of our report.





Focus Fields of Our Sustainability Agenda

ENVIRONMENT



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



SOCIETY



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



CONSUMER



For Consumer Health and Wellbeing

- Trust and Transparency
- Product Safety
- Skin Health





Engaging Everyone for Sustainability



Especially when it comes to a topic as important and complex as sustainability, by working together we can achieve much more. This not only requires a goal, but also trust-based collaboration structured for the long term. We therefore work to establish strong and durable partnerships that involve all stakeholder groups along our value chain.

We work closely with **suppliers, retailers, industry partners, and research institutions**. For example, we are exploring opportunities together with Epronik to harness atmospheric CO₂. In cooperation with Werner & Mertz, the company behind the Frosch brand, and the Fraunhofer Institute for Process Engineering and Packaging (IVV), we developed a proposal for a potential industry standard for the use of recycled plastic in cosmetics packaging. For more on this see "For a Climate

Positive Future", page 14 and "For Fully Circular Resources", page 18.

In addition, we are looking very closely at individual aspects of sustainable business and are developing targets and visions derived from these to realize sustainable projects step by step. A very good example of this is our goal of promoting the circular economy and reducing packaging waste. Here, all actors involved – manufacturers and retailers as well as recycling companies – need to work together to find highly practical and effective solutions.

Since **consumers** also play a key role in successfully recycling and avoiding waste, we are educating and involving them on this topic via our cooperation with the German dm drugstore and BUDNI

retail chains, among other projects. For more on these interesting topics, please see "For Fully Circular Resources", page 18.

Through our work with **non-profit organizations** (NPOs) such as the "World Wide Fund for Nature" (WWF), Plan International, and Ashoka, we give social and environmental concerns a voice and foster positive change. NPOs have specialized knowledge and expertise, providing valuable insight and advice to address the social and environmental challenges of our time. At the same time, their staff on location make a key contribution to realizing our projects in local communities. For more on our collaboration with NPOs, see "For Sustainable Land Use", page 24 and "For an Inclusive Society", page 33.

Our **employees** play a decisive role in making our Sustainability Agenda CARE BEYOND SKIN an integral part of our everyday business. We therefore motivate, inspire, and support them to get personally involved in the topic of sustainability. It is their daily actions and ideas that enable us to make good progress on sustainability. By informing them transparently about current topics and projects, and promoting dialog between employees and our top management, we enable our people to actively co-shape our sustainability transformation. To do this we set up various communication and dialog formats, which we switched from face-to-face to fully online events due to the COVID-19 pandemic.





TOGETHER AT A DISTANCE: NEW ONLINE FORMATS IN 2020 ON SUSTAINABILITY

E-LEARNING

We launched our first E-Learning format called "**Global Sustainability Training**" as a livestream offer in 2020. Around **800 colleagues from 29 countries** and the headquarters gained in-depth knowledge about our ambitious sustainability targets, and about our current projects and engagement in the **ENVIRONMENT** area. We successfully developed their understanding of and engagement for this topic further.



SUSTAINABILITY FORUM

During 2020 we also pursued our well-established dialog format, the "**Sustainability Forum**". The fourth Forum took place in June as a fully online event. It took up the current issue of the pandemic and focused on the question, "**How is COVID-19 influencing the topic of sustainability?**". Prof. Christian Berg, keynote speaker on sustainability and author of the book "Is Sustainability Utopian?", contributed his expertise to the event. He also offered specific theses that were then discussed by a panel of representatives from our senior management, and developed further with the impetus of questions from our employees. More than **1,000 participants from all over the world** took part in this inspiring event via Skype Broadcast.



HEADS-UP ON SUSTAINABILITY

In April 2020 we presented the new Beiersdorf Sustainability Agenda **CARE BEYOND SKIN**, along with the new focus fields and targets for 2025, to our employees worldwide via an interactive online format. A focus was placed on the two focus fields "**For a Carbon Positive Future**" and "**For Fully Circular Resources**", where we shared our targets, achievements, and progress to date in detail. In particular, our ambitious global "**Plastic Pledge**" was announced and explained in this event.



EUROPEAN SUSTAINABILITY DAYS

For the first time this was held as a multi-day event. In November more than **4,000 participants** from the European region and beyond took part in the various online events. They actively used the expert presentations to learn more about our focus fields in the **ENVIRONMENT** area of our Sustainability Agenda **CARE BEYOND SKIN**, ask detailed questions, and exchange ideas across national boundaries. In addition to the **interactive online sessions** there were further participative activities to engage employees, such as a "**Step Challenge**" and a call to contribute personal recipes to a vegetarian cookbook, all designed to promote sustainable behavior.





Environment

The planet is facing massive ecological challenges and these need to be tackled. As a company that does business globally, we see ourselves as part of the problem and therefore want to make a major contribution to the solution, within the scope of our action and influence. In the ENVIRONMENT area we have defined four focus fields and are working to make a decisive difference precisely here, where we have the greatest leverage through our business.



For a Climate Positive Future

Since the rise of the “Fridays for Future” movement at the latest, climate awareness has visibly increased in our society. Nevertheless, greenhouse gases (GHGs) in the atmosphere reached a new high in 2020. It will take consistent collaboration between the entire business and industrial sector to limit global warming to 1.5° Celsius, as demanded by the Intergovernmental Panel on Climate Change. As a global company, Beiersdorf’s contribution is particularly required here and we are tackling this important task with determination.

Our Climate Targets

We see climate change as our central challenge and want to – and must – make a significant contribution to limiting global warming. We are therefore working hard to continuously reduce our GHG emissions, and are switching to renewable energy at all levels of our business.

Essentially, our business activities contribute to carbon dioxide and other GHG emissions along the entire value chain, which are primarily responsible for climate change. This starts with the natural gas con-

sumed at our production plants to generate steam and heat for our production process and offices (Scope 1 emissions). In addition, there are indirect emissions caused by the purchase of electricity, heat, or steam (Scope 2 emissions). And finally, among other things, the purchase of goods, the use of external services, and the transportation of our products also leads to the release of carbon dioxide (Scope 3 emissions) into the atmosphere.

As a signatory to the [“Business Ambition for 1.5°C”](#) at Beiersdorf we have committed ourselves to reducing GHG emissions across all scopes in our Consumer

OUR TARGETS



**30% absolute reduction
in Scope 1, 2, and 3 greenhouse
gas emissions by 2025
(vs. base year 2018)**

**Climate-neutral production
sites by 2030**





business by 30% by 2025 compared to the 2018 baseline. Our ambitious climate targets have been endorsed by the "Science Based Targets initiative" (SBTi) and confirm that we are acting in accordance with the 1.5°C scenario defined by climate scientists. Furthermore, all our production sites are to achieve climate-neutral operations by 2030.

Our ambition and action in combating climate change, as well as transparency in communicating them have won us an **"A"** rating from the international non-profit organization ["Carbon Disclosure Project"](#) (CDP) within the ["Climate Change Program"](#) in 2020.

OUR ACHIEVEMENTS



32% reduction of green-house gases in Scope 1 and 2*

10% reduction in Scope 3*

100% electricity from renewable sources worldwide

* 2020 results are affected by the COVID-19 pandemic.



Climate-conscious Operations

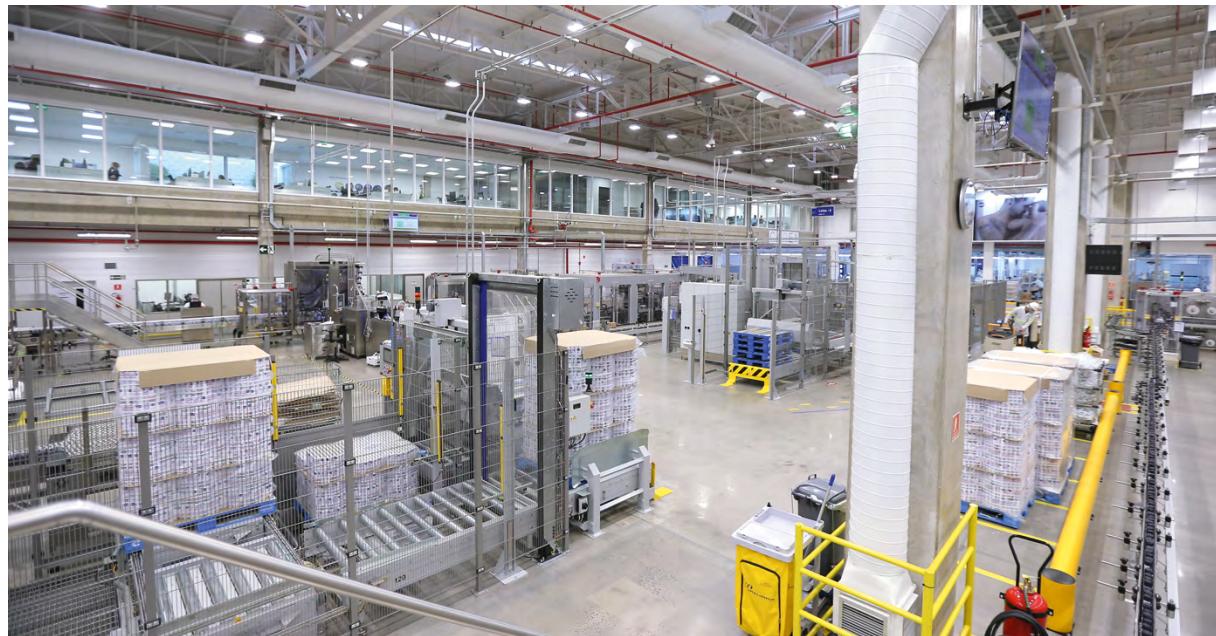
Especially at our production sites we can significantly reduce GHG emissions by raising our energy efficiency. In 2020 we launched our ["Sustainability in Manufacturing"](#) initiative: The initiative's Project Team analyses energy consumption levels and derives necessary measures to handle energy more efficiently and thereby more sparingly. This global supply chain project involves all 17 Beiersdorf production sites worldwide and will give us comprehensive support in achieving our climate, waste, and water management targets by 2025. Insights gained locally are exchanged across our global network using best practice examples, and measures are then implemented as quickly as possible.

Electricity is another key factor in reducing emissions. In 2020 our production was powered by **100% renewable electricity**. In countries where we

cannot obtain electricity from renewable energy sources directly from a local utility, we purchase green electricity certificates: These guarantee that the amount of green electricity we require has been generated and fed into the supply network.

In addition, we have also installed **photovoltaic systems** at some of our production and office sites, through which we cover part of our electricity needs ourselves. In the year under review, our plants generated 3,219 MWh of photovoltaic electricity worldwide - this corresponds to the annual electricity consumption of around 751 three-person households in Germany (see German Federal [Statistical Office](#)). In addition, we are examining the use of further renewable energy sources at our sites; for example, our subsidiary in Brazil uses bioethanol as the standard fuel for its company cars.





