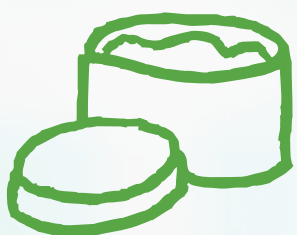


Beiersdorf

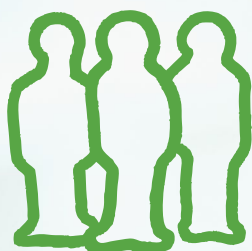
Sustainability Review 2016



Products



Planet



People

We care.

Our commitment to sustainability.

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Report Profile

Sustainability Reporting at Beiersdorf

Our sustainability reporting reflects our engagement along the entire value chain, and documents economic as well as environmental and social aspects. Our aim is to achieve maximum transparency for our stakeholders.

All the information and data included in our sustainability reporting refer exclusively to our Consumer Business Segment, unless explicitly stated otherwise. The tesa Business Segment produces its own reports.

In our annual Sustainability Review we provide a detailed overview of our sustainability activities and successes throughout the previous calendar year. We compile it in line with the internationally recognized GRI G4 “core” guidelines and complement it with a separate GRI Content Index.

In 2016, we were able to further increase our data coverage and hence improve our data and extrapolation quality. For instance, more office sites have reported sustainability data and we have therefore observed some shifts in data compared to the previous year.

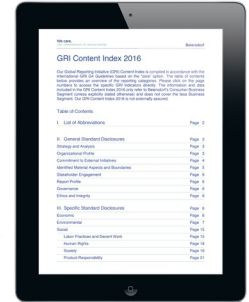
Previously published Sustainability Reviews and GRI Content Indices are available for download.

The Sustainability section of our corporate website communicates the latest updates on our sustainability activities and progress in individual projects, and also provides information and specific data from previous reporting years.

[+ Find Out More About Our Report Profile](#)



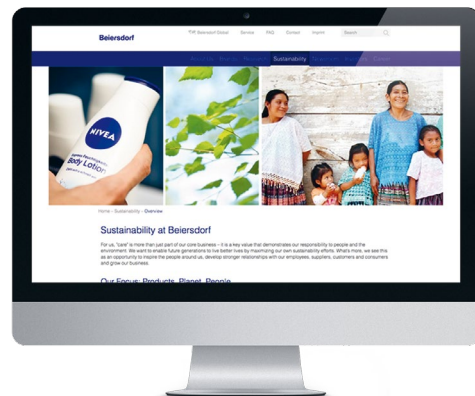
[+ Download Beiersdorf Sustainability Review](#)



[+ Download GRI Content Index](#)



[+ Download tesa Sustainability Report](#)



[+ Sustainability At Beiersdorf](#)

Board Statement

Dear Readers,

Our global sustainability strategy “We care.” is based on three pillars: “Products”, “Planet” and “People”. They encompass the full range of management priorities right along our value chain – from sustainable raw materials procurement, through the health and safety management for and by our employees, to the reduction of our environmental footprint and our support for socially disadvantaged families around the world. Together the three pillars form an important cornerstone of our global business activity. They motivate our employees year after year to launch numerous projects and activities that contribute to society and help protect the environment.

“We care.” is much more than concepts and KPIs: It is first and foremost the personal commitment and engagement of our employees around the globe, something that makes us deeply proud.

Of our many achievements in 2016 I would like to highlight one in particular, as it defines our road ahead for the years to come. After we had already reached our “Planet” target of a 30% reduction in CO₂ emissions ahead of schedule in 2015, we worked together with the World Wide Fund for Nature (WWF Germany) in 2016 on a new and ambitious target: A reduction of 70% of energy-related greenhouse gas emissions by 2025.* This new target is aligned with the accords of the 2015 UN Climate Conference in Paris (COP21). Beiersdorf is one of a handful of DAX-listed companies to develop this target on the basis of the methods of the Science Based Target Initiative. 2017 is the first year of the implementation of this new climate target, and within this effort we will be focusing on switching over our electricity supply globally to renewable sources and implementing further energy-efficiency measures. We will also set concrete targets to reduce CO₂ emissions related to the goods and services we procure.

In the “Products” area, on the other hand, we had hoped to achieve more in 2016: Our target remains to generate 50% of our global revenues with products that have a clearly improved environmental profile compared to the 2011 base year. At the end of 2016

* Reduction of Scope 1 and Scope 2 emissions per product manufactured, base year 2014.



we were behind schedule on our road towards this goal. We need and will do more this year.

We are very pleased with the progress in our “People” pillar. Just like every year, many of our colleagues around the world participated in projects belonging to “NIVEA cares for family”, our largest brand’s social engagement. We were able to support a total of 235,186 families through our global initiatives last year, which beats the previous year’s achievement by 30%.

Find out more about how we think and what we do towards Sustainability on the pages that follow. We look forward to receiving your feedback and ideas!

Sincerely,

A handwritten signature in blue ink, appearing to read 'Zhengrong Liu', written in a cursive style.

Zhengrong Liu

Member of the Executive Board

Human Resources | Sustainability | Services

Beiersdorf Profile

For **over 130** years Beiersdorf has been a leader in innovative skin care. With our unique brands and high-quality skin and body care products, we convince millions of consumers worldwide – day by day.

We continually develop our product portfolio further, in particular our core brands **NIVEA, Eucerin, La Prairie,** and **Hansaplast**. We respond flexibly to our consumers' wishes and requirements while bearing global trends as well as regional market conditions firmly in mind. We stay close to our consumers and our markets, which enables us to continuously set milestones in skin care with innovative product concepts.

With **17,934*** employees in over **150*** affiliates worldwide we generated sales of **€6,752 million*** in 2016. Our strategic compass, the **Blue Agenda**, defines the course by which we aim to achieve our ambitious

targets. Care, Simplicity, Courage, and Trust are our **Core Values** which have shaped our company from the beginning. They give us orientation and determine the way we work.

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

* All figures on this page include the tesa Business Segment.



Strategy

We have a clear vision: To be No. 1 in Skin Care in our relevant categories and markets. And with our “We care.” sustainability strategy we have created the basis for responsible and sustainable growth. “We care.” guides us in fulfilling our responsibility towards people and the environment.



At Beiersdorf "We care."

In a global business environment characterized by economic uncertainty, social imbalances, and environmental challenges we strive to grow in a responsible manner. Our "We care." sustainability strategy supports us in assuming our responsibility towards people and the environment. This strategy defines clear objectives for our actions towards the people within and outside our company to whom we are committed, as well as towards the environment.

Our sustainability strategy focuses on three pillars: "Products, Planet, People". It thus comprises sustainability topics right along Beiersdorf's entire value chain - ranging from raw materials procurement, through the health and safety of our employees, to our social engagement outside our company. We have already achieved some remarkable successes.

For instance in 2016 we exceeded our original Planet target for 2020 - a 30% reduction in CO₂ emissions per product sold compared to 2005 - and achieved a reduction of 41%. This result encouraged us last year to set ourselves an even more ambitious climate target: We are now striving to reduce our energy-related CO₂ emissions (Scope 1 and 2) per product manufactured by 70% by 2025 (base year 2014) and to switch to 100% renewable electricity at all our sites worldwide by 2020. To help us also lower the emissions caused by the goods and services we procure (Scope 3) by 2025, we will work out specific reduction targets and measures in 2017.



We care.
*Our commitment
to sustainability.*



Progress Towards Our Commitments



PRODUCTS



PLANET



PEOPLE

Our Commitments

Generating 50% of our sales from products with a significantly reduced environmental impact by 2020. (Base year 2011)

New climate commitments: Reducing our energy-related CO₂ emissions by 70% per product manufactured by 2025. (Base year 2014)
Purchase 100% of electricity from renewable energy sources by 2020.

Reaching and improving the lives of one million families by 2020. (Base year 2013)

Progress Towards Our Commitments

Around 25% of sales achieved from products with a significantly reduced environmental impact. (Base year 2011)

25%  50%

16% lower energy related CO₂ emissions per product manufactured. (Base year 2014)
42% of electricity from renewable energy sources in 2016.

661,023 families sustainably supported through our global social commitment. (Base year 2013)

661,023  1 million

Progress by Focus Area



Responsible Sourcing

Almost 90% of global procurement expenditure is secured by a signed Code of Conduct for Suppliers.

Approx. 25,000 suppliers underwent initial risk profiling, and 126 suppliers were subjected to further comprehensive assessment via Self-Assessment Questionnaire (SAQ) and responsible sourcing audits.



Raw Materials

Achieved 30% transition to mass-balanced palm (kernel) oil-based raw materials and covered the remaining 70% with certificates.



Packaging

Saved 50 tonnes of packaging material in our NIVEA, Atrix and Florena branded hand creams by using new, lighter tube caps.



Energy

- 38% energy consumption*



Waste

- 38% waste*

11 out of 16 production centers achieved the "Zero Waste to Landfill" target.



Water

- 13% water consumption*
- 3% wastewater volume*



Employee Health, Safety & Security

Group-wide - 32% work-related accidents vs. previous year.

- 53% work-related accidents in our production centers vs. previous year.



Social Responsibility

47 countries implement social initiatives.