Building on Sustainability

With energy-efficient modern buildings and production sites, we are helping to achieve our climate goal in a further area: Since 2013, our "**Blue Building**" program has ensured that our buildings meet the highest environmental standards.

With new building constructions or expansions it is particularly important to us that our building projects are certified to "**Leadership in Energy and Environmental Design**" (LEED) standards, one of the world's most recognized sustainability certificates. Buildings are evaluated and classified according to an extensive points system. Our production site Itatiba in Brazil even received LEED Gold in the reporting year.

The completion of our new company headquarters and Research Center in Hamburg's Eimsbüttel district is planned for 2021. In addition to the LEED certificate we are also striving for the "**WELL Building Standard**" for this new complex, which stretches over more than 100,000 square meters.

Our production center in Sanand, India, a pioneer in many respects, has received another award. The site's overall concept comprising modern solar technologies, an efficient energy management system, and the particularly sustainable use of water received a Platinum rating from the "**Indian Green Building Council**" (IGBC). The Sanand site also won the Regional Energy Management Award 2020 presented by the "**Association of Energy Engineers**" (AEE).

Lowering Emissions along the entire Value Chain

We continuously collaborate with our supply chain partners to reduce the environmental footprint of our business activities. This includes product development and transport activities, as well as other services like finished good manufacturing and warehousing.

RENEWABLE CARBON INITIATIVE

- Beiersdorf is a founding member of the "Renewable Carbon Initiative" (RCI)
- Our joint objective: To replace fossil carbon with renewable carbon

By joining the RCI we have become part of a strong, diversified consortium and are strengthening our actions in the "For a Climate Positive Future" and "For Fully Circular Resources" focus fields. The vision of all founding members is clear: Replacing fossil carbon entirely with renewable carbon by 2050. Renewable carbon includes all carbon sources that avoid or substitute the use of any additional fossil carbon from the geosphere.



More information about RCI





EVONIK AND BEIERSDORF ARE RESEARCHING TOGETHER

to convert carbon dioxide into care products

- Artificial photosynthesis harnesses renewable energy, CO₂, and water
- Contribution to closing the carbon cycle
- BMBF supports research projects

Beiersdorf and Evonik have agreed on a research cooperation. Together we are actively looking for new raw material sources that also reduce our carbon footprint. The aim is to develop sustainable raw materials for care products that harness carbon dioxide as a base material. One promising approach is artificial photosynthesis, in which valuable raw materials for care products are created through the natural photosynthesis of water and CO₂, powered by solar energy. This joint research project is funded by the German Federal Ministry of Education and Research (BMBF).



[More information about the research project](#)



The purchased packaging materials and ingredients for our products account for more than 80% of our Scope 3 emissions. Therefore, we focus heavily on **reducing the carbon footprint of our products**, which begins as early as in the product design phase. Here we specifically search for lightweight solutions, as well as materials for our product formulations and packaging with a lower carbon footprint or which are based on renewable carbon.

We have committed to the "**Plastic Pledge**", aiming to reduce the use of fossil-based virgin plastics and increase the share of recycled or bio-based plastics (More information on this is available in the chapter "For Fully Circular Resources", page 18). The new lightweight bottle used in the NATURALLY GOOD

skin care range of our global brand NIVEA is a very good example - find out more on page 23.

Without logistics and freight, the international distribution of Beiersdorf products would simply not be possible. As an environmentally conscious company we rely on **sustainable logistics solutions** to systematically reduce our transport-related emissions. Together with our suppliers, we constantly improve ship container loading and optimizing truck capacity utilization as well as freight routes. By converting certain truck routes to rail freight, up to 1,200t of CO₂ were saved in 2020. Moreover, the number of rail freight routes in our European transport network has risen from three to 21. By 2025 around half of our freight transportation is to be switched over to rail.





For Fully Circular Resources

Our brands and products stand for high quality and outstanding skin care worldwide. Our consumers have relied on this promise for many decades. For us, deserving their trust also includes constantly improving the environmental performance of our products and treating natural resources sparingly.

Every year around 11 million tonnes of plastic waste are released into the world's oceans – that is equivalent to almost 20,000 A380 aircraft. These figures show that we have exceeded the limits of what our planet can cope with, both in the consumption of primary resources as well as in the waste generated by humankind. In order to counteract this, Beiersdorf is increasingly acting in line with the principle of the circular economy: This sets out that materials already used are recycled and fed back into the loop, to ensure the longest possible use of products and raw materials. Our focus is not only on (plastic) packaging but also on the ingredients of our product formulations. Both topics play a central role in our "For Fully Circular Resources" focus field.

Sustainable Packaging

Our packaging is mainly made of various plastics, as this material has many positive properties. Plastic packaging, for example, is very light and stable but also flexible. Unfortunately, the steadily increasing quantities of this fossil-based material used worldwide counterbalance these advantages, especially as plastic packaging is often not recycled. This is why we are working intensively to optimize our plastic packaging. On our road to the circular economy we follow the "4Rs" Reduce – Reuse – Recycle – Replace. To make our efforts measurable we have set ourselves global targets for packaging to reach by 2025.

Compared to 2019 we used 6% less fossil-based virgin plastic in our packaging in 2020. We also raised the share of recyclates over the year by progressively converting our packaging types; by December 2020 this was already 4%. To make our progress in the recyclability of our packaging measurable, we are currently developing a concept based on established external methods and definitions.

In addition to plastic we also use other materials such as paper, aluminum, and glass for our different types of packaging. When using these packaging materials we also continuously evaluate more sustainable solutions and look at how we can implement the "4R's".



OUR TARGETS FOR 2025



50% less fossil-based virgin plastic in our packaging (vs. base year 2019)

30% recycled material in our plastic packaging

100% refillable, reusable or recyclable packaging





Environmentally-friendly Product Formulation

Even if they are not always visible, microplastics and non-biodegradable polymers are still widely used in the cosmetics and personal care industry in shampoos, creams, shower gels, skin scrubs, toothpastes, and many more products. The particles contained in the products enter wastewater from consumers' bathrooms; despite filtration by sewage treatment plants, they also often reach our natural watercourses, thus polluting one of our most vital natural resources. To counteract this potential environmental impact we have set ourselves ambitious targets, both with regard to eliminating microplastics* and to using biodegradable polymers:

NIVEA products will be 100% microplastic-free by the end of 2021, and EUCERIN will achieve this target by the end of 2023. In addition, we will use only biodegradable polymers in our European product formulations by 2025. This more precise set of targets allows us to communicate more transparently with our consumers. Based on our raw material volume, we already reduced the proportion of microplastics in the year under review by 67% at NIVEA and 25% at EUCERIN compared to 2016. In addition, we were able to reduce the use of non-biodegradable polymers in our European product formulations by 7% compared to 2018.

*The United Nations Environmental Program (UNEP) defines microplastics as solid plastic particles that are smaller than 5mm, not biodegradable, and water-insoluble.



To improve the overall environmental compatibility of our portfolio, beyond this we also rely on environmentally-friendly and biodegradable raw material alternatives with regard to other ingredients. As a measure of biodegradability we apply recognized analytical methods according to OECD guidelines. Our goal is to increase the use of natural, renewable raw materials while ensuring sustainable sourcing; this way we will prevent negative environmental impacts from the increased demand for specific raw materials (see "For Sustainable Land Use", page 24).

Caring for Skin - With a Clear Conscience

In recent years we already improved many NIVEA products in terms of the circular economy. We are constantly working on communicating these improvements transparently and openly to our consumers (see "For Consumer Health and Wellbeing", page 30).

A very successful example of our efforts is the introduction of the NIVEA Fresh Blend Shower Cream. The bottle is made of 97% recycled plastic, while the shower gel is microplastic-free and is also biodegradable. In addition, with our NATURALLY GOOD Body Care range we reached a milestone in the reporting year regarding the reduced use of virgin plastic and environmentally friendly product formulations. More details on this are provided in the [interview with Heike Georg, Global Packaging Manager, NIVEA](#) on page 23. As part of our packaging optimizations we also switched over our NIVEA Micellar facial cleansing range: Here too, the bottles are now made of recy-

NIVEA REFILL STATIONS AT DM DRUGSTORES

- Consumers can refill the NIVEA Shower Gel bottles themselves in three dm drugstores and NIVEA Houses in Hamburg and Berlin
- Test period: Six to eight months
- Goal: Gain experience, save packaging, and promote the circular economy

Together with the dm drugstore retail chain we are testing refill stations for our NIVEA Shower Gel in Germany. The concept is beautifully simple: Consumers take an empty plastic bottle from the refill station and fill it up from the integrated filling machine. The on-site printed label ensures a smooth payment transaction. To refill their bottle, the consumers simply bring it back to the store. This innovative concept received the [Design MUSE Award](#) and the Sustainability Reader Award 2020 from Packaging Europe.





clined PET, and to improve recyclability we eliminated the silver foil previously used for the label on the back. In addition, the new black color particles that we use to color our bottles are quite special: Until now, black packaging was often not detected during the automated sorting process in recycling and was therefore removed and incinerated. The newly developed color particles are correctly detected by today's sorting technology and accordingly channeled for recycling. Since this year we use only these color pigments in our NIVEA Micellar Expert range as well as for the NIVEA MEN DEEP shampoos and shower gels. We are also working on switching over to recycled material in NIVEA packaging for products that do not need to be washed off or washed out: For example, in 2020 we were able to switch over the existing NIVEA SUN Spray Bottles made of PET to recycled material - these now contain 95% rPET.

EUCERIN ATOPICONTROL BALM

- Up to 40% less plastic per tube
- 100% less paper packaging

Another example of how a product actively contributes to Beiersdorf's CARE BEYOND SKIN Sustainability Agenda is the AtopiControl balm by EUCERIN. Today, this balm is delivered in a tube instead of a bottle, and is also sold without a folding box. The new 400ml tubes require 40% less plastic than the previous packaging, while the 200ml version saves 20% plastic.

EUCERIN is also contributing to our ambitious objectives and is working on the circularity of its products. The brand has successfully taken the first steps: By completely eliminating packaging leaflets, around 47t of paper will be saved every year by July 2021. Through this and other measures, such as eliminating the folding boxes used to package many EUCERIN Body and Shampoo products and establishing a lighter cardboard for the remaining folding boxes, almost 200t of paper will be saved by 2024. More information on the topic of paper is provided in the chapter on "For Sustainable Land Use", page 24. And EUCERIN is not stopping there: By 2025 the brand will replace nearly 2,000t of virgin plastic - or in other words about 47% of the annual plastic consump-



tion - with recycled plastic compared to 2019. The Sensitive Relief After SUN Lotion offers a good example of how these goals are achieved: Not only has the folding carton been eliminated but now around one-third less plastic is needed for each bottle.



We also deliberately select materials for our **HANSAPLAST**, **ELASTOPLAST**, and **CURITAS** plasters: In order to protect the plasters before use, a combination of paper and plastic was previously used. The same level of protection is now guaranteed exclusively by paper, which saves 83t of plastic per year. In addition, lighter folding boxes consume 106t less paper per year - roughly the weight of 18 adult African elephants. The various paper or cardboard packaging types are recyclable and made of FSC-certified paper.

Shaping Change Together

We firmly believe that the global plastic problem cannot be solved by individual companies alone. For this we need the overarching cooperation of all companies involved - only in this way can we bring about sustainable change.

To help promote recycling we therefore committed to the [HOLYGRAIL 2.0](#) initiative launched by the European brand association AIM. Together with more than 80 other companies we want to test the possibilities of digital watermarking technology to enable more precise waste sorting and help drive the circular economy forward in the EU. The reason is simple: The improved packaging can be detected





in automated recycling processes and higher quality used plastic can be collected and reused for packaging – thereby reducing the amount of virgin plastic required by industry.

In addition, in cooperation with the company Werner & Mertz and the Fraunhofer Institute for Process Engineering and Packaging (IVV), we developed a proposal for a potential industry standard for the use of recycled plastic in cosmetics packaging. We shared this proposal with specialist committees as a basis for further development; it is intended to

improve the quality of recycled plastics and enable more of them to be fed into the circular economy.

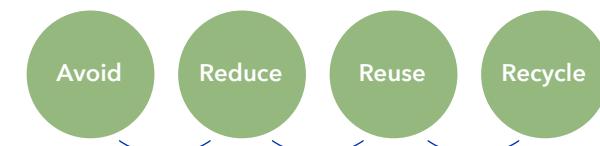
In a further project we tried something new regarding recycling in 2020: Under the banner of "Make New From Old", NIVEA and Hamburg's largest drugstore chain BUDNI launched a recycling campaign. At all stores in Hamburg and the surrounding region, BUDNI consumers were encouraged to hand in their empty Beiersdorf product bottles and containers bearing the High Density Polyethylene (HDPE) logo on the underside. In the next step, the containers thus collected were processed into new, recycled Limited Edition NIVEA Shower bottles.

Reducing, reusing, and recycling fossil-based plastics is very important. Beyond this, however, we are also working on replacing them. In partnership with a supplier we are examining the use of plastic packaging made from renewable raw materials. The main difference versus the conventional plastics is that a renewable, plant-based raw material is used here instead of a fossil raw material. The plastic produced this way is identical to the familiar fossil-based plastic and can be recycled in conventional disposal facilities.

We have achieved a great deal – and much more remains for us to do. Alongside the measures and projects mentioned above, we continue to pursue the concept of the circular economy consistently within other initiatives. Transparently informing our consumers about our engagement at product and market levels is an additional element in achieving this goal (see "For Consumer Health and Wellbeing", page 30).

Next-level Waste

Whether saving CO₂ or recovering recyclable materials, taking a far-sighted approach to waste holds great potential which we already leverage every day. Regarding waste we pursue four goals: avoiding, reducing, reusing, and recycling. **By 2025 we intend to reduce the waste volume at our production sites by around a third.** Compared with our 2018 baseline we have already made good progress towards this.



Avoid and Reduce: The best waste is the kind that does not occur at all. This is why a project team in our global "Sustainability in Manufacturing" initiative (see "For a Climate Positive Future", page 14) is working intensively on completely new ideas to reduce waste volumes in our production. This is intended to significantly reduce the waste generated during product changeovers on the production lines. Other examples are optimized cleaning processes, which currently still generate too much waste. Warehousing is another area where we can avoid waste: Our plant in Mexico, for example, stores unfinished products in reusable plastic boxes instead of cardboard boxes that wear out and then need to be disposed of. In this way 40t of waste can be saved per year.

Reuse: Waste is also generated from disposing of overstocked products that have become unusable.





Although we plan very precisely and based on extensive experience, unfortunately overstocks cannot always be avoided. If the products are no longer suitable for sale but still usable, then we donate a large proportion. Recipients are social projects such as the German non-profit organization "innatura" and the "[In Kind Direct International](#)" network, which distribute our product donations to charities in Europe. This means we not only protect the environment but also make a social contribution with our donations for wound care and personal hygiene.

If it is not possible to donate overstocks we will in future rely on so-called material recycling, in which we use mechanical processes to separate unusable products into product and packaging. This opens up completely new avenues for innovative waste disposal. Last year in particular, we made such great progress in this area that we expect to materially recycle a large proportion of this waste as early as next year. We will recycle the packaging and obtain biogas from the product residues.

Recycle: We are working to increase the share of recycling in all our waste, because recycling – especially packaging – makes a significant contribution to climate protection. Why? Because no new raw materials have to be mined, transported, and processed into new packaging material. Information about recycling packaging is also available in the chapter on "For Fully Circular Resources", page 18.

Even though the volume of waste is declining, we cannot avoid it altogether. This is where responsible disposal concepts come in. One example is

that we are abolishing "landfilling", meaning the disposal of waste in landfills. This method is a particular burden on our environment and we are therefore committed to avoiding it completely in future. We have already been able to take action towards this goal: No waste from our production site in Nigeria now goes to landfill, making it the 16th out of 17 locations in total.

We see it as our responsibility to utilize all unavoidable waste and to make it as usable as we can. We are therefore constantly optimizing our disposal channels: It is already a matter of course at all Beiersdorf production sites to collect cardboard, paper, metals, and plastic films separately and return them to the materials cycle. Our consumers also have a role to play in separating waste correctly: By cooperating with retailers we create opportunities to inform consumers about what they can do to help make recycling as efficient as possible. After all, thinking next-level waste works best when everyone pitches in.

More details on our cooperations in the area of "For Consumer Health and Wellbeing" are available on page 30.



COOPERATION WITH THE HAMBURG WASTE TREATMENT PLANT

- Production residues become biogas
- The first test run was a complete success

HAMBURG WASSER, the Hamburg Municipal Waste Treatment Plant, extracts biomethane from wastewater. Working together with HAMBURG WASSER we tested whether this valuable biogas could also be extracted from production waste: Product residues collected from cleaning our production plants were fed into the biogas production and processing system at the treatment plant. The test run was a success: The additionally extracted biogas from our production waste was fed into the municipal gas grid together with the biogas from wastewater, thus helping lower the share of fossil fuels in the energy supply. We intend to build on this great start and expand this disposal route further.





Skin Care with a Focus on Sustainability - Our NIVEA NATURALLY GOOD Series



Ms. Georg, what sets the NIVEA NATURALLY GOOD series apart?

H. Georg These days we are increasingly careful not only to do something good for ourselves, but also for the environment. Thanks to our NIVEA NATURALLY GOOD series, our consumers no longer have to compromise on their skin care, as we have developed the series with a focus on sustainability – both in terms of packaging and ingredients.

What was your role in developing the products?

H. Georg As Global Packaging Manager at NIVEA, I work to develop innovative and attractive packaging solutions that are as sustainable as possible. On the one hand, this is my job – but at the same time it allows me to pursue a cause I am passionate about and help drive the topic of sustainability a little further. We are improving the recyclability of our products, using more recycled materials, and less material overall in our plastic packaging. This way we can contribute to the circular economy and reduce GHG emissions at the same time, thereby helping counteract climate change.

INTERVIEW with Heike Georg, Global Packaging Manager, NIVEA

Can you clarify this for us in terms of specific products?

H. Georg Sure. For our NIVEA NATURALLY GOOD shower gel as well as our NIVEA NATURALLY GOOD Micellar wash gel and facial water, we have developed bottles with at least 96% recycled material (not including the cap or label). And also many other NIVEA products now state the share of recycled plastic in their packaging. Another highlight is the bottle for our NIVEA NATURALLY GOOD Body Lotion: This stands out thanks to an innovative design that uses 50% less plastic compared to our conventional body lotion bottles. We have minimized the thickness of the bottle wall and developed a smaller, lighter cap – nevertheless, the bottle remains very stable and protects the product.

Thanks to its flexible material, the bottle can also be compressed and rolled up as the contents begin to run out – this is a real novelty in our entire product portfolio. In addition, all packaging materials, apart from adhesives, are up to 100% recyclable depending on the country. The prerequisite for this is that our consumers dispose of the materials separately, i.e. the cap and the bottle.



I understand the products in the NIVEA NATURALLY GOOD care series have gone even further in terms of sustainability?

H. Georg That's right! My colleagues in Research and Development have formulated the entire NIVEA NATURALLY GOOD series with ingredients that are 95 to 99% of natural origin. In addition, the products are free of microplastics under the UNEP definition, and their formulas are vegan, so they are completely free from ingredients of animal origin. We use very few non-natural ingredients – these are key to ensuring product stability and safety, and help provide a smooth, easily spreadable texture. We guarantee 100% transparency regarding the ingredients of our NIVEA NATURALLY GOOD care series, so our consumers can safely choose what's best for their own skin.





For Sustainable Land Use

Natural resources build part of the basis for Beiersdorf products. Palm oil, paper, and soy are just three examples. Just as much as their properties are valuable, we attach equal importance to avoiding environmental impacts when sourcing them in the cultivating regions, as well as in their use. We have therefore set ourselves the target of obtaining all renewable materials from sustainable sources by 2025.

Responsible Handling of Raw Materials Derived from Palm (Kernel) Oil

Many ingredients, such as emulsifiers and surfactants, which are essential in the manufacturing of cosmetic products, are derived from mineral or vegetable oils – such as palm (kernel) oil. In fact, this oil is indispensable to us, also because it is so versatile. As a global skin care company, Beiersdorf does not source palm oil directly, but uses its derivatives as raw materials. In 2020 our share in the worldwide consumption of palm oil amounted to around 28,000t. This represents 0.04% of global annual output.