* in our production centers per production unit. (Base year 2005)



Find Out More About Our Commitments

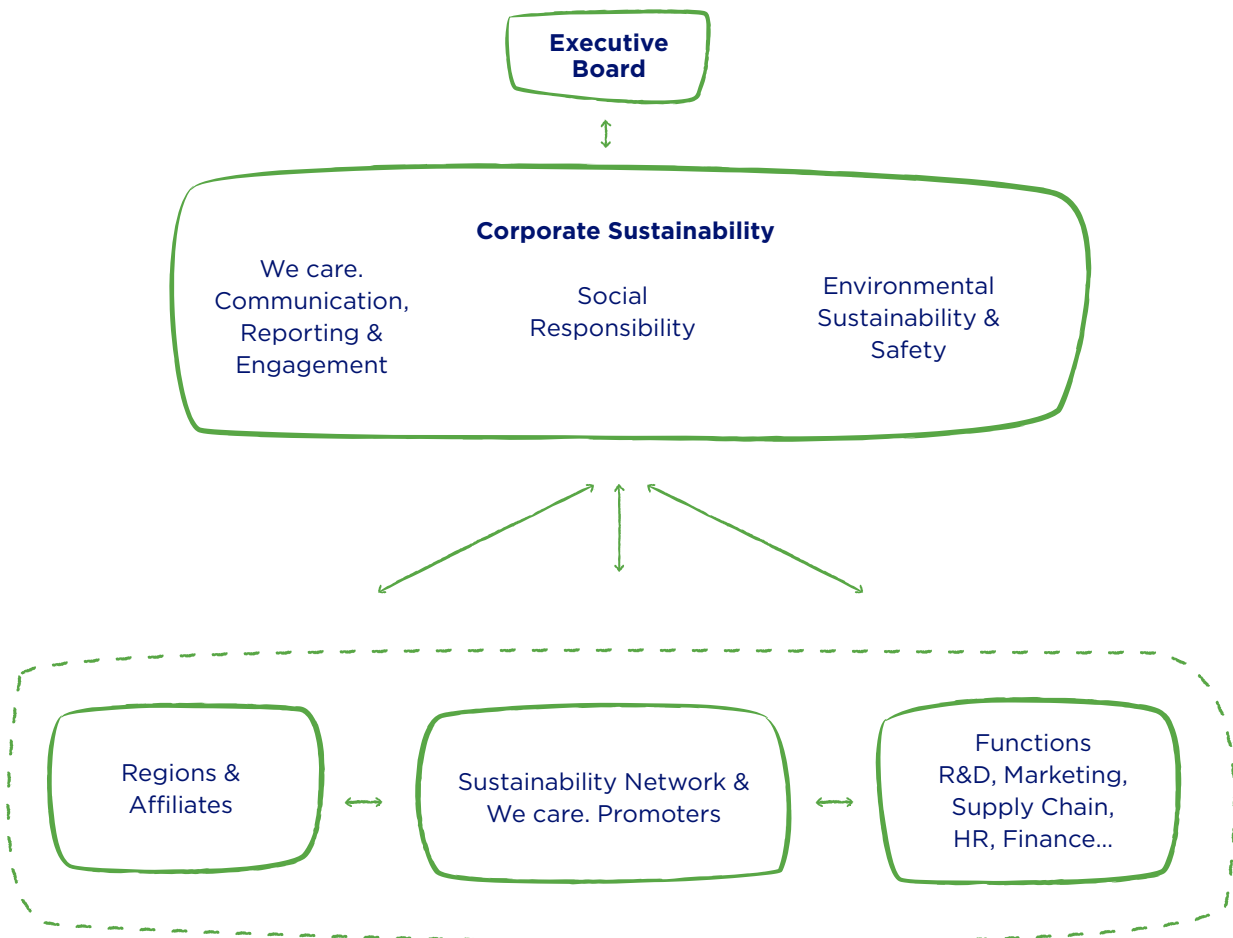
Sustainability Management

Sustainability is of fundamental importance to us at Beiersdorf. Our global sustainability management comprises all company sites and guides our actions towards achieving our sustainability goals worldwide.

Sustainability management is anchored structurally and organizationally in our company. The Corporate Sustainability department controls and monitors the measures implemented, and reports directly to the respective Executive Board Member. During implementation at our various sites around the world, the Corporate Sustainability department also works closely with a network of sustainability experts and promoters who contribute their expertise, for example in human resources (HR), marketing, and the supply chain, and help us achieve our sustainability

goals at a local level. In addition, we are integrating our sustainability goals more and more into our core corporate processes – within the framework of our innovation management, for example.

We know that sustainability can only be achieved if there is sufficient awareness of it at all levels in the company, and if it is well understood and genuinely lived by every individual. That is why we regularly inform our employees about our strategy and goals as well as different projects and initiatives within our company-wide “We care.” engagement program. We encourage our employees to participate in our sustainability activities and get involved proactively. This way we integrate sustainability into our day-to-day work.



Global Environmental and Occupational Safety Standards

Environmental protection and occupational safety are of fundamental importance at all Beiersdorf sites. We ensure adherence to globally applicable standards in this area through our internal audit program, the Environmental Protection and Safety Management Audit Scheme (ESMAS). This program is based on the internationally recognized Standards ISO 14001 (International Organization for Standardization) and OHSAS 18001 (Occupational Health and Safety Assessment Series).

These international standards are subject to a continuous process of review. Currently, the OHSAS 18001 for occupational safety management systems is being revised and adapted to the structure of the ISO regulatory framework. A newly drafted standard, ISO 45001, is already available. We are actively following this development and have already integrated the included new requirements in the internal checklist for our ESMAS audit program. External certification service providers use this system checklist on our

behalf to audit the management systems for environmental and occupational safety in our worldwide production network.

In 2015 and 2016, our production centers in Argentina (Spain), Nairobi (Kenya), Shanghai (China), Silao (Mexico) and Poznan (Poland) were audited. We are planning audits in 2017 for our sites in Tres Cantos (Spain), Santiago de Chile (Chile), and Sanand (India), as well as our German production sites in Berlin, Hamburg, and Waldheim.

In order to further improve our measures in occupational health and safety, Major Risk Assessments were carried out in 2016 in addition to audits, and the exchange between the production facilities was intensified by establishing a global, networked communication platform.

 **Find Out More About Our Global Environmental And Occupational Safety Standards**



All of our production facilities worldwide have run through the ESMAS audit program at least once, following a regular audit cycle.



ESMAS-Audits 2015 - 2017 in Our Production Centers



Compliance Management

Trust – Our Guiding Principle and Core Value

Abiding by laws and internal guidelines has been matter of course at Beiersdorf since our company was founded. This is reflected in our **Core Values** Trust, Care, Courage and Simplicity. Our Compliance Management as well as our CFO are committed to enforcing the legal and ethical aspects of these values globally. We have embedded our Core Values in our **Code of Conduct**, which is binding for all our employees worldwide. This overarching guidance for our actions is aligned with our social responsibility as a company that conducts business sustainably. In addition, our compliance guidelines provide our employees with recommendations for action in specific situations.

Effective Group-Wide Compliance Management

Our group-wide Compliance Management System ensures that all Beiersdorf employees and managers follow applicable laws and internal guidelines in all countries in which we operate. We take a triple approach to ensure we achieve this goal.

Prevent: We anchor preventative measures to avoid wrongdoing.

Detect: Control instruments help to make illegal behavior manifest.

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



Alongside various guidelines, the core elements of our compliance programs include practice-oriented training and consulting services.

Our compliance programs currently focus on corruption prevention and competition compliance. At our affiliates, locally responsible Compliance Officers ensure that our employees know and adhere to all elements of these compliance programs. Corporate Compliance Management department in Hamburg advises and supports Compliance Officers and local management at all times, while also ensuring that all elements of our Compliance Management System are well anchored in our affiliates, are constantly monitored and continually improved. Corporate Auditing carries out further independent monitoring through its audit program.

Recognize Risks – Avoid Damage

Our Compliance Management System and compliance programs are based on the accurate analysis of compliance risks. To achieve this we periodically identify, evaluate and prioritize existing and future compliance risks in our business model and geographic orientation. In a second step we analyze high-risk areas in detail to ensure that appropriate countermeasures are in place. Among other factors, our risk-analysis criteria include risk indices, previous incidents, the business model, sites, regulatory framework and scale of revenues. The results are presented to our Executive Board and used to continually update and improve our global and local compliance programs, as well as further related activities.

Information – Cornerstone of Effective Compliance

Alongside various guidelines, the core elements of our compliance programs include practice-oriented training and consulting services. Our anti-corruption guideline provides clear orientation on how to act regarding conflicts of interest, invitations and personal donations. A clear set of rules on fair competition also underpins our work.

All employees and managers with significant risk exposure receive focused face-to-face or e-learning training at regular intervals. These courses serve to raise our employees' awareness of how to act in the often difficult situations they encounter in their work and to show them where they can obtain further support. In addition, all members of the Executive and Supervisory Boards are regularly briefed on relevant compliance issues.

Being Attentive and Responsible

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

Across the company, we operate the "Speak up. We care." whistleblower platform based on BKMS® technology, which is accessible worldwide 24/7/365. In Germany and China we additionally rely on external Ombudsmen who accept confidential information regarding potential compliance violations. Furthermore, we have put an internal Compliance Hotline in place. We investigate any suspicion of a compliance violation carefully and ensure we respond quickly, effectively and appropriately. The investigation involves the relevant specialist company functions and usually Corporate Auditing as well.

Ensure Continuous Effectiveness

We report on the effectiveness of our Compliance Management System by means of regular group-wide compliance reporting. For this, we record the status of implementation of our Compliance Management programs as well as global compliance incidents – at our affiliates as well as for our Corporate Headquar-



"We have implemented a strong compliance framework at Beiersdorf. It is my personal wish to live continually by the principles of our framework alongside all my colleagues worldwide, sustainably preventing damage to our company and harm to our employees."

Eberhard von Klinggräff,

Vice President | Corporate Legal Affairs & Compliance Management

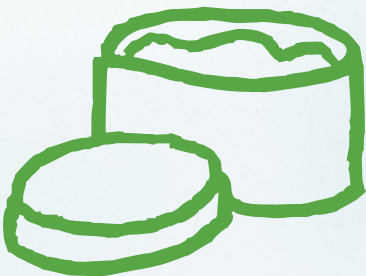
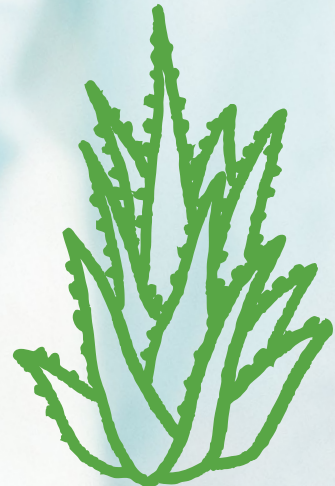
ters. On the basis of these results we can derive further needs for action and then take appropriate measures. Naturally, we ensure we are informed immediately about material compliance incidents outside the regular reporting cycles, so we can react instantly.

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

 [Find Out More About Our Compliance Management](#)

Products

We are one of the world's leading manufacturers of high-quality skin care products and have more than 130 years of experience in research and development. Based on this expertise we develop high quality, innovative products that our consumers trust all around the world. They are consistently aligned with our consumers' needs - and their sustainability is constantly being improved.