In addition to its beneficial properties for cosmetics and body care products, palm oil has another major advantage – it is a renewable raw material with high

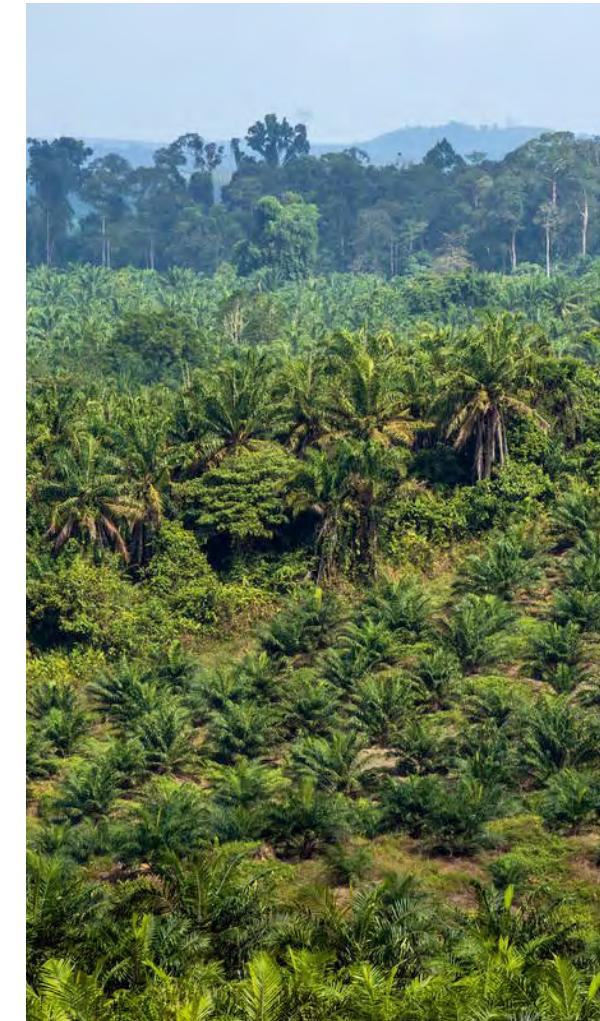
cultivation efficiency. Oil palms provide almost five times the yield per hectare compared with other crops such as coconut, rapeseed, and sunflower (Source: [FONAP](#)). This means that less land is required to produce more oil. A sustainable palm oil economy, which we actively support, counteracts the deforestation of primary and secondary rainforests.

To achieve this we are pursuing our "[Palm Sustainability Roadmap](#)", which guides our actions worldwide towards achieving fully sustainable raw material procurement and improving working conditions for smallholder farmers locally, for example. We plan to

OUR TARGETS FOR 2025

100%

- Renewable raw materials from sustainable sources
- Deforestation-free sourcing of our main raw materials (e.g. palm oil, soy, paper)





identify and minimize the environmental and social risks along the value chain through certifications and greater transparency. More details on this are available in our [Combined Non-financial Statement \(NFS\)](#) in the Annual Report 2020, page 47.

Since 2011 regarding the procurement of palm oil we have oriented ourselves towards the ["Round-table on Sustainable Palm Oil" \(RSPO\)](#) standards. Since receiving the first shipments of certified palm oil in 2015 we have continually expanded the percentage of mass-balanced ingredients in our overall procurement, reaching a very important milestone in 2020: We now only use palm oil-based raw materials from sustainable sources according to the RSPO Mass Balance Model. In addition to this, we are a founding member of the ["Forum for Sustainable Palm Oil" \(FONAP\)](#), a multi-stakeholder initiative of companies, non-governmental organizations, associations and the German Federal Ministry of Food and Agriculture (BMEL). FONAP certification criteria ensure greater respect for environmental considerations and local communities.

We can only identify challenges and implement effective measures if we know our supply chain and suppliers in depth. Transparency is therefore an important key in the implementation of sustainability criteria. We are therefore tracing the origins of our raw materials in close cooperation with our partners along the supply chain; we are also a founding member of the cross-sector initiative ["Action for Sustainable Derivatives" \(ASD\)](#). As part of this initiative, we have already achieved a lot: We can trace 98% of our palm oil derivatives back to the refinery level, along with 86% back to the mills and 28% right back to the plantations.



Providing Support in the Cultivating Regions

In the palm oil cultivation areas we are working towards long-term improvements in the local working and living conditions of smallholder farmers. Protecting the environment is another important goal in this respect. Since 2018 we have initiated



BEIERSDORF
SUPPORTS WWF'S
LANDSCAPE
PROJECT IN
MALAYSIA

Beiersdorf

several smallholder farmer and landscape projects in cooperation with the "World Wide Fund for Nature" (WWF) and the FONAP in [Indonesia](#) and [Malaysia](#).

In West Kalimantan on the island of Borneo (Indonesia), we are supporting a total of three project villages with 4,500 inhabitants in total, among them 240 smallholder farmers. With this project we are helping to make palm oil cultivation more professional and sustainable. To achieve this we deliver training courses, supply the smallholders with high-quality seedlings, and establish connections between government offices and these farmers. Alongside sustainable cultivation, the project also aims to improve the standard of living for smallholder farmers and their families by pursuing important aspects such as securing a clean water supply and other potential sources of income for the farmers.



Find out more about our smallholder project in West Kalimantan on our website





Together with the specialty chemicals company **Evonik** and the **WWF** we are promoting sustainable development through a major joint landscape project in the Malaysian region of Tabin, in Sabah on the island of Borneo. The aim of the program is sustainable palm oil production and an end to deforestation. To achieve this, by 2025 all palm oil farmers and a total area of 20,000 hectares will be certified according to the internationally recognized RSPO standard. Additionally, we are working with Evonik and WWF to protect wildlife habitats in Tabin, since this region is home to many endangered species. The aim is to stabilize the populations of endangered species such as the rare Borneo elephant and the orangutan over the next five years.

In recognition of our commitment to combating deforestation we were awarded an **A- rating in the Forests focus area** by the "Carbon Disclosure Project" (CDP), an international non-profit organization.

We want to support the smallholder farmers to develop and grow their raw materials in a more professional and sustainable way.

Julia Beier
Responsible Sourcing Manager



© AAK

Palm Oil - an Outlook

We want to continue expanding our commitment in the local cultivation areas and supporting smallholder farmers in the extraction of palm oil and other key raw materials. In addition, we are also pursuing the goal of implementing projects with other partners that bring about similar direct positive changes in supply chains on the ground. Our findings from our current projects are supporting us in selecting and implementing projects for the future.

Further Valuable Raw Materials

Shea is a naturally renewable raw material that has been used in skin care for thousands of years. **Sheabutter** is an important ingredient in our products, for example in lip balms and body lotions.

Since 2019 Beiersdorf has been a member of the "Global Shea Alliance" (GSA) and supports the fair trade and responsible procurement of sheabutter. Read about how we support women shea harvesters locally together with our shea supplier on page 47.

We use **paper and cardboard** in much of our product packaging. This is another natural resource we want to source sustainably. We have set up a "Sustainable Paper and Cardboard Policy", which commits us to using 100% sustainable paper and cardboard materials worldwide by 2020. We already achieved this in 2019 for our folding boxes. More information about packaging is available in the chapter "For Fully Circular Resources", page 18.

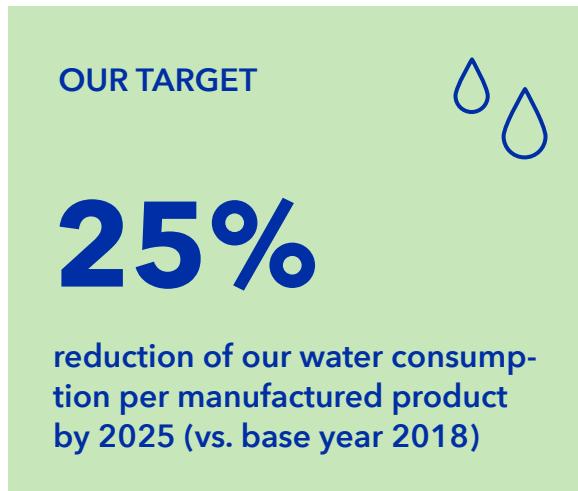




For Regenerative Water Environments

Water is a vital resource, in skin care too. Along with valuable oils it forms the basis for many of our products. In addition, we use and consume water in many production areas.

However, by far the largest share is used when our consumers apply our products to wash their hair, or shower. At the same time, clean drinking water is an increasingly scarce and highly endangered resource. The advance of climate change, resulting droughts and the contamination of water sources are just some of the root causes.



As a manufacturer of skin care products we are aware of our great responsibility and within our "For Regenerative Water Environments" focus field have made water a core topic of our sustainable business approach - right along our entire value chain, and throughout the full life cycle of our products. This way we are contributing to the UN [Sustainable Development Goals](#) SDG 6 and SDG 14, both today and in future.

We are developing multifaceted measures that target very different improvements. The overarching

goal remains the same, though: Using water more and more sustainably. We have committed to very specific and measurable targets: By 2025 we plan to reduce our water consumption per manufactured product by 25% versus the 2018 baseline.

In the last two years we faced a cumulative increase of water consumption per product manufactured of 11%. This increase is driven by installations of new and upgraded of water treatment facilities as well as ramp up activites in new and expanded factories which both require trial runs and extra cleaning.





Sustainable Water Management

Our global initiative "Sustainability in Manufacturing" (see "For a Climate Positive Future", page 14) is specifically designed to minimize any possible environmental impact across our entire production organization. For instance, one solution approach is to reduce our water consumption in the production processes themselves. To achieve this we want to determine the precise water consumption during the manufacturing process at our production plants. Besides this we are also driving the development of completely water-free products, with our solid NIVEA Shampoo as one of the first tangible examples already on the market.

A further area of action is the processing of wastewater to make it reusable and feed it back into our production processes. We save water by purifying it with the latest technology and then using it for cleaning, sanitary purposes, or to water green areas at our sites. Our Bangplee (Thailand) site and our first modular plant at our Gujarat (India) site are two examples of how we

reuse purified wastewater to irrigate green areas onsite. In addition, we make sure that our product formulations do not impact wastewater (see "For Fully Circular Resources", page 18).

Our long-term objective is to establish closed water cycles in which we can reuse purified wastewater in our production processes, and in which very little or even no freshwater is required.



STOP THE WATER WHILE USING ME!

- New natural cosmetics label in our sustainable skin care portfolio
- Engagement for climate and resource protection

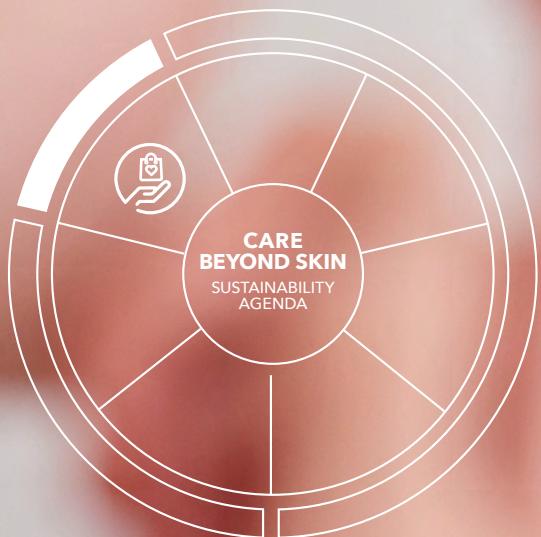
STOP THE WATER WHILE USING ME!

has been part of Beiersdorf since 2020. Our common goal is clear: "Protect, save, and donate water". This young company relies on biodegradable ingredients and refillable product containers. Since its foundation nine years ago, STOP THE WATER WHILE USING ME has raised consumers' awareness of a more responsible approach to water as a resource. With every product sold, a percentage of the sales revenue is automatically donated to the Good Water Projects.



 More information about
STOP THE WATER WHILE USING ME!





Consumer

Our consumers are constantly at the heart of everything we do. Our goal is to inform them transparently and openly about the safety of our product ingredients as well as the environmental sustainability of our product formulations and packaging. Furthermore, we want to inspire our consumers and also involve them wherever possible in our sustainability measures and initiatives.





For Consumer Health and Wellbeing

Our consumers and their personal care needs also play a central role in the context of sustainability. Our goal is therefore to develop innovations that not only meet their expectations of outstanding skin care in the best possible way and are absolutely safe to use, but also take ecological aspects fully into account.



Awareness of sustainability is becoming more and more important: Consumers are increasingly interested in the ingredients we use, their origin, how we procure them, and the sustainability of their packaging.

Being transparent is therefore a core concern for us, just as much as the safety of our skin care products. As part of our **CARE BEYOND SKIN** Sustainability Agenda, one area we call "For Consumer Health and Wellbeing" is explicitly dedicated to our consumers.

Highest Quality and Product Safety

We attach great importance to developing skin care products that meet the highest quality standards, are absolutely safe to use, and also meet our consumers' expectations. This starts with the safety of our ingredients and also includes information on the environmental compatibility of our formulas and packaging.

Transparency

We want to be absolutely honest and transparent towards our consumers. This includes regular and open communication about our sustainability activities and product ranges. We have adopted and implemented the motto "**100% transparency**" in our communication of the recycling proportion of our packaging, among other initiatives.

For example, we use color granules to color our plastic flasks and bottles. These contain color pigments

that require plastic as a carrier material. As this pigment substrate is not yet available from recycled plastic, we take this into account when specifying the proportion of recycled material - we only show the exact proportion of recycled plastic. For instance, our **NATURALLY GOOD Shower gel** indicates a recyclate content of 97% rather than 100%. We explicitly only refer to the plastic from "post-consumer recycling" (PCR) as "recycled", which is collected from household waste. This approach ensures we are aligned with our goal of absolutely transparent and honest communication with our consumers. For more on packaging, see "For Fully Circular Resources", page 18.

A further example of our transparency is the **NIVEA Ingredients Glossary** that we have been publishing continuously on local NIVEA websites since

OUR TARGET

100%

transparency towards
our consumers





2020. It provides simple yet detailed information on nearly 600 ingredients used in our product formulations; the comprehensive list of ingredients can be accessed under the respective product on the NIVEA website. The Glossary's message is: "**We care for the health and safety of your skin**". In addition to the Glossary, we provide comprehensive information about our commitment to sustainability.

Beyond the website, digital technologies are an important tool for informing our consumers about sustainability when they are considering the purchase of our products. For example, on the packaging of our new NIVEA NATURALLY GOOD Body Lotion, which uses **50% less packaging material** than the previous version and is therefore a genuine "lightweight", a QR code provides consumers with access to a wide range of information about its natural ingredients and **particularly sustainable packaging innovation**. You can find out more about NIVEA NATURALLY GOOD Body Lotion in the interview on page 23. In addition, we are testing the beta version of scannable product packaging: The aim is to offer our consumers a virtual experience using augmented reality that makes communication via our product even more appealing and easier.

Explaining and Involving

We also want to encourage sustainable behavior and try to reach our consumers with tips, helpful tricks, and interesting information in video format via our social media channels – for example on the key topic of waste separation and recycling, where there is still



a lot of uncertainty. In the area of recycling, NIVEA achieved a great deal in 2020: For instance, in reprocessing so-called **old plastic**. In addition, we consistently seek to involve our consumers. One example is the **NIVEA Refill Stations** (see page 19) that we have been testing in selected dm drugstores and NIVEA Houses since summer 2020. Another is a collection campaign that we implemented together with the BUDNI retail chain: **Recycled bottles** were produced from the returned empty plastic bottles from the NIVEA range, which were then made exclusively available to consumers (see page 21). These are just a few

selected examples of how we inform, inspire, and involve our consumers in our sustainability projects. We are aware that we can only progress towards becoming a more sustainable society together with our consumers. The CONSUMER area is therefore essential for us as a company and we have firmly anchored it in our **CARE BEYOND SKIN** Sustainability Agenda.





Society

Corporate Social Responsibility is a core element of our commitment to sustainability. The divisions in society, mainly caused by globalization, the impact of climate change, and the increasing pace of technological developments form the starting point for our engagement in the SOCIETY area.



For an Inclusive Society

CARE BEYOND SKIN expresses our passion and calling to reach beyond our core business as well as our commitment to contribute to better social cohesion and environmental protection. As a globally active company, assuming responsibility for our immediate social environment and making a positive, sustainable impact for the benefit of our fellow citizens is a matter of course.

In line with our vision of an “Inclusive Society”, we focus especially on people who are affected by social inequality, marginalization, and isolation. We support locally relevant initiatives – beyond our own value chain – that aim to encourage and enable the wellbeing, sense of belonging, and voluntary social participation of all members of society, and thus make an important contribution towards a cohesive society.

In 2020, as part of our “For an Inclusive Society” focus field we concentrated our global engagement on one topic in particular: The worldwide coronavirus crisis, its immediate humanitarian impact and its long-term socioeconomic effects. In line with our **CARE BEYOND SKIN** Corporate Purpose, Beiersdorf



launched a €50 million aid program in March 2020 that is unprecedented in the company’s history.

Based on the principles of humanitarian aid (emergency aid – rehabilitation – reconstruction), we split up our aid program into different areas in order to be able to provide short, medium, and long-term

support. Alongside the emergency measures (see Overview, page 35), Beiersdorf therefore also initiated partnerships at a global level to counter the medium and long-term socioeconomic effects of the pandemic. These focus particularly on regions with weak public health systems and infrastructures, and on girls and young women as the target group.





Due to their age and gender, girls and young women are especially impacted by the pandemic and its consequences. Not only because women are more likely to have jobs that put them at higher risk of being infected with COVID-19, for example in nursing and healthcare; also and especially because crisis situations aggravate existing inequalities and threatening conditions. In crises, girls and young women are at increased risk of experiencing sexualized violence, being forced into marriage and having to leave school permanently. The aim of our global commitment is therefore to counteract the consequences of the pandemic for girls and young women so that the coronavirus crisis does not become a setback in the efforts for equal rights.

Under the theme of "We Care Beyond Skin by Empowering Girls" Beiersdorf is therefore working with **international non-profit organizations** with great depth of expertise in their respective fields, that can draw on stable local networks, and have many years of experience in impact measurement:

In partnership with Plan International Germany, Beiersdorf is supporting the rights of girls and young women to access education and helping to prevent gender-specific violence during the COVID-19 pandemic and beyond. Girls and young women are especially affected by the pandemic: For them in particular, an interruption in their schooling often has

far-reaching consequences, such as exploitation or child marriage. The program is being implemented on two continents: In Latin America (Brazil, Ecuador, Colombia) the project was launched on October 1, 2020, and in Africa (Ghana, Kenya, Nigeria) on February 1, 2021.

Beiersdorf and CARE intend to reach 131,000 people in the next two years.

Together, Beiersdorf and Plan International will engage to support and protect girls and young women so that they can be seen, heard, and valued in all their diversity and have the opportunity to lead a life of equality and self-determination. The projects focus on three areas: Access to education and mentoring, training courses for families and communities, and collaboration with government agencies. By 2023, the joint projects are intended to reach around 135,000 people in six countries, both directly and indirectly.

To find out more about the partnership with Plan International, please also read the **interview** with their National Executive Director Germany, Maike Röttger, on page 36.

In partnership with CARE, Beiersdorf is working over a period of two years to help girls, women, and their communities, who are suffering severely

from the COVID-19 pandemic and its effects. The project started on January 1, 2021, in Ethiopia, Kenya, Somalia, and Sudan. All four countries are exposed to higher risks in dealing with COVID-19 due to their socioeconomic vulnerability: For example, large sections of their populations have only limited access to a functioning health system.

Beiersdorf and CARE will work together to ensure that particularly marginalized and excluded sections of society, such as girls and young women, receive information about Covid-19 and access to appropriate healthcare, and that the socioeconomic consequences for these target groups are mitigated. Measures to improve livelihoods are an integral part of the projects. Over the next two years, the joint initiative is intended to reach around 131,000 people directly and indirectly in the project regions.

Beiersdorf and Plan International are cooperating on projects in 6 countries.

Alongside working with Plan International and CARE, Beiersdorf has launched a **partnership with Ashoka**, the oldest and largest network worldwide for social entrepreneurs, in order to support social innovations in the COVID-19 pandemic. Social entrepreneurs - meaning people who are solving social problems in an entrepreneurial way - are especially strongly impacted by the crisis. They are working on innovative solutions to social problems that have worsened due to the coronavirus crisis. Even before the pandemic broke out, many





of them lacked the resources and networks that they need to reach as many people as possible with their fast and effective approaches. This has worsened severely due to the pandemic, and many social challenges have become more urgent at the same time. By spring 2021, Beiersdorf and Ashoka will have provided more than 80 selected social entrepreneurs in the Ashoka network with the resources they badly need during this period through the **"Changemakers United"** program. Above all these include visibility, networking – with each other as well as with potential sponsors – and targeted strategic support. In addition to the program, Beiersdorf has selected five social entrepreneurs for direct targeted financial support. In selecting these social entrepreneurs, particular attention was paid to the topic of **"Empowering Girls"**. Find out more about the five social entrepreneurs we are supporting on page 38.

As a traditionally research-driven company, Beiersdorf has also decided to support research projects. These will not only provide scientists with key insights into the effects of the COVID-19 pandemic but will also give us valuable pointers for our future social brand and corporate responsibilities. Together with the Ad Council in the USA, a study on "Loneliness, Social Isolation, Social Inclusion, and Human Touch in Times of COVID-19" was produced during the reporting period.

Aligned with our **CARE BEYOND SKIN** Corporate Purpose and the focus field "For an Inclusive

Society", **in 2021** we will pursue and expand our projects to counter the effects of the COVID-19 pandemic, both on people and the environment. Together with experts, we will also identify further

areas in which we can achieve a sustained positive impact with our company and our brands, in line with the UN Sustainable Development Goals (SDGs).