Our Measures in 2016

- Conducted cross-functional workshops to improve the sustainability profile of our products and achieve our product sustainability target 2020.
- Adopted evaluation criteria for the sustainability of raw materials to be considered in future product developments.
- Advanced the transition of palm (kernel) oil-based raw materials to certified sustainable sources (RSPO Mass-Balance approach).
- Implemented the RSPO multi-site Supply Chain Certification Standard (SCCS) for our production centers.
- Deployed the Supplier Code of Conduct (CoC) End-to-End management framework, including supplier audits to further mitigate responsible sourcing risks in our supply chain.
- Renewed membership of the “Roundtable on Sustainable Palm Oil” (RSPO) and of the “Forum for Sustainable Palm Oil” (FONAP).



Our Achievements in 2016

- Saved 50 tonnes of packaging material at our NIVEA, Atrix and Florena branded hand creams by using new, lighter tube caps.
- Achieved 30% transition to Mass-Balanced palm (kernel) oil-based raw materials and covered the remaining 70% by certificates.
- Obtained multi-site certification according to RSPO SCCS for our global production centers.
- Almost 90% of global procurement expenditure is covered via a signed CoC for Suppliers.
- Performed 100% initial risk profiling on 25,000 suppliers, and further comprehensive assessments for 126 suppliers which includes Self-Assessment Questionnaire (SAQ) and responsible sourcing audits.
- Engaged our suppliers in the implementation of additional FONAP criteria for palm (kernel) oil-based raw materials.



Our Next Steps

- Continue to advance the transition of major palm (kernel) oil-based raw materials to certified sustainable sources (RSPO Mass-Balance approach).
- Conduct the surveillance audit to retain RSPO SCCS.
- Further drive the Supplier CoC End-to-End management framework, including signed Supplier CoC coverage and further risk mitigations through audits.
- Develop detailed targets for the reduction of CO₂ emissions from raw materials and packaging (Scope 3).
- Accelerate engagement of our supplier base in product sustainability.

Our Product Commitment - Overview



In 2011 we set ourselves an ambitious target: By 2020 we aim to generate 50% of our global sales with products that are proven to have a significantly reduced environmental impact. In 2015 we already achieved a revenue share of 18% of these products in our overall assortment, and successfully raised this in 2016 to 25%. This encouraging result spurs us on to examine the sustainability of our products at every level, which enables us to pinpoint and then act directly on those sustainability factors with the greatest improvement potential. Here we look critically at all the aspects of a product over its entire life-cycle, from the selection of raw materials and packaging, through production and transport processes, all the way to the product's final disposal.

Product Sustainability Scorecard - Key Factors at a Glance

Our Product Sustainability Scorecard allows us to assess the environmental impact of our products' packaging and formulas. Amongst the key factors we evaluate at Beiersdorf are the amount of certified sustainable raw materials, the impact on water toxicology, the reduction in packaging materials achieved, and the use of recycled materials. We also include the results of our products' Life-Cycle Analyses (LCA) in the overall scorecard.

For a product to be assessed as having "a significantly reduced environmental impact" it needs to achieve a better overall scorecard result than the product(s) it replaces. We benchmark newly developed products for which there is not yet a reference score against comparable existing products.

We have reduced the packaging of our new NIVEA Body products by up to 15% - saving over 350 tonnes of plastic each year.



2012



2014

Our LCA for NIVEA Face Care products showed that switching from glass to plastic makes environmental sense. In our case, we found that using PET (polyethylene terephthalate) and PP (polypropylene) jars reduces the emission of greenhouse gases from packaging.



2013

Launch of refill packs such as for NIVEA Creme Soft. This benefits the environment because refill packaging reduces waste - around 75% in the case of NIVEA Cream Soft Shower.

Eliminating Micro-Beads: Since the end of 2015, all our care products have contained environmentally friendly alternatives to micro-plastics to provide the required peeling effect.



2015

2016

We saved around 50 tonnes of polypropylene in 2016 thanks to new, lighter tube caps for our Nivea, Atrix and Florena branded hand creams.

2016



Achieved 30% transition to Mass-Balanced palm (kernel) oil-based raw materials and covered the remaining 70% by certificates.

Thinking a Step Further - Sustainability as Part of Our Innovation Process

To achieve our Product commitment by 2020 we have also taken a closer look at the sustainability performance of our product innovations currently under development. In our ongoing quest for optimization potential, in 2016 we carried out cross-functional sustainability workshops for Beiersdorf's largest brands and product categories. Together we searched for ways to make the planned product formulas and packaging more sustainable.

In parallel to this we anchored the topic of sustainability even deeper in all phases of our Integrated Innovation Management (IIM), giving this vital aspect a stronger weighting in the development of new products and relaunches.

[Find Out More About Our Product Commitment](#)

Responsible Sourcing

Managing the social and environmental impacts of our global supply chain is a vital but complex topic. To meet this challenge we are continually developing our Responsible Sourcing Program further, which is firmly anchored in our sustainability strategy “We care.”

Our Code of Conduct (CoC) for Suppliers commits supply-chain partners to fulfilling our Responsible Sourcing requirements and to maintaining the same standards at their workplaces that we apply in our own operations. Full compliance with our CoC for Suppliers is compulsory and forms an integral part of our supplier selection and monitoring processes.

Supplier Code of Conduct (CoC) End-to-End Management

We re-launched our Responsible Sourcing Program in 2015 and our efforts here continued to have a positive impact in 2016. A strategic priority of the Program is the Supplier Code of Conduct (CoC) End-to-End Management, which commits our suppliers to maintaining the same standards throughout their facilities and processes that we apply in our own operations. The End-to-End Management framework is extensive and comprises CoC Acknowledgement, Further Monitoring, and Reinforcement. Full acceptance and signature of our CoC for Suppliers is a prerequisite for becoming a Beiersdorf supplier, and the CoC forms an integral part of a supplier’s procurement contract with us. Almost 90% of our procurement expenditure is now contractually secured by the CoC for Suppliers.

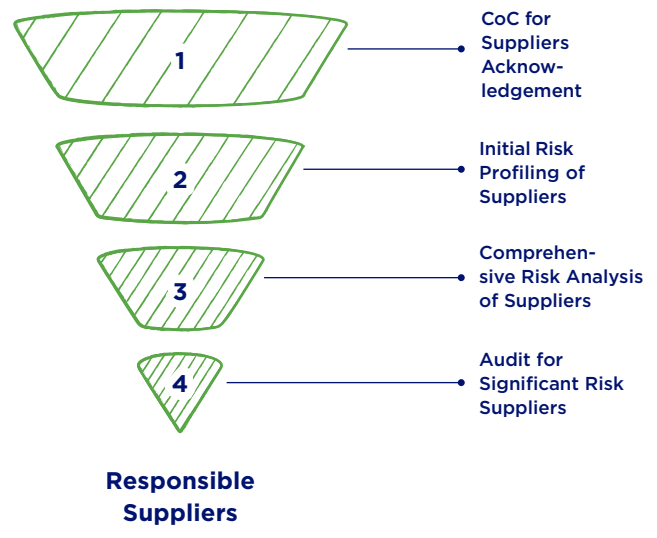
Following their signature of the CoC for Suppliers, we risk-profile our supply-chain partners according to their regional sites and business significance for Beiersdorf. 100% of our supply chain is covered by this CoC Monitoring and Reinforcement step. Furthermore we require significant-risk suppliers to undertake a comprehensive risk assessment which will then determine the need for a Responsible Sourcing Audit.

The audit results establish the basis on which we then engage with our suppliers – not only to address and

resolve any issues together, but also to find mutual opportunities to drive sustainable supply-chain practices even further.

Within the CoC End-to-End Management approach we take the fundamental step of differentiating between the supplier relationship and mutual business prospects, based on the supplier’s full compliance with our CoC and their genuine commitment to responsible business practices.

Supplier Code of Conduct’s End-to-End Management



Our Commitment to a Sustainable Supply Chain

To continually drive tangible improvements in sustainability right along our global supply chain, cross-industry collaboration with other major players is vital to the success of our engagement. In particular, we leverage the synergies of the Sedex and AIM-PROGRESS collaborative platforms:

- <http://www.sedexglobal.com>
- <http://www.aim-progress.com>

 Find Out More About Our Responsible Sourcing

Raw Materials

We assign great importance to sustainability when it comes to the extraction and processing of raw materials. We ensure the responsible handling of scarce resources, adhere to strict environmental standards and continuously research new, environmentally friendly solutions. Our quality and sustainability standards form the foundation of outstanding products.

Sustainable Palm (Kernel) Oil

We are consistently driving our transition to sustainably produced palm (kernel) oil. Our goal by 2020 is for all Beiersdorf products to only contain palm (kernel) oil from sustainable sources.



We rely on reputed suppliers of palm-based raw materials and are collaborating closely with them to make the raw materials we use traceable – all the way from the mill to their derivatives. Under our Responsible Sourcing principles all our suppliers' operations have to demonstrate compliance with our compulsory Code of Conduct for Suppliers, which defines the social, environmental and economic criteria we require them to fulfill. The other strategic priority is to further leverage the benefits of certification standards: By 2020 we intend to switch all our production ingredients to physical certified sustainably-sourced palm (kernel) oil and its corresponding derivatives, as defined under the Mass Balance model as a minimum.



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

- **“Book and Claim”** refers to online trade using volume certificates. A virtual certificate is purchased for each tonne of palm (kernel) oil. This system allows for the transfer of certified sustainable palm-oil products from the mill and its plantation to the end-user, independently of the physical supply chain.
- **“Mass Balance” (MB)** allows for the controlled mixing of certified sustainable and conventional palm (kernel) oil at any stage in the supply chain.
- **“Segregated” (SG)** involves the complete separation of certified sustainable palm (kernel) oil from conventional: The end products therefore contain 100% certified sustainable palm (kernel) oil.
- **“Identity Preserved” (IP)** is the strictest physical separation of certified palm (kernel) oil from different plantations. The final product is therefore uniquely identifiable to a single certified palm-oil source.

In addition to participating in the “Roundtable on Sustainable Palm Oil” (RSPO) we are active in the German Forum for Sustainable Palm Oil (FONAP): The Forum advocates the further development of the existing certification criteria, which aims to achieve a ban on plantations on peat lands, a ban on the use of severely hazardous pesticides, strict reduction targets for greenhouse gas emissions, and to ensure the procurement of raw goods (fresh fruit bunches) exclusively from legal cultivation.

Our Palm Sustainability Roadmap

Our Palm Sustainability Roadmap aligns Beiersdorf’s operations worldwide with a transition plan that defines a comprehensive, integrated switchover to certified sustainable sources in our raw-materials procurement. At the same time, the Roadmap enables us to collaborate closely with upstream suppliers on our shared mission to drive a sustainable palm-oil industry.