Overview of Emergency Measures in 2020

Donation of Disinfectants

To support hospitals and medical staff in the fight against COVID-19, Beiersdorf converted individual production lines in 13 countries to manufacture medical disinfectants. Over three months, a million liters were produced worldwide.



Worldwide Product Donations

Beiersdorf distributed more than five million NIVEA skin and hand care products to nurses and doctors, whose skin suffers more than most. The products were donated in over 20 countries and were intended as a thank-you for their tireless service.



Local COVID-19 Emergency Aid

The Group's local affiliates provided funds for COVID-19 emergency aid in their respective regions. This support especially benefited existing Beiersdorf partner organizations that faced major challenges in this exceptional situation.



Employee Donations

As part of the relief program, the Group matched all employee donations to the emergency relief funds of the two international aid organizations Doctors Without Borders and UNICEF.





We Care Beyond Skin by Empowering Girls

Maike Röttger is the National Executive Director at Plan International Germany, one of the partners in the Beiersdorf initiative "We Care Beyond Skin by Empowering Girls", launched as part of our company's COVID-19 aid program.

Ms. Röttger, to what extent are girls and young women disadvantaged?

M. Röttger When we talk about equal rights and opportunities we are talking about access to things that are actually self-evident: Education, healthcare, and protection. In many parts of the world, however, girls are still exclusively limited to housework and leave school earlier than their brothers. They receive less to eat and poorer healthcare. Another major issue is early marriage. Almost across the board, girls and women experience more domestic and sexualized violence.

To express this situation as a figure, the World Economic Forum has calculated that it will take another 257 years for genuine economic gender equality to be achieved. This deprives girls and young women of the chance of a self-determined, independent life.



How can gender equality help improve our world?

M. Röttger Gender equality is one of the Sustainable Development Goals (SDGs). Without gender equality, the 2030 Agenda will not be achievable. We know that achieving equality between men and women is the key to combating poverty in a sustainable way. If you strengthen girls, if you make them Champions of Change, then societies change. Gross Domestic Product increases. For every year that a girl goes to secondary school, she will later contribute at least 20% more income to her family. She will have fewer children, and these children will grow up healthier and better educated.

How does Plan International help bring about this change?

M. Röttger The topic areas within which we work at Plan International are based on seven SDGs that are particularly relevant to us, as well as on our mission to enable 100 million girls to learn, lead, decide, and thrive by 2022. To reach this ambitious goal we focus on education, health, protection, and empowerment.

For example, in many countries we have set up projects to prevent early marriage, and through



these we are triggering societal change. We work together with the families to help them understand the importance of girls and boys not marrying until after 18 and of attending school beforehand.

In the long run this will have an effect on the whole community. The girls will go to school and later have children at an age where they are ready for it. This will have a positive impact on the future of their own children and also on the future of their husbands. If we want to empower girls, this can never be achieved without cooperation with boys and men - and neither should it be. Ultimately, we want to achieve a sustainable change in society.





All these recent issues show that the progress that girls have struggled for and achieved is being lost very quickly. This pandemic is acting like a magnifying glass on everything that doesn't work.

Maike Röttger
National Executive Director
at Plan International Germany

What does it mean when you are "on location"? What influence does it have on the success of your work?

M. Röttger We work in more than 70 countries worldwide. Of these, 20 countries generate donations. In more than 50 countries we deploy these funds through independent local offices, under the umbrella of our global strategy. We are independent of governments, but we work closely together

with them. Our employees are present right down to the smallest community, as direct contact with local people is invaluable – also to better understand each other and to interact with each other on an equal footing. Without our strong local networks we would not be able to act effectively in difficult situations and risk areas. Especially in disaster situations, such as during the COVID-19 pandemic, we do not have to fly out to our projects – we are already there.

What impacts of the coronavirus crisis do you observe on the projects, or rather on progress towards equality?

M. Röttger Not only do we have a global health and employment crisis, we have a crisis for girls and women. Even before the pandemic, 130 million girls worldwide were unable to go to school. Now many countries have closed their schools – and we fear that it is the girls who will not return. The families are preparing for the girls to stay home again. The vicious circle then returns: They are forced to marry far too early, because this way they will at least be cared for initially. Domestic violence is also a big issue, because if girls no longer have the schoolroom as a shelter during the lockdown, they are at particular risk of victimization. Women and girls also tend to care for the sick, i.e. they are exposed to the virus unprotected. Many health systems have collapsed and girls and young women do not have access to health services that are important to them, such as health education and contraception. In the coming months we will see the incipient increase in birth rates.

You finance your projects through donations and public donors, as well as through large donors such as Beiersdorf. What does this additional support mean for your projects?

M. Röttger Our very important and extensive cooperation with Beiersdorf is initially planned to last more than two years. On the one hand, it gives us the opportunity to extend our short-term humanitarian aid during the pandemic, but also to switch to longer-term support when humanitarian aid and meeting primary needs are no longer vital priorities. Beiersdorf supports projects that contribute to three 2030 Agenda goals in the fields of health, education, and gender equality.

For us, the cooperation with Beiersdorf is particularly special, above and beyond the financial commitment. Here, two partners are learning from each other's respective competencies on an equal footing, and are thereby improving the measures' effectiveness. There is no power gap – each of us respects the professionalism of the other. This is the best basis for a successful cooperation.

After ten years as National Executive Director, Maike Röttger will leave Plan International Germany on 31 March 2021. She will be succeeded by Kathrin Hartkopf, currently Managing Director at the Foundation Hilfe mit Plan.





ASHOKA CHANGE-MAKERS UNITED:

Our Selection of Social Entrepreneurs

Above and beyond the "Changemakers United" program, in the reporting year Beiersdorf has selected five social entrepreneurs for financial support. We present them here below.

"Farm2Food" - Creating Long-term Prospects

Deep Jyoti Sonu Brahma is the founder of the non-profit organization ["Farm2Food"](#) whose aim is to create sustainable future prospects for children and families in India's Assam region. Working together with schools, in "Farmpreneur Clubs" children and adolescents are encouraged to work in agriculture and to take an entrepreneurial approach. Farm2Food prioritizes support for young girls who have been most heavily affected by the consequences of the pandemic. Find out more [here](#).

Especially in the coronavirus crisis we need people who can think outside the box.

Christiane Hölscher,
Global CSR Manager

Deep Jyoti
Sonu Brahma
founder of
"Farm2Food",
India



“

Naomi
Tulay-Solanke
founder of
"Community Health-
care Initiative",
Liberia



„Community Healthcare Initiative“ – Systemic Change in the Healthcare System

Naomi Tulay-Solanke is the highly committed founder of the ["Community Healthcare Initiative"](#) in Liberia. Through her engagement she helps one of the most endangered groups in Liberian society – women and adolescent girls. Menstruation is still a taboo topic in Liberia, which causes many young women to stay away from school during their period. The initiative addresses this problem by providing these adolescents with personal hygiene kits, amongst other resources. Beiersdorf supports Naomi in developing new solutions for the urgent challenges in the healthcare system, especially during and after the pandemic. Discover more [here](#).





"Safe Motherhood Alliance" - For a Safe Birth

Muzalema Mwanza has many years of experience in working with rural communities, with a focus on education and gender empowerment. She is the founder of the ["Safe Motherhood Alliance"](#) in Zambia, which is dedicated to lowering the mortality rate of newborn babies and their mothers. It aims to achieve this by strengthening traditional midwives and providing medical birth packs. This will help minimize the risk of COVID-19 contagion during birth, and will save the lives of many mothers and their newborns. Find out more [here](#).

Muzalema Mwanza
founder of
"Safe Motherhood Alliance",
Zambia



Melina Masnatta
founder of
NGO "Chicas en
tecnología",
Argentina

"Chicas en tecnología" - Technological Solutions with a Positive Social Impact

Melina Masnatta co-founded the non-governmental organization (NGO) ["Chicas en tecnología"](#) ("Girls in Technology") in Argentina to help close the gender gap in the area of technology, and has been the Executive Director since 2017. This NGO encourages young women in particular to become entrepreneurs and create technological solutions with a positive social impact. By providing financial aid, Beiersdorf seeks to support Melina Masnatta in giving these girls prospects and the possibility to create their own future – even in times of great uncertainty such as the COVID-19 pandemic. Find out more [here](#).



Priya Agrawal
founder of
NGO "Antarang
Foundation",
India

"Antarang Foundation" - Career Orientation for Marginalized Young People

Priya Agrawal is dedicated to combating youth unemployment in India. In 2013 she founded the NGO ["Antarang Foundation"](#) to build a bridge between education and employment for potential school drop-outs. With support from Beiersdorf she will be able to help young people particularly affected by the pandemic. The goal is to provide career orientation to 16,000 high-school pupils in Mumbai, and by means of an individualized action plan to encourage them to stay in education and set themselves ambitious goals. Discover more [here](#).





BEIERSDORF EMPLOYEES IN ACTION



Pitching in Together for Hamburg

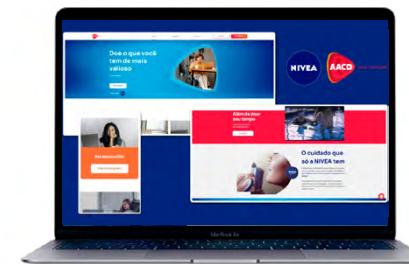
Together with **over 30 companies from the Hamburg** region, Beiersdorf demonstrated their solidarity in the midst of the COVID-19 pandemic. From May 2020 onwards our employees have been filling aid bags for the non-profit initiative "**Hamburg packt's zusammen**" with hygiene products, clothing, and food for families, single parents, the elderly, the homeless, refugees, and students. Iain Holding, General Manager Germany/Switzerland, supports the campaign and also joined in. The charitable organization Hanseatic Help e. V. distributed no less than 28,000 bags last year; the plan for 2021 is 30,000 bags.

Inclusive Fundraising Run in Poland

Combining societal engagement with sport is the idea behind the **fundraising run in Poznan (Poland)**. This event is organized by the Stowarzyszenie na TAK (YES Foundation) every year: Children, adults, people with disabilities, and athletes all compete at the same time in this great event - and our employees from **NIVEA Polska and Beiersdorf Manufacturing Poznan** also regularly participate. 55 employees were ready at the start line in 2020 too, running on their own or keeping a sufficient distance apart. In addition, Beiersdorf paid the registration fee for 32 children from the "Special Kindergarten No. 164", which is already supported by our employees.