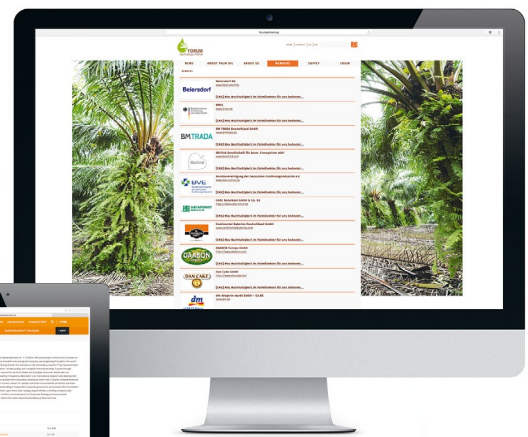
2016 marked a critical milestone in Beiersdorf’s sustainable raw-materials sourcing initiative, as we underwent the RSPO Supply Chain Certification Standard (SCCS) audit. We demonstrated our full commitment to a sustainable palm industry and proved that we fulfilled the RSPO criteria. As a result we were awarded the RSPO Multi-Site SCCS certificate.



By the end of 2016 we had already switched over 30% of our palm (kernel) oil based raw material procurement to Mass Balance palm (kernel) oil.

The first shipments of certified sustainable palm (kernel) oil materials began to reach our production plants around the world in 2015. By the end of 2016 we had achieved a 30% conversion rate to “Mass Balance” palm (kernel) oil materials, and continue to cover the unconverted remaining share with Book and Claim certificates. Our transition to sustainable palm-based raw materials will progress until we reach our goal of using exclusively sustainable palm (kernel) oil materials set for 2020.

Information on current industry measures on the path to sustainable palm oil is available here:



 [Find Out More About Our Raw Materials](#)

Packaging

In Packaging Development we follow the sustainability principle of “avoid, reduce, reuse and recycle”. We are constantly looking for optimization potential in our packaging and focus on developing alternative, more sustainable packaging solutions that help to protect the environment and to conserve natural resources.

Improved Tube Caps – Small Savings, Major Ecological Impact

We have been using new, lighter tube caps for our NIVEA, Atrix and Florena branded hand creams since mid-2016. By slightly reducing the height and gently modifying the cap geometry we successfully reduced the cap weight by 1.55 grams – meaning we already saved 50 tonnes of packaging material in 2016. Besides lowering our consumption of energy and resources, this also means lower packaging waste.



50% of folding boxes for NIVEA MEN products are now made with FSC-certified cardboard materials.



More Sustainable Packaging Solutions for NIVEA MEN

We treasure wood as a natural, renewable and recyclable raw material – and at the same time we see it as a valuable resource that we want to use responsibly. This is why in 2013 we started to switch all folding boxes for our NIVEA product range to FSC-certified cardboard materials. The FSC seal guarantees that the raw materials used come from sustainable forestry. In 2016 we continued to focus on switching to FSC folding boxes, raising the share of FSC cardboard in folding boxes for NIVEA MEN products by another 60 tonnes to a total of 300 tonnes. This means that in 2016 half of all folding boxes for NIVEA MEN products already carried the certified FSC Mix seal.

Our Next Steps

Sustainability is a major topic in our packaging development. This is why we are anchoring key sustainability criteria at an early stage of our packaging development process. We are creating a framework to further improve our packaging sustainability profile through focused initiatives and long-term strategic approaches.

[+ Find Out More About Our Packaging](#)

Planet

Energy, resources, and waste – as a globally operating company we take on responsibility and develop targeted, sustainable solutions to contribute towards protecting the environment and mitigating climate change. We work closely with internal and external stakeholders along the entire value chain to continuously improve our resource efficiency.





Our Measures in 2016

- All German sites purchase electricity from renewable resources since the beginning of 2016.
- Expansion of our criteria catalog for the purchase of electricity from renewable energy sources to all production centers worldwide.
- Defined action plans to reach our “Zero Waste to Landfill” target for our production centers and finished-goods warehouses worldwide.
- Developed a new climate target to further reduce our CO₂ emissions to support the decision of the 2015 Paris conference (COP 21) to limit global warming to maximum two degrees Celsius.



Our Achievements in 2016

- Our production centers:
 - 38% energy consumption*
 - 55% CO₂ emissions*
 - 35% electricity from renewable energy sources
- - 38% waste*
- - 13% water consumption*
- Our offices:
 - 7% electricity from renewable energy sources
- Our new Vienna office building was awarded the Gold Certificate of the Austrian ÖGNI sustainability standard.
- 11 out of 16 production centers achieved the “Zero Waste to Landfill” target.
- Our new Indian production center was awarded the Gold Certificate of the Indian Green Building Council.

(* in our production centers per production unit; base year 2005)



Our Next Steps

- ISO 50001 recertification (energy management) of our German production centers.
- Define action plans to reach the new climate target and expand the use of electricity from renewable energy sources at our offices and production centers worldwide.
- Further drive the implementation activities of our “Zero Waste to Landfill” target for hazardous and non-hazardous waste.

Our Planet Commitment – Overview



Well Ahead of Schedule – Planet Target Reached Early and Exceeded

We continually search for opportunities to minimize our environmental footprint. At the end of 2016 we already exceeded our original Planet target for 2020 – that is, 30% lower CO₂ emissions per product sold compared to the 2005 base year – ahead of time, with a reduction of 41%. So we have now set ourselves ambitious new targets aligned with the goals of the “Science Based Targets Initiative”: This is based on the recommendations of the UN Climate Conference in Paris 2015 (COP21) and supports companies and organizations in developing their own climate goals by providing scientifically well-founded data and calculations. These goals are harmonized with the measures that scientists see as vital in limiting global warming to a maximum of two degrees Celsius by 2050.

Strong Commitment – New Climate Targets Defined

Our new climate targets will enable us to consistently and systematically reduce our CO₂ emissions across all three scopes. We are striving to reduce our energy-related CO₂ emissions (Scope 1 and 2) per product manufactured by 70% by 2025 (base year: 2014). Within this effort we will completely switch over the electricity supply at all our sites worldwide to renewable energy sources by 2020. To help us also lower emissions caused by the goods and services we procure (Scope 3) by 2025, we will work out specific reduction targets and measures for all relevant areas of our business during 2017.

The measures defined for Scope 1 and 2 include:

- **Improving energy management in production (Scope 1):** Our “Blue Production Center” initiative supports us in raising energy efficiency in our production centers through individual, site-specific planning. In 2017 we will produce specific action plans together with our production centers to lower the energy-related CO₂ emissions per product manufactured.
- **Using exclusively power from renewable energy sources (Scope 2):** By 2020 we want to switch over the electricity supply at all our production and office facilities worldwide to 100% renewable energy sources. To achieve this, in 2017 we will investigate which sites can be supplied with which type of power from renewable energy sources – and then drive this switchover forward.
- **Lowering CO₂ emissions thanks to “Blue Building” (Scope 1 and 2):** Through our “Blue Building” program we are pursuing our objective worldwide of constructing and using our own buildings aligned with sustainable principles. In Mexico, Spain and Hamburg this concept is saving energy and conserving natural resources, while also creating an attractive working environment.
- **Using sustainability certificates as a specification criterion (Scope 1 and 2):** Since 2012, achieving certifications for internationally valid standards for sustainable buildings has been one of our main criteria when planning large building-construction projects.

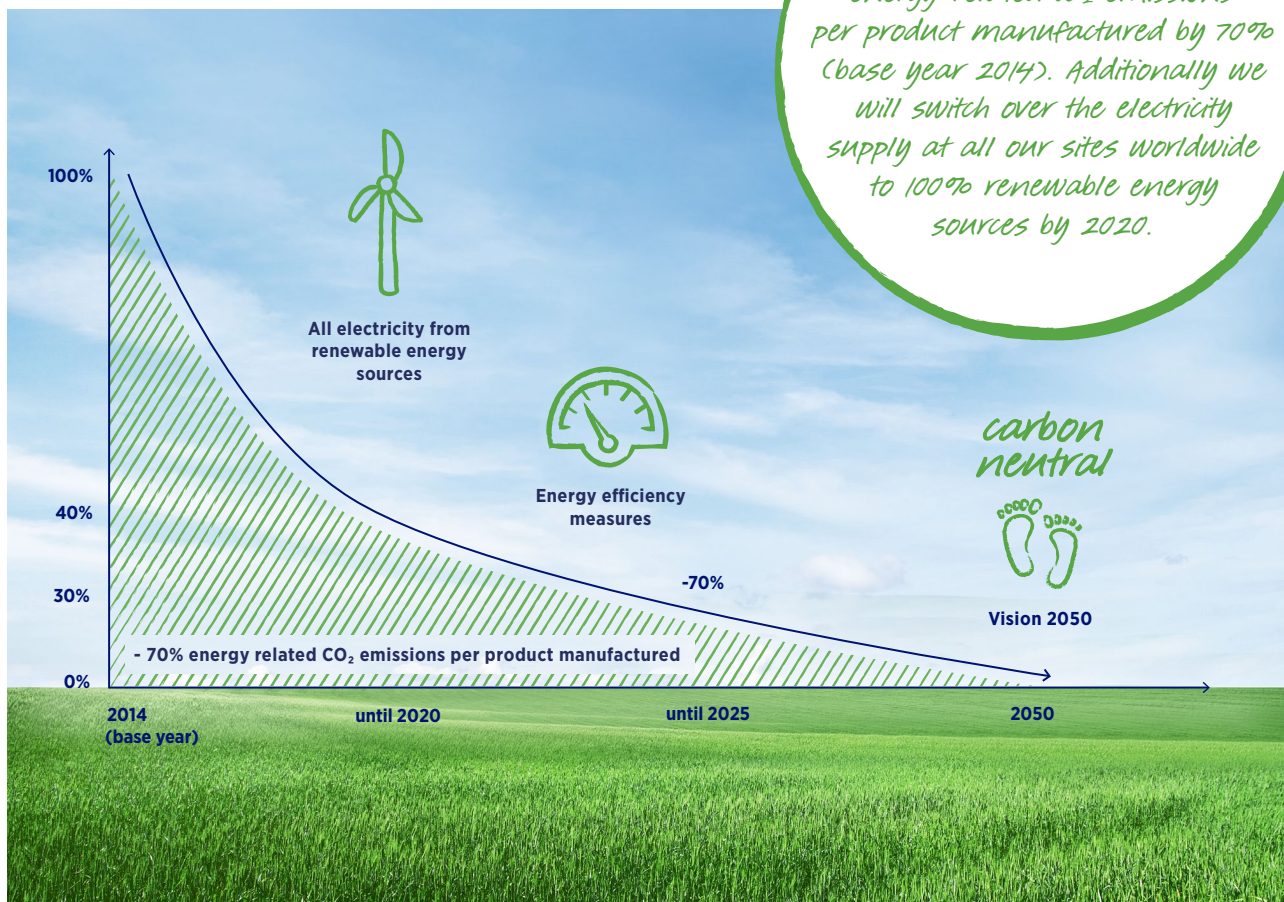
Systematic Planning - Developing Reduction Targets and Measures for Scope 3

To successfully lower our Scope 3 emissions by 2025 we will work out specific reduction targets and plan detailed measures in the areas of packaging, raw materials, transport, business travel and suppliers of finished products (3rd party manufacturers - "3PMs") in 2017.

For example, within this effort we will evaluate further saving potential and raising our use of recycled materials; we are also examining opportunities to reduce

emissions in raw-materials procurement. Furthermore, we integrate our 3PMs in our commitment, actively approaching selected suppliers in the shared interest of climate and resource protection and involve them closely in designing production processes more sustainably. Besides this we continually search for ways to further reduce transport, business-travel and mobility-related emissions.

Our New Climate Target Until 2025



*New climate targets:
By 2025 we will reduce our energy-related CO₂ emissions per product manufactured by 70% (base year 2014). Additionally we will switch over the electricity supply at all our sites worldwide to 100% renewable energy sources by 2020.*

Find Out More About Our Planet Commitment

Energy

Energy management is one of the key factors in our sustainability strategy. We are systematically implementing sophisticated efficiency concepts to minimize our energy consumption across all processes – and are switching to renewable energy sources wherever this makes sense and is technically feasible.

ALL GERMAN SITES SWITCHED OVER TO RENEWABLE ELECTRICITY

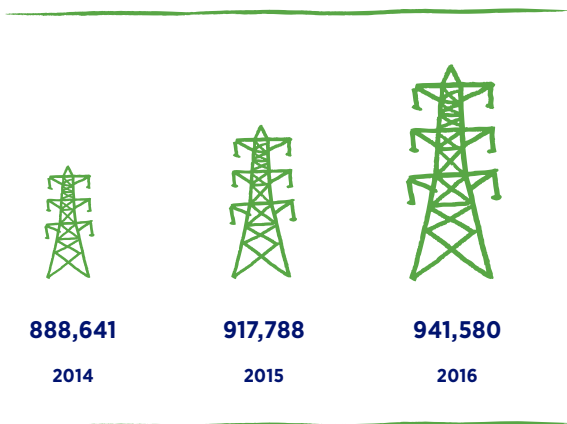
Using electricity from renewable energy sources is gentle on natural resources and the environment. It also mitigates climate change, as no fossil fuels are burnt and therefore almost no greenhouse gases are emitted. This is why we are expanding the share of electricity from renewable energy sources at all our office and production facilities. We recently reached a major milestone here: Having switched our Spanish production facility in Tres Cantos in 2014 to electricity from renewable sources, all our sites in Germany have been powered exclusively by renewable electricity since the beginning of 2016 as well. Compared with 2015 this means we avoided about 19,000 tonnes of CO₂ emissions – roughly the emissions of a small town in Germany with 2,000 inhabitants.

As part of our plan to reach our new climate target, we intend to cover 100% of our electricity requirement worldwide with power from renewable sources by 2020. Over the course of 2017, together with our production centers we will be evaluating how we can most effectively cover their power requirements with electricity from renewable sources. We have developed a list of criteria to ensure that the electricity is produced sustainably.

Besides this we also operate photovoltaic generators at some of our sites around the world, which enables our facilities to cover a share of their power requirement with solar energy collected directly onsite. In 2016, we generated 324 MWh of climate-neutral energy this way at our worldwide facilities, equivalent to the annual energy consumption of 70 average German four-person households.

We are consistently implementing energy-consumption reduction measures in parallel to the initiatives outlined above – and the “solar tubes” we use at numerous sites worldwide are a good example. Here, prismatic domes on the roof collect daylight and feed these through highly reflective tubes into building interiors that generally have no windows, or very little daylight. This way we can cut back on artificial lighting and therefore significantly reduce our power consumption.

Energy Consumption (GJ)



Since the beginning of 2016 all our sites in Germany have been powered exclusively by renewable energy sources.



OUR “BLUE BUILDING” PROGRAM

Energy-efficient, modern buildings and production facilities are an advantage for us as a company, as well as for our employees and the environment. With our “Blue Building” program we have set out well-defined requirements for designing our sites sustainably. When we select a new site or redesign an existing one, we examine the full life-cycle of the production center or office building and implement targeted, sustainable energy concepts and solutions. Since 2012, achieving certifications for internationally valid standards for sustainable buildings has been a major criterion in all our large building-construction projects.

India – Gold Award for Sanand

In May 2015 we set up a new production center in Sanand, India: Beiersdorf Manufacturing Gujarat (BMGj). The complex was planned and constructed in line with our “Blue Building” guidelines – and in 2016 it received an award from the “Indian Green Building Council” (IGBC) for sustainability. The IGBC is India’s first rating program for assessing the sustainability of industrial buildings. During the certification process the entire production facility was analyzed in detail, based on energy and environmental

criteria. Alongside energy efficiency, the electricity requirement, water consumption and water-purification systems were examined, and further environmental protection and architectural aspects were also taken into account. The result: IGBC Gold for our production center in India.

Awards for Our Office Buildings in Vienna, São Paulo and Mexico City

In June 2016, three of our Vienna-based affiliates – Beiersdorf Ges mbH, Beiersdorf CEE Holding GmbH and La Prairie Group Austria GmbH – moved into a new, modern office complex in the Euro Plaza on Vienna’s Lehrbachgasse. Sustainability criteria played a major role in the selection of the new site. The new office building has been certified to the Gold Sustainability Standard by the Austrian Sustainable Building Council (ÖGNI). Furthermore, this site also offers excellent local public transport connections, thus enabling employees to make an environmentally friendly daily commute.

Our office buildings in São Paulo (Brazil) and Mexico City (Mexico) also received the LEED Gold certification in 2016.

CO₂ EMISSIONS - PRECISE MEASUREMENTS AND TARGETED REDUCTIONS

In all areas of our business we constantly seek ways to reduce our ecological footprint and to minimize our CO₂ emissions. We rely on a precise picture of the status quo and the progress we have achieved to help us do this. In order to obtain unbiased, comparable data we measure our CO₂ emissions according to the requirements of the Greenhouse Gas (GHG) Protocol.

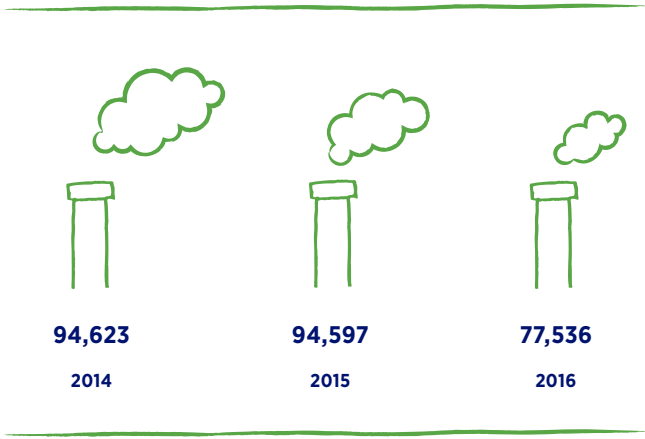
Our sustainability management software “susy” is a great support in consolidating and analyzing the CO₂ emissions across all three scopes worldwide. Besides

susy direct emissions from burning natural gas or fuel oil, our calculations also comprise indirect emissions resulting from our electricity, heating and steam consumption. Furthermore, our measurements also take supply-chain related greenhouse-gas emissions into account, which are caused for instance by the manufacturing and transport of finished products, or business-related travel. Wherever we do not have corresponding data available we extrapolate the respective emissions volumes.

In 2016 we extended our emissions management to cover even more countries and further optimized data-gathering methods, which enabled us to improve the quality of our data and the precision of our extrapolated calculations further. As a result of increased data precision, changes may occur with regard to the previous year.

In 2016 we successfully lowered our direct CO₂ emissions (Scope 1) by 42% per product manufactured versus the 2005 benchmark. The reduction in our indirect CO₂ emissions (Scope 2) in 2016 was 61% versus 2005. We measured and calculated our energy-related direct and indirect CO₂ emissions based on consumption data and invoicing by our energy suppliers, among other sources. These emissions were then calculated according to the requirements of the GHG Protocol and based on emissions data released by the Intergovernmental Panel on Climate Change (IPCC) and the International Energy Agency (IEA). Our chosen consolidation approach for emissions calcu-

CO₂ Emissions Scope 1 and 2 (tCO₂e)



lation is operational control. We use dual reporting to calculate our CO₂ emissions, and integrate the national factors published by the IEA (“location-based method”) as well as supplier-specific emission factors for specific sites (“market-based method”) in order to show the influence of electricity from renewable energy sources. While CO₂ compensation is not an integral part of our CO₂ emissions reduction strategy, we do include renewable energies in reporting on our progress towards target achievement.