Employees in Brazil Donate Their Time



In cooperation with the local organization AACD, in 2020 NIVEA Brazil sponsored the **"Donate Your Time" (Doe seu tempo)** platform to help counteract social isolation during the COVID-19 pandemic. Beiersdorf employees and people from all over the country were invited to join in an exchange via the platform. Following registration they were able to select a topic that they either wanted to know more about, or on which they were willing to provide information - music, family, or self-care tips, for example. This brought participants together on the platform and triggered numerous enriching conversations. **NIVEA Brazil** has been working for several years now with AACD, an NGO that engages for children and young people with disabilities, and supports their projects.





For Employees along our entire Value Chain

As a responsible company, it is our central concern to ensure the wellbeing of all employees along our entire value chain.

We engage in numerous areas that include the topics of occupational safety, employee health, and upholding human rights. For more information on the topic of human rights, please refer to the [Combined Non-financial Statement \(NFS\)](#) in the Annual Report 2020, page 56 or to our [website](#). What's more we are committed to a transparent, partnership-based collaboration with all our suppliers along the value chain. Furthermore, we promote diversity in our workforce, since differing perspectives not only strengthen our innovation power and our competitiveness, but also help us understand our consumers' needs better.

People at Beiersdorf

Our employees are the heart of Beiersdorf and their daily commitment is the key to our success. We are proud that our Core Values of **Care, Simplicity, Courage, and Trust** have been consistently reflected in our company culture and the way our employees work together since the company was founded in 1882.

The emotional attachment of our employees to the company, their solidarity with their colleagues,

and their engagement on behalf of society and the environment are an important part of what connects us "Beiersdorfers" around the world and makes Beiersdorf so unique. The diversity of our employees, their expertise in applying their knowledge and skills, and not least their pioneering, innovative spirit have carried our company successfully through changing times and have a positive influence on the attractiveness of our brands and products - worldwide.





COVID-19: How the Pandemic Affected Our Work in 2020

The world of work and how people collaborate have undergone constant change for years. The COVID-19 pandemic significantly dynamized and accelerated this process in 2020, and drove clear progress in digitalization and the idea of "**New Work**" that is, new forms of collaboration, at Beiersdorf as well.



In numerous countries, Beiersdorf employees received free disinfectant for their protection.

For many years now we have supported our employees in developing the necessary awareness of the new world of work and the concept of **agile working**, as well as thinking and acting more digitally than ever before with the help of new learning offers. Flexible working (working from home), online meetings, and collaboration via online tools were therefore an integral part of working culture at Beiersdorf even before the COVID-19 pandemic. Combined with an excellent IT infrastructure, in mid-March this firm foundation enabled us to move many jobs to flexible workplaces at home at short notice and without major disruption. This helped us to adapt quickly to the new working conditions under the pandemic and take advantage of opportunities for cooperation. In all positions where flexible work was not possible, such as production lines and research labs, the Health Management team



implemented COVID-19 protection measures early on. Production and Laboratory employees were allocated fixed groups to reduce contact and were protected by partition walls, spacing regulations and (hand) hygiene regulations. The Group headquarters provided disinfectant, free coronavirus testing, and flu vaccinations for all employees.

To complement this, the **Group's internal Health Management** largely digitalized its offering in this COVID-19 pandemic year. With online ergonomics consultations, back training, and a range of sports

programs, as well as weekly podcasts or webinars on various topics, the "**GOOD FOR ME**" team designed many initiatives to maintain and promote sustainable employee health and performance over the long-term under these special circumstances.

On the following page selected colleagues offer us insights into their new world of work. It is clear that our collaboration during the crisis is outstanding - just rather different. Nevertheless, Beiersdorfers are already looking forward to the time when they can meet personally in the office once again!





Christina Henschen
Learning Consultant, Hamburg

Crisis Strengthens Sense of Unity

Christina Henschen appreciates the new way of working that has been daily reality at Beiersdorf since March: "Of course I miss my colleagues when I work from home, but COVID-19 has also brought many positive things with it: A completely different feeling of proximity, a stronger sense of togetherness. And we look out for each other much more." She sees the crisis as an accelerator for "New Work", that is, modern, agile collaboration. For her, this is also reflected in the new attitude of many managers: "Results are what matter. Working from 9 to 5 as before is irrelevant. And this is exactly what characterizes 'New Work': Employees taking responsibility for themselves, and their managers trusting them in advance to deliver."



Ester Saez
Employee in Controlling, Barcelona

Home Office Meets Home Schooling

Ester Saez works for Beiersdorf Manufacturing in Argentona, around 35 kilometers outside Barcelona.

Usually. Since the lockdown in spring, she does most of her work from her living room at home. "When home schooling collided with home office, it was a bit of a challenge for us," she recalls. "My husband, my children and I have created schedules - which also helps create a boundary between leisure time and work or school." She also has a clear rule with her husband: "Whoever gets the first call stays at the dining table. The other one has to find a new place to work - the bedroom, the deck, or the kitchen."



Tan Wang
Director Innovation Center, Shanghai

Alone in Wuhan

Tan Wang comes from the city that everyone knows since COVID-19: Wuhan. He worked there as Director of Innovation until July, when he was due to move to Beiersdorf's new Innovation Center in Shanghai. "For two and a half months my team was not allowed in the lab, or only in a very limited way. From one day to the next our research work came to a standstill." He kept in close contact with the team on regular video calls, inquiring daily about the well-being of each team member. He found the lack of contact with his family difficult: "My wife and daughter currently live in Canada. Not seeing them wasn't easy for me, but we talked on the phone every day at the height of the pandemic."





Greater Diversity, More Togetherness

As a company that does business globally we see the diversity of our workforce as an opportunity. Different perspectives make us more innovative, more competitive – and enable us to better understand consumer needs. In short, they enrich us and make us more successful. Diversity is therefore a core element of our strategic orientation.

People from different nations, cultures, generations, gender identities, as well as with and without disabilities, work at Beiersdorf – very successfully! We focus in particular on the topics of **internationality** and **"gender balance"** (gender diversity), in particular on equal opportunities for women and men.

In 2020 we set a visible signal for more diversity, respect, and tolerance with numerous actions. These included our major campaign for International Women's Day in March, which drew attention to the lack of female executives in Germany. Another was our international **"Diversity Days**



„Yes, we're inclusive!“ - and Beiersdorf was happy to show it by hoisting the rainbow flag during the first international Diversity Days.



We believe in a culture of togetherness that thrives on the individuality of each person. Diversity is what enriches us and makes us successful around the world.

Misel Ahom

Global Diversity & Inclusion Director

2020", which we held in May at Group headquarters and at the international subsidiaries, primarily online, with the topic focus on "Unconscious Prejudices". At the end of August we also announced our commitment as the main sponsor and presenting partner of the "Impact of Diversity" (IoD21) initiative launched by the Women's Career Index (Frauen-Karriere-Index, FKI). IoD21 is sponsored by the German Federal Ministry for Family Affairs, Senior Citizens, Women and Youth and aims to form working groups consisting of different advocates for diversity in business and society, and to promote the exchange of experience.

2020 marks the first time we focused on the diversity of gender identities as well as on the concerns of people who identify as lesbian, gay, bisexual, transgender, intergender, or queer (LGBTIQ+). The main driver here was the LGBTIQ+ employee net-

work **"Be You @Beiersdorf"** founded in November 2019 that works to create an even more inclusive environment for people of different identities and sexual orientations. For Hamburg "Pride Week" at the end of July, the Community promoted diversity within the company and in public under the slogan **#PRIDEINSIDE** and also offered managers and employees webinars to raise awareness of gender and sexual diversity in the workplace. In this context NIVEA also presented the "More Togetherness" (Mehr Miteinander) campaign in cooperation with Hamburg's celebrity drag queen Olivia Jones, flanked with a limited edition of NIVEA cream in rainbow colors. Another highlight of the "Be You" community was its engagement for the worldwide **"Transgender Awareness Week"**, in which the network raised awareness both internally and externally of the concerns of transgender people in the working environment.





BEIERSDORF CELEBRATES INTERNATIONAL WOMEN'S DAY

On March 8 Beiersdorf celebrated International Women's Day. The message shared by the Group in this context was that "Every day is Women's Day. Forever".



 [Link Spot "#61 Katja"](#)

Beiersdorf drew attention to the lack of female executives in Germany for International Women's Day with the ad "#61 Katja". In the list of the most common names of German executives in 2019, the name Katja is in 61st place - and all those before her are men.



Our LGBTIQ+ Community was honored twice for its work in 2020, receiving the "Rising Star Award" from the German PROUT AT WORK Foundation, as well as taking fifth place in the DAX 30 LGBT+ Diversity Index of the UHLALA Group and PROUT AT WORK (previous year: 15th place). An international roll-out of the "Be you @Beiersdorf" employee community is planned for 2021, along with the launch of a special edition of the NIVEA cream in rainbow colors in ten other countries.

Focus on: "Gender Balance"

We are raising awareness of "Gender Balance" among all employees and have been promoting our female employees and managers with various measures through our gender diversity initiative "enCOURAGE" since 2019. These include:

- **"move forward!"** – a mentoring program for talented women who want to begin or develop a management career
- **"Peer Coaching Circles"** – an expansion of "move forward!" with the aim of learning and growing together
- Events by the **"Women in Leadership"** network, at which successful women share their experiences to inspire other women. Due to the COVID-19 pandemic in the reporting year, the annual "Women in Leadership Convention" was held completely online for the first time and opened up to all employees worldwide.



In addition, our modern HR policy offers a wide range of options for flexible working arrangements and for making it easier to combine family and career. These include flextime, the option of mobile working, various part-time options, and sabbaticals.

Alongside standard part-time working we also promote job sharing. This is a model of work where two employees share a position in a "job tandem". Job sharing has long been part of our HR practice, also at management level. In addition to these opportunities for flexible working arrangements, we offer comprehensive childcare options for our employees' children at our Hamburg site through our "TroploKids" company kindergarten; this daycare center is one of the largest of its kind in Germany. In the reporting year we also established virtual coaching for all parents to provide psychological support during the coronavirus crisis, a new online portal providing information for all parents-to-be, and a parental-leave lunch – a series of events to help Beiersdorf mothers and fathers stay connected to the company and make it easier to return to work.





Thanks to additional hygiene measures we were able to continue production and ensure sustainable business success – even during the coronavirus crisis.

Occupational Health and Safety - More Vital than Ever

How can we all get through the pandemic in good health? How can we prevent accidents at work well in advance? Our employees' health and safety comes first and foremost at Beiersdorf. After all, each and every colleague contributes to the successful continuation of our business. Caring for our employees is of course firmly anchored in our Values.

For us, the main tasks in the field of occupational health and safety are analyzing possible risks and preventing them, so that health issues or injury risks do not arise in the first place.