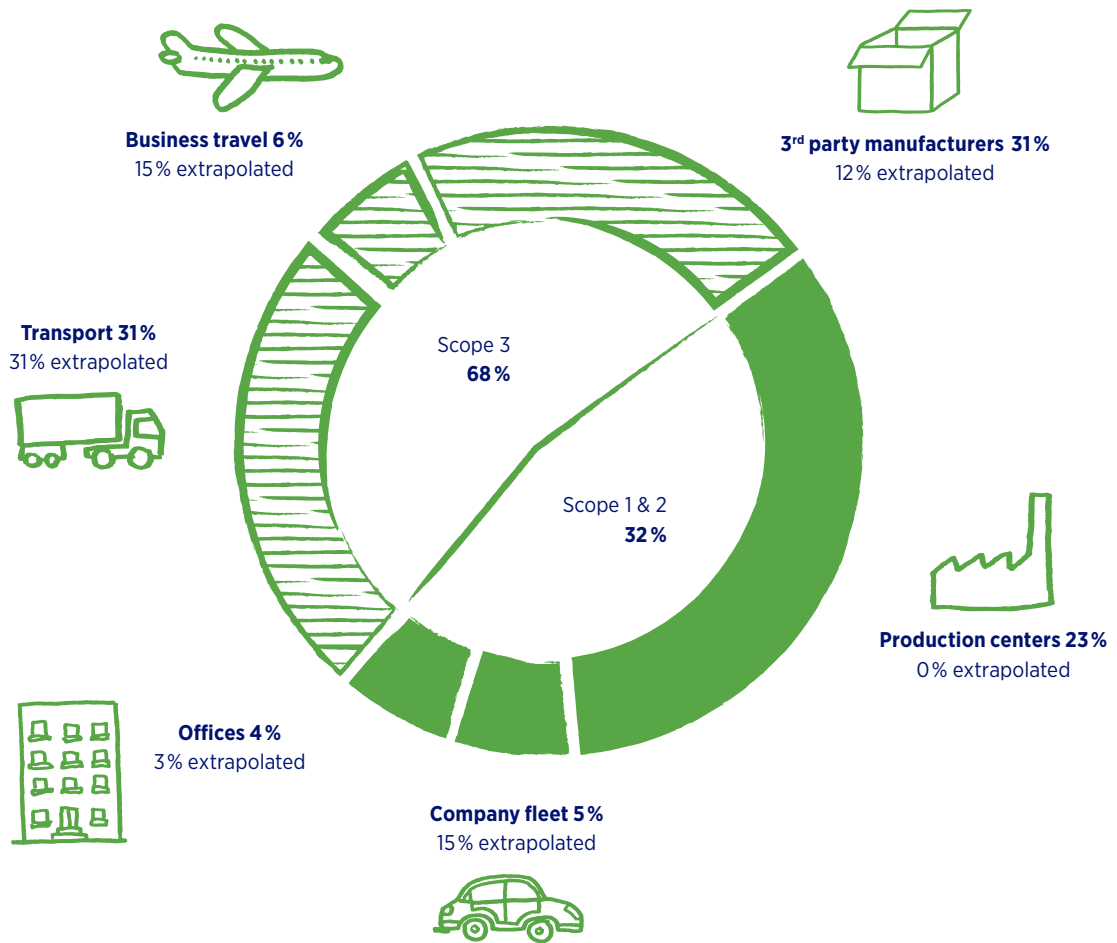
We also used the corresponding invoicing and consumption data from suppliers of finished products to calculate the indirect CO₂ emissions in Scope 3. Furthermore, we assessed our business-travel and transport-related CO₂ emissions.

Emissions caused by shipping products to our customers were calculated with the help of the EcoTransIT tool according to the European norm DIN EN 16258. CO₂ emissions caused by business travel were evaluated according to the requirements of the UK Department for Environment, Food, and Rural Affairs (Defra) as well as the GHG Protocol. Here we also based our assessment on our own data-gathering system for business travel as well as the AirPlus Green Reports in some countries. In calculating emissions, AirPlus relies on the atmosfair emissions calculator, whose

calculation methods are aligned with internationally recognized standards, primarily VDR, Defra, VFU and ICAO.

Unfortunately, no Scope 3 data is available for the 2005 benchmark year. However, we successfully lowered our CO₂ emissions by 14% in 2016 compared to 2015.

Estimated Proportion of Our CO₂ Emissions per Scope for the Year 2016



Scope 1: All direct greenhouse gas emissions resulting from use of direct sources of energy like gas and oil.

Scope 2: Indirect greenhouse gas emissions which result from the purchase of electricity, heat or steam.

Scope 3: Greenhouse gas emissions from the supply chain, such as manufacture and transport of finished products and business trips.

[Find Out More About Our Activities In The Area Of Energy](#)

Waste

We have set ourselves an ambitious short-term goal with “Zero Waste to Landfill”: No disposal of production waste and non-saleable products in landfills – globally. In order to achieve this, we consistently pursue a strategy of “avoid, reduce, reuse and recycle.” Together with all our stakeholders we are always searching for optimization potentials to reduce our waste volume and identify alternative disposal methods.

The best waste is the kind that does not occur at all in the first place. This is why we are also taking action further up in the “**waste pyramid**” a step at a time, and recycle valuable materials such as plastic and paper at the end of their life-cycle in order to minimize their environmental impact. With “Zero Waste to Landfill” we have pledged to climb above the lowest step of the waste pyramid completely by eliminating the dumping of waste to landfill. And we have set ourselves a clear timetable: By mid-2017 we plan to end the landfill disposal of non-hazardous waste (NHW), which is the majority of our waste. More difficult to eliminate is dangerous production waste, called “hazardous waste” (HW). Here, we aim to achieve “Zero Waste to Landfill” by the end of 2018 at the latest.

On Track for Our “Zero Waste to Landfill” Goal

In 2016 we moved significantly closer towards our “Zero Waste to Landfill” target. Eleven of our 16 global production sites already do without NHW landfill disposal completely, while the other five are currently in the process of changing their disposal approach. And it looks even better for HW: 14 of the 16 production sites have already changed their disposal systems, and the remaining two factories are at an advanced stage in the change process.

We also made clear progress both at our leased and own warehouses in 2016. From a total of 36 warehouses, 22 (NHW) and 24 (HW) sites no longer dispose of waste through landfill, while the switch is in progress at another seven (NHW) and five (HW) warehouses at the time of this report.



"It is mandatory for a company like ours not to dispose waste through landfill."

Harald Emberger,

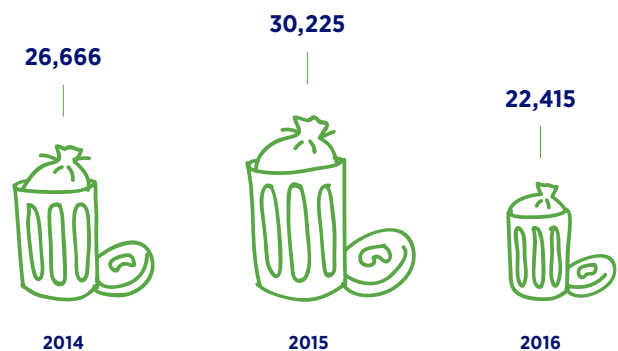
Senior Vice President | Corporate Supply Chain

Transnational Waste Disposal – From Dubai to Germany

As a globally operating company we are also active in countries where there is no alternative to environmentally hazardous landfill disposal. In order to meet our “Zero Waste to Landfill” targets nevertheless, we set up a cross-border waste disposal facility at our Distribution Center in Dubai at the end of 2015. Locally generated waste is collected and transported by sea to Germany, where it is recycled in an environmentally friendly way, or thermally used. For 2017 we plan to expand this alternative approach to other countries that have no suitable waste disposal option locally.

[+ Find Out More About Our Activities In The Area Of Waste](#)

Waste Volume (tonnes)



Water

Water is a very valuable and scarce resource. This is why we strive to reduce water consumption and waste-water volumes in all areas of the company, and have developed action plans for regions with high site-specific water risks.

In many regions of the world there is no guarantee of a sufficient supply of clean water. We actively analyze our site-specific water risks and are constantly looking for ways to minimize water consumption in our production processes, buildings, and other areas. We focus our efforts on three issues: Purification, technology, and sanitation. By using the latest equipment and new technologies we can lower our demand for water in production processes, especially in high-consumption cleaning processes. Additionally we reuse purified waste water for cooling processes, for example, or for sanitation when required.

Knowing Where - Annual Risk Assessment With the "Aqueduct Water Risk Atlas"

To secure the water supply for our production sites without negatively impacting the supply to the population, we undertake an annual assessment of our water risks using the "Aqueduct Water Risk Atlas" published by the World Resource Institute (WRI). Based on this highly up-to-date information we can identify developments and challenges - and take appropriate action.



"drinking water is a precious resource and essential for human life. We work constantly to avoid the contamination and unnecessary consumption of water."

Arend Klöver,
Waste & Water Management

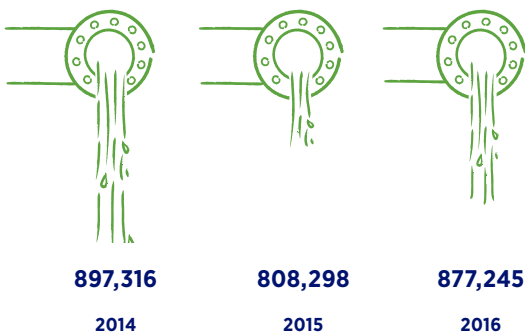
Better Purification in Mexico, Relaxation in Brazil

At our production facility in Mexico we have been testing a new technical process to further reduce the water content of the effluent sludge that occurs as part of our internal waste-water purification. The aim is to reuse the recovered clean distillate in our production processes, for instance for cleaning purposes.

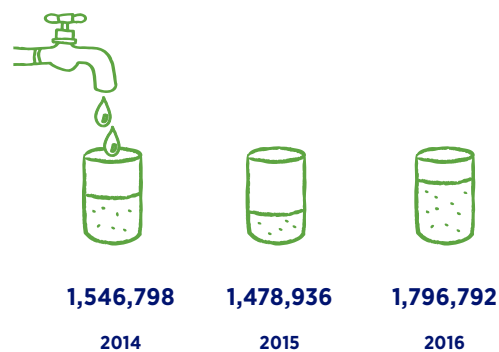
To secure the water supply for our production plant in Itatiba, Brazil, we drilled two artesian wells on the factory premises in 2015 to provide for times of high water scarcity. However, as the supply situation in the region has relaxed in the last few years, so far we have not needed to use the wells.

[Find Out More About Our Activities In The Area Of Water](#)

Wastewater Volume (m³)

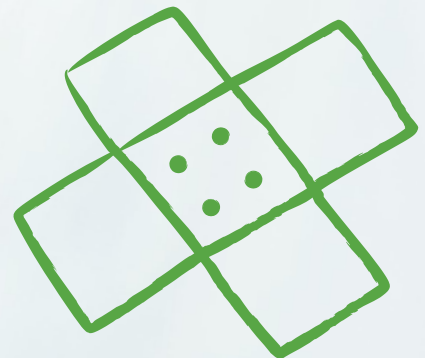


Water Consumption (m³)



People

We meet our responsibility towards people and society – both globally and locally, inside as well as outside our company. On the one hand our focus is on the qualification, safety and health of our own employees; on the other hand we are committed worldwide to fair working conditions, respect and tolerance also beyond our company boundaries, and support disadvantaged families with social projects based on local requirements.