Our **"Zero Accidents"** program is a good example of our approach: Here we pursue the strategy of identifying accident risks at an early stage,



exchanging experiences, and working together on developing solutions. Specifically this means that if a "near-miss" incident occurs somewhere, the root cause is identified, the problem is corrected as fast as possible, and the case is shared across all Beiersdorf locations.

Over the past year, of course, health became a stronger focus of our actions: In view of the global COVID-19 pandemic we took special steps to protect our employees and prevent contagion. On the one hand this included the rapid rollout of **stricter hygiene measures**. On the other, we carefully adapted our project and plant work planning in order to ensure we are always able to provide sufficient resources to combat the pandemic, and to avoid bottlenecks due to production downtime.



FOR GREATER SAFETY AND QUALITY IN THAILAND

Our production center in Thailand held the "Flying to Sustainable Excellence" event in 2020. This showed how safety and quality objectives can be achieved together through the continuous improvement process.

OUR TARGETS:

- Promote and practice awareness of safety, quality, and continuous improvement
- Inform employees about safety knowledge, the sustainability program, quality management system, zero error program, microbial risk assessment program, hygiene policy, and continuous improvement
- Promoting employee engagement





Commitment to Strong Women in our Shea Supply Chain

Sheabutter is a natural moisturizer from the heart of Africa. It is obtained from the fruit of the karité tree that grows exclusively in the "Shea Belt" between Uganda and Senegal. Due to its particularly nurturing and nourishing properties, sheabutter is also a vital ingredient of many Beiersdorf products - we use it in lip balm and body lotions, for example.

The harvesting and production of sheabutter has traditionally been firmly in the hands of African women. This is why sheabutter is also called "women's gold" and is one of the few products in Africa that is used economically by women - it is estimated that 16 million women currently earn their living in the shea supply chain. We are committed to promoting the independence and self-reliance of these women.

Beiersdorf has been a member of the [Global Shea Alliance \(GSA\)](#) since 2019. In cooperation with the Alliance and our shea supplier we are supporting

We support
10,000
SHEA COLLECTORS
 in Ghana and Burkina Faso until 2025

10,000 women in Ghana and Burkina Faso over a five-year period. Our goal is to provide the shea collectors with key knowledge in the areas of health, safety, quality, and business know-how. In addition,



we also provide self-help skills: One example is the ["Clean Cooking Stoves" project](#) that teaches how to produce ovens from local materials (e.g. cow dung or termite sand). These ovens not only save wood and are therefore more climate-friendly but are also safer to use. Besides this we are planting a total of **10,000 shea trees** in the region, thus making an important contribution to reforestation and therefore to combating climate change: The trees bind CO₂ and help counteract the spread of the desert.

The interim balance is positive: For instance, 60% of the trainings has already been completed. Unfortunately, despite the project's success the COVID-19 pandemic has severely hampered progress in some respects: This was mainly due to the limited freedom of movement and assembly in force in Ghana and Burkina Faso for five months in the reporting year. We will naturally continue to pursue our commitment to fair trade in West Africa - and to the women who make it possible - with undiminished energy.



”

In 2021 too, we are fully committed to living out our Corporate Purpose **CARE BEYOND SKIN**, driving our Sustainability Agenda forward, and making substantial progress towards our ambitious targets. Minimizing our environmental footprint and maximizing our positive impact on society are two fundamentally important aspects for us on our journey creating a sustainable tomorrow.

Jean-François Pascal,
Vice President Corporate
Sustainability

Appendix

About this Report

Beiersdorf has provided transparent sustainability reporting and has continually engaged for greater sustainability for many years now. We have been reporting annually on our strategic approaches, projects, and measures in the area of sustainability since 2003.

For the first time, this year our [Combined Non-financial Statement \(NFS\)](#) for the Beiersdorf Group (Consumer and tesa Business Segments) and Beiersdorf AG forms part of the Annual Report. Here you will find more detailed information and key figures. The tesa Business Segment publishes its own Sustainability Report on its [website](#).

With "**CARE BEYOND SKIN - Creating a Sustainable Tomorrow**" for the Consumer Business Segment we aim to inform our stakeholders about our engagement for sustainability in the 2020 reporting period. The review covers our successes and achievements but also highlights the key issues and challenges that we face as a company. We present outstanding projects in our strategic areas of [ENVIRONMENT](#), [CONSUMER](#), and [SOCIETY](#). These illustrate how we live out sustainability at Beiersdorf, and how the passion and dedication of our employees around the world are helping drive our efforts forward.

Alongside transparency, comparability in our sustainability reporting is of prime importance to us and we



therefore rely on international reporting frameworks. Our reporting is oriented towards the Guidelines of the Global Reporting Initiative (GRI). The corresponding GRI Index 2020 for the Consumer Business Segment is available for [download](#) from our web-page as a separate document. We have applied the GRI standards since 2018 and report in line with the "Core" option. We regularly carry out a [Materiality Analysis](#) to check and confirm the structure and orientation of our sustainability activities and reporting.

Furthermore, Beiersdorf is a Member of the **United Nations Global Compact (UNGC)**. As a signatory we are committed to upholding the Ten Principles based on the universally recognized UN norms in the fields of human rights, labor standards, environmental protection, and anti-corruption. In addition to this we actively contribute to the UN's **Sustainable Development Goals (SDGs)**.

The Ten Principles of the UNGC and the SDGs form the framework for our new Sustainability Agenda CARE BEYOND SKIN. We have identified 13 SDGs as particularly relevant to our company. The specific Sustainable Development Goal to which a topic in this Review contributes is indicated by the corresponding SDG icon. A brief overview of these is additionally provided on page 53. The statements in the GRI Index are also allocated to the Ten Principles of the UNGC and the SDGs respectively.

Our engagement for sustainability is no short-term project but a permanent commitment and task through which we work to catalyze and drive change forward. On our Sustainability [website](#) we provide up-to-date reports on the most recent developments and areas of progress; we also provide previous years' Sustainability Reviews and further information here for [download](#).



Key Figures at a Glance

Consumer Business Segment

For a Climate Positive Future		Unit	2019	2020
	GHG emissions (Scope 1 and Scope 2)	t CO ₂ e	50,482	40,157
	GHG emissions (Scope 3)	t CO ₂ e	1,192,259	1,096,289
	Absolute reduction of GHG emissions (Scope 1 and Scope 2) vs. 2018	%	15	32
	Absolute reduction of GHG emissions (Scope 3) vs. 2018	%	2	10
For Fully Circular Resources		Unit	2019	2020
	Reduction of fossil-based virgin plastic* vs. 2019	%	-	6
	Share of recycled material in our plastic packaging*	%	-	1
	Reduction of microplastic** in NIVEA products (based on raw material volume) vs. 2016	%	-	67
	Reduction of microplastic** in EUCERIN products (based on raw material volume) vs. 2016	%	-	25
	Absolute waste reduction in our operations vs. 2018	%	12	14
For Sustainable Land Use		Unit	2019	2020
	Share of RSPO mass balance palm (kernel) oil and derivatives*	%	91	100
	FSC-certified paper in folding boxes*	%	100	100
For Regenerative Water Environments		Unit	2019	2020
	Change of our water consumption per manufactured product vs. 2018	%	7	11
	Reduction of nonbiodegradable polymers in European product formulas (based on raw material volume)* vs. 2018	%	-	7
For Employees along our entire Value Chain		Unit	2019	2020
	Share of women management group 1-3	%	30.2	33.0
	Share of internal recruitments management group 1	%	100	60
	Share of internal recruitments management group 2	%	83	79
	Accident frequency rate (AFR)	Accidents per 1 million working hours	1.2	1.6



* Not including the brand COPPERTONE.

** According to the definition of the United Nations Environment Programme (UNEP).

Memberships and Ratings



Achieving More Together: Our Memberships

In order to successfully implement our Sustainability Agenda we need to act jointly with our partners right along the value chain: Only together can we initiate genuinely effective change. Our membership of various sustainability-focused global associations and our active networking with industry partners helps us drive progress. These exchanges are vital for us to understand our key stakeholders' expectations of us as a global company regarding environmental and social issues. This way we can keep all sustainability-related issues and developments beyond the boundaries of our company clearly in view and can respond more quickly to challenges and change.

[More information about our memberships](#)

Ratings: Transparent, Measurable, and Comparable

We want to make our progress in sustainability management visible and above all measurable. For this reason, we continually review our activities using sustainability performance indicators to record successes as well as identify potential for further improvement. Regular reviews by external rating agencies give us and our stakeholders the opportunity to evaluate past performance and improvements objectively and transparently.

[More information about the ratings](#)



Our Contribution to the SDGs

SDG Description:
Ending poverty in all its forms everywhere



Our Contribution:
"For an Inclusive Society", page 33

SDG Description:
End hunger, achieve food security and improved nutrition and promote sustainable agriculture



Our Contribution:
"For an Inclusive Society", page 33
"For Sustainable Land Use", page 24

SDG Description:
Ensure healthy lives and promote wellbeing for all at all ages



Our Contribution:
"For Employees along our entire Value Chain", page 41
"For an Inclusive Society", page 33

SDG Description:
Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all



Our Contribution:
"For an Inclusive Society", page 33

SDG Description:
Achieve gender equality and empower all women and girls



Our Contribution:
"For Employees along our entire Value Chain", page 41
"For an Inclusive Society", page 33

SDG Description:
Ensure availability and sustainable management of water and sanitation for all



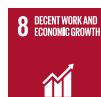
Our Contribution:
"For Regenerative Water Environments", page 27

SDG Description:
Ensure access to affordable, reliable, sustainable, and modern energy for all



Our Contribution:
"For a Climate Positive Future", page 14

SDG Description:
Promote sustained, inclusive and sustainable economic growth, full and productive employment, and decent work for all



Our Contribution:
"For Employees along our entire Value Chain", page 41
"For an Inclusive Society", page 33

SDG Description:
Reduce inequality within and among countries



Our Contribution:
"For an Inclusive Society", page 33

SDG Description:
Ensure sustainable consumption and production patterns



Our Contribution:
"For Fully Circular Resources", page 18
"For Consumer Health and Wellbeing", page 30

SDG Description:
Take urgent action to combat climate change and its impacts



Our Contribution:
"For a Climate Positive Future", page 14

SDG Description:
Conserve and sustainably use the oceans, seas and marine resources for sustainable development



Our Contribution:
"For Regenerative Water Environments", page 27
"For Fully Circular Resources", page 18

SDG Description:
Protect, restore, and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, halt and reverse land degradation, and halt biodiversity loss



Our Contribution:
"For Sustainable Land Use", page 24



Contact and Imprint



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Further Information

www.beiersdorf.com/sustainability/overview