Find Out More About Our People Engagement



Our Measures in 2016

- Adaption of the system checklist for our Environmental Protection and Safety Management Audit Scheme (ESMAS) based on the outline of the new standard ISO 45001.
- Carried out regional SHE (“Safety, Health and Environment”) workshops and “Major Risk Assessments” in Europe and Latin America (Mexico).
- Development of a regional SHE network for the region Asia/Pacific.
- Expansion of the “good for me” service portfolio in the key areas Balance, Prevention/Early Recognition, Exercise, Nutrition, and Work Environment.
- Organization of “Go kompakt” days at the affiliate Beiersdorf Manufacturing Hamburg (BMH).
- Implemented a Europe-wide concept for product donations.
- Defined a 2020-target for refugee aid at the company headquarters in Hamburg: By 2020 we will have provided 100 integration internships at our headquarters.



Our Achievements in 2016

- Carried out “Major Risk Assessments” for selected production centers.
- Audited our production centers in Poland (Poznan), Mexico (Silao) and China (Shanghai) according to the internal ESMAS audit system, which is based on ISO 14001 and OHSAS 18001.
- The total number of accidents causing work absence of more than one day was reduced from 73 (2015) to 50 (2016).
- -53% work accidents in our production centers vs. previous year.
- Over 700 employees took part in free skin-cancer screenings (350 employees in 2015).
- Continued realization of NIVEA’s social commitment in 34 countries.



Our Next Steps

- Further strengthen the global collaboration between the safety engineers of our production network to improve our safety culture.
- Conduct regional SHE workshops.
- Further training for safety engineers with a focus on machine safety.
- Expansion of “One Fit Team”, a team-specific and requirement-oriented health program.
- Organization of Skin Screenings in cooperation with Eucerin.
- Strengthen social projects at our production centers.

Our People Commitment - Overview



Families With Special Needs

Alleviating the added stress caused by coping with disabilities or other special needs in the family.



Infrastructure for Families

Providing locations and facilities for families to spend quality time together.

Our ambitious “People” target is the basis of our ongoing social commitment. By 2020 we intend to reach one million families and contribute to improving their lives. Our focus here is especially on socially disadvantaged families beyond our value chain, whom we reach through the social engagement of our brands and our corporate donations. In addition, our “People” commitment also focuses on the well-being of our employees and of all our stakeholders – right along the entire value chain. This is fully aligned with our overarching goal of making a positive social contribution everywhere we do business.

Family - The Smallest Social Unit

Our commitment to families is part of our social tradition and is reflected in the core values of our brands. Even though the definition of “family” is subject to continuous change and can take on different forms, the family is an internationally relevant social institution and a place of trust and responsibility. Our focus on families also allows us to adapt our approach locally and align it with

the specific local needs of disadvantaged families: After all, families in different countries around the world need different kinds of support. In Poland and Serbia, for example, we promote the construction of safe playgrounds as places for families to spend more time together. In other countries such as Thailand and South Africa, there is a lack of child-friendly school infrastructure. Here, we support school libraries and community centers for early childhood development and homework guidance after school.

Quality and Quantity - How We Measure Our Projects' Social Impact

Our commitment to improving the living conditions of one million families has both a qualitative and a quantitative dimension. When determining the actual social impact of our projects we take into account global criteria and local conditions in equal measure.

→ Beiersdorf's global strategy for social engagement provides the tools to support social projects around the world. Only **long-term, local projects**, mostly in the form of non-profit organization

In 2016 our engagement reached a total of 661,023 families in 47 countries, for example through social sponsoring by our brands and donation programs at a company level.



Child-Focused Family Support

Improving future prospects for deprived children.



Social Support for the Elderly

Providing social services and support for the elderly.



Competence Training for Families

Fostering skills to ensure the well-being of families.

(NPO) partnerships, contribute towards our “People” target. They are funded by our brands and our corporate donation programs. Recipients of in-kind and product donations are not included in our measurement of progress towards the target.

- Specific project formats and measures are defined locally. Here we work closely with experts onsite (e.g. NPOs), which ensures that our projects have a **long-term effect in a socially relevant area**. When developing projects the quality of our measures always takes priority over the number of families reached.
- To ensure the lasting effect of our commitment, all social projects supported by Beiersdorf follow the principle of **helping people to help themselves**. Initiatives to support children’s development, educational projects for young people, and the creation of infrastructures for families play a decisive role here, since their social effect lasts well beyond the end of our engagement.

Well on Track – 661,023 Families Reached in Four Years

Since the first annual measurement of progress towards our “People” commitment versus the 2013 base year we have continuously improved our annual result. In 2016 our social commitment reached a total of 661,023 families, for example through social sponsoring by our brands and donation programs at a company level.

As Beiersdorf’s commitment to society places the quality of our projects before the number of beneficiaries, our global commitment is not converted into local targets for our affiliates. Our ambitious “People” commitment is therefore less of a global steering instrument and more of a global expression of our locally developed and practiced social commitment.



Find Out More About Our People Commitment

People at Beiersdorf

Ensuring the satisfaction and health of our employees is our top priority. This is why we are committed to ensuring a fair and motivating work environment at our sites worldwide through providing extensive employee qualification measures, and occupational health and safety measures. Our mandatory Code of Conduct defines the foundation for a respectful behavior among each other.

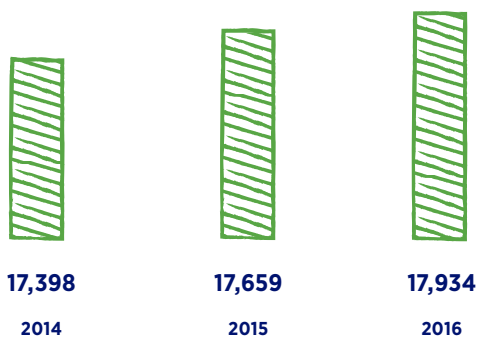
At Beiersdorf we created 275* new jobs globally in 2016. The Group employment figure has risen continuously since 2013. By the end of December 2016 we employed 17,934* people (previous year: 17,659*). Of this figure, 5,979* (previous year: 5,962*), or 33%* (previous year: 34%*), were employed in Germany. A total of 13,776 people worked in the Consumer Business Segment (previous year: 13,549) and 4,158 in the tesa Business Segment (previous year: 4,110).

The people at Beiersdorf decisively shape the long-term success of our company. Their importance is firmly anchored in the Blue Agenda. Beiersdorf implemented numerous global initiatives and programs during the year under review to further enhance its profile as a responsible employer.

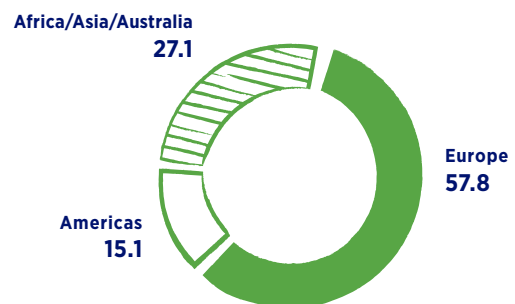
In 2016 our people agenda focused on the following areas among others:

- Employee engagement: Our independent, global employee survey took place for the fourth year in a row. Employee satisfaction and emotional engagement have once again increased significantly worldwide.
- Employee retention: Stability at our affiliates is above the local industry average in most markets. In Europe, employee turnover stood at 4.5% in 2016, and at less than 3% in Germany.
- Lean structures: The Group management hierarchy has been reduced from nine management groups to five.
- Internal promotions: 74% of the posts newly filled in 2016 in the top two management groups went to internal candidates, of whom 23% are women.
- Internationalization: 65% of managers at the first management level below the Executive Board have completed at least one foreign assignment that lasted several years. At the end of 2016, 21% of employees in the first three management groups were on an international assignment lasting several years.
- Vocational training in Germany: 90% of apprentices finishing their training and willing to start working received an employment offer.

Group Employees *



Employees by Region (%) *



* Numbers including tesa Business Segment



Our employees use more than 350 different working arrangements in Germany alone, such as working from home and flexible part-time work.

A Responsible Employer

Everyone counts. That is our philosophy towards our employees at Beiersdorf. A committed workforce is indispensable to a company’s efficiency and ability to innovate.

Beiersdorf is renowned as a responsible employer in the markets in which we operate. We are determined to support and promote the personal and professional growth of our employees in many ways. We therefore offer special programs and services to our employees at global, regional, and national levels, tailored to their personal needs and specific local requirements. These include training and development, childcare, health management, sport, catering, mobility, and, of course, flexible working models. Our employees use more than 350 different working arrangements in Germany alone, such as working from home and flexible part-time work. Other options include job sharing, which is also practiced by managers.



Our Four Core Values

Beiersdorf’s four Core Values – Care, Simplicity, Courage, and Trust – are firmly rooted in our corporate culture and shape the day-to-day work of every Beiersdorf employee. Our Core Value initiative again proved itself an excellent global platform to discuss, review, and improve management topics like leadership, innovation, and efficiency during the year under review.

 **Find Out More About The Topic “People at Beiersdorf” In Our Annual Report 2016**



ONE TEAM 🌐 ♿ 😊 ♀
 LIVING DIVERSITY

DIVERSITY

Each year, we reach consumers in over 170 countries with our products. Diversity is in our DNA. We consider diversity – for example in terms of gender, internationality, and age – a valuable contribution to Beiersdorf’s ongoing worldwide growth.

Further progress was made regarding diversity in 2016, including:

- Gender diversity: New targets for the share of women at the first two management levels below the Executive Board have applied to Beiersdorf AG since March 2015, in accordance with statutory provisions. At the end of 2016, 24% of managers at the first management level below the Executive Board were women (previous year: 26%). Despite the slight drop in ratio, our aim remains to raise this figure to 30% by the end of June 2017. At the second management level below the Executive Board of Beiersdorf AG, 43% of managers were

women at the end of 2016 (previous year: 38%). Our target of maintaining a stable 38% by the end of June 2017 has therefore already been exceeded in the year under review.

- International diversity: We increased the number of international employees (employees covered by collective pay agreements not included) at our Hamburg headquarters to 15% in the reporting year (previous year: 14%).
- Generational dialog: We foster dialog and collaboration between the different generations employed at Beiersdorf AG. One such measure has enabled our apprentices to become “buddies” to senior employees and support them in areas including IT and social media.

 [Find Out More About Our Engagement In The Area Of Diversity](#)



In our production network we successfully reduced the number of accidents causing more than one day of accident-related absence from 34 in 2015 to 16 in 2016.

“ZERO ACCIDENTS” DRIVES SAFETY

Our strategic goal of “Zero Accidents” in the workplace focuses on employee health and safety. We actively survey all our sites for risks and optimization potential, and we continually implement improvements in workplace safety through a broad range of measures. With a positive impact: In our production network we successfully reduced the number of accidents causing more than one day of accident-related absence from 34 in the previous year to 16 in 2016.

Exchange of Experience – Inform, Discuss, Optimize

A key factor helping us to optimize safety at work is improved communication. The more precisely we know where risks occur in a company or process, the better we can act and the more focused and effective our action will be. In 2016 we drove the expansion of an online communication platform to improve the inter-site exchange of experience in our worldwide production network. In addition to specific accident reports, the platform also records information on near-misses.

Alongside this, regular workshops in regional groups in Europe and Latin America ensure a valuable exchange of experience between local Safety Managers. A core focus of these workshops is the “Major Risk Assessment” in which the regional safety experts evaluate the production site using a predefined list of eleven major risks.

PPE, SOP and SOC – Three Factors for Greater Security

Workplace accidents can be avoided by using personal protective equipment (PPE), so we paid particular attention to this issue in 2016 and pushed the correct and consistent application of PPE at our production facilities.

At our Hamburg production facility the regular SOC Patrols (Safety – Order – Cleanliness) by Operations Managers introduced in 2016 have proven their worth. To embed the topic of safety even further in the regular working routine we developed a training program for supervisors in 2016 that helps them to take responsibility for occupational health and safety in their department. We also used the implementation of the new Beiersdorf Manufacturing Operating System (BMOS) to implement daily Security Briefings. Every day employees are informed in their workplace about safety-relevant events in the factory over the preceding 24 hours, which raises their awareness of safety issues.



Find Out More About Our Activities In The Area Of Employee Safety



“GOOD FOR ME“ FURTHER OPTIMIZED

Efficient and effective Health Management is one of the core pillars of our human resources policy. Our constant aim is to actively promote our employees' health and well-being, in particular in the five key fields of Prevention/Early Recognition, Exercise, Nutrition, Balance, and Working Environment.

The “good for me” Health Management program bundles our Company Medical Service, Health Promotion, and Social Counseling together with the areas of Occupational Safety, Catering, Company Health Insurance, and our Company Sports Club. In 2016 we further optimized the structure of “good for me” and defined a central point of responsibility for all health-related activities, in line with our philosophy of “one face to the customer.”

At the same time we have continually expanded our service portfolio. New offers in the area of Balance are, for example, audio relaxation exercises “to go” that help employees reduce stress in a targeted way during their working day. More new offers are the occupational illness-prevention courses of Autogenic Training, Progressive Muscle Relaxation, and Salute – a prevention program that strengthens our psychological inner balance. In the area of Exercise a new workout schedule is helping to provide fresh motivation for sports – while those employees who are reconsidering their dietary habits now have the best-possible support in achieving healthy nutrition with the new weight-management course “BesserEsser@Beiersdorf” as a new offer in the area of Nutrition.

Our individual health check-ups for employees were also very well received in 2016. Over 700 employees took the opportunity to have a thorough head-to-toe medical examination, and the same number of people participated in our free comprehensive skin-screening program.

Analyzing and Optimizing – Recognizing Stress Factors and Preventing Them Ergonomically

The workplace itself, along with work-related stress factors, was also in the focus of our activities. With the help of the “Key Indicator Method” – a procedure for evaluating physical stress – we identify the individual risks to which our employees are exposed. In 2016, we trained employees working in our Health Management, Company Medical Service and Occupational Safety in the “Key Indicator Method”. These multipliers will help us spread this knowledge throughout our company.

Besides the physical aspects there are also psychological strains associated with every workplace. However, the psychological aspects are difficult to quantify with the standard job evaluation tools, since each employee reacts differently to stress factors. To enable us to take early preventive action, in 2016 we successfully piloted a new evaluation concept at our IT Company Beiersdorf Shared Services GmbH.

“Go kompakt” Days at Our Affiliate BMH

In 2016, we boosted our collaboration with our affiliates in the area of Health Management, supporting Beiersdorf Manufacturing Hamburg (BMH) in designing and implementing the “Go kompakt” days. Here, employees are released from their regular work for one day. Following a preventive health check carried out by our Company Physician, employees take part in an interactive training that includes compact and practical knowledge around health promotion. The health check is offered annually to measure the health-improvement progress, the effectiveness of the health measures offered, and to optimize our course portfolio.

 Find Out More About Our Activities In The Area Of Employee Health

Social Responsibility

Our social commitment is closely linked to our Core Values and based on our company's and brands' strategic goals. Our focus is on long-term, locally developed projects to support disadvantaged families and communities.

“NIVEA CARES FOR FAMILY” – MAKING OUR GLOBAL VALUES TANGIBLE THROUGH LOCAL PROJECTS

Through our global initiative “NIVEA cares for family” we place families at the heart of our social engagement. We want to contribute to a sustainable improvement of families in need and support local, long-term oriented projects around the world in line with our credo of “helping people to help themselves”. In this effort we focus on the following areas:

- Developing children's competencies
- Supporting mothers
- Time for family

NIVEA Indonesia – Support and Recognition for Mothers of Handicapped Children

Mothers of handicapped children receive little recognition or support in Indonesian society, often suffering prejudice and social exclusion. Moreover, women from socially disadvantaged groups in particular often also lack knowledge regarding how to recognize their child's special needs and support them in the best-possible way. To lend these mothers in socially and privately challenging circumstances a hand, in 2016 NIVEA Indonesia launched the “Sentuhan Ibu” initiative – which literally means “a mother's touch”.

The initiative gives mothers in this situation the opportunity to take part in an 18-month advisory program. Besides workshops this also includes discussion groups in which mothers can exchange perspectives on their situation. In particular, the program focuses on giving mothers courage and urgently needed support, especially because mothers play a decisive role in the development of their children. The program is run in collaboration with “Kemuning Kembar”, an institute engaged in the fields of psychology, education and health.



With Hand on Heart – Social Media Campaign Actively Involves Consumers

When launching the initiative, NIVEA Indonesia ran a campaign across various social media channels to maximize awareness and reach. Under #SentuhanIbu a moving campaign video calls for improved social recognition for the huge effort these mothers make. The video accompanies Siti and her daughter Nadilla throughout a regular day that is anything but easy, clearly conveying the love and commitment of these mothers towards their handicapped children.

The initiative also gave consumers the opportunity to show their support for the campaign by making a simple personal gesture: Posting a selfie with their hand on their heart and tagging it #SentuhanIbu. This way they could express their personal recognition for the mothers of handicapped children and at the same time contribute financially: For every photo posted, NIVEA raised the sum the company donated to the project. This long-term oriented initiative will be continued at different sites across Indonesia throughout 2017.

HANSAPLAST'S COMMITMENT TO FIRST AID

Any of us may suddenly need first aid one day – and the better the first-aider knows what to do, the faster and more effectively they can help the injured. However, many people are unsure of what to do when faced with a situation that requires first aid. So



to help improve people's first-aid knowledge and skills, and in order to boost their confidence when applying it, Hansaplast is partnering with Red Cross National Societies. Under the

banner of “Bringing First Aid Home”, our initiatives in this area focus on three core aspects:

- Awareness: We inform people just how vital first-aid knowledge is.
- Education: We help to increase first aid know-how in the population.
- Prevention: We show how accidents at home can be prevented.

“No-One is Too Small to Be a Helper!” – Partnership Between Hansaplast and the German Red Cross

Fainting during the break, a bee-sting at the pool, or a grazed knee from falling off the bike – kids often have an accident just when there are no adults around. To remove the fear of applying first aid from early age on, Hansaplast launched the campaign

“No-One is Too Small to Be a Helper!” in partnership with the German Red Cross and the German Youth Red Cross in 2016: Together we aim to train 50,000 children across Germany to become Junior First-Aiders.

To enthuse as many kids as possible for first aid, together with our partners we are actively approaching schools and supporting them with child-oriented training materials as well as First Aid backpacks. Through these we aim to help raise children's awareness of accident risks in everyday life in an age-appropriate way, and to introduce them to first-aid measures step by step.

A representative survey of over 1,000 girls and boys aged six to 14 carried out by Hansaplast on the World First Aid Day shows that many children already have good knowledge of basic first aid. The survey questions ranged from purely factual knowledge, through the right action to take in specific emergency situations, to accident-prevention skills – and over 60% of the children answered most of them correctly. One-third of the children surveyed had already attended a first aid course, and scored significantly better in the survey. The results are an impressive confirmation that kids are able to develop first-aid skills at a very early age – and that the Junior First-Aider training gives them greater self-confidence when dealing with an emergency.



We aim to reach 50,000 children across Germany with child-appropriate first-aid training materials.

HUMANITARIAN REFUGEE AID AS PART OF OUR CORPORATE RESPONSIBILITY

War, persecution, human rights violations – all around the world people are being forced to flee their home countries. The civil war in Syria, ongoing since 2011, has caused a flood of refugees and represents a major challenge.

Supporting refugees in different ways is part of our social responsibility. To meet their individual needs as quickly, directly and effectively as possible, each of our affiliates can decide independently on the type and extent of their support. This enables us to assess the overall local conditions better and ensure that aid optimally meets actual needs.

In addition to making donations of body care and hygiene products over the short and medium term as well as providing financial support, we specifically focus on integration programs for refugees. Our employees are personally engaged in many of these initiatives.

Job Programs – A First Step Towards Employment

Through our job programs we aim to set an example for the integration of refugees in society and vocational life.

The first job programs in Hamburg started in 2015. In close cooperation with

“verikom – Verbund für interkulturelle Kommunikation und Bildung e.V.”

and

“W.I.R - work and integration for refugees”

refugees complete six-week or three-month integration internship.

Speaking German and having a job are key factors for successful integration in Germany. We offer refugees an opportunity to use their knowledge of German that they have already gained in the workplace – and to improve it. We help them increase their existing qualifications in the most appropriate department for the individual qualification and field of interest, e.g. in IT, Accounting, Procurement, Manufacturing, or Health Management.

This job experience gives refugees a good insight into the workplace and helps them to better assess their existing professional abilities: This way they can specifically identify possible gaps they need to close. Overall, this approach to vocational integration provides a good basis for refugees to access permanent employment in the future.

In 2016 a total of 20 participants made use of our program. The first refugee began his training as a professional cook in September 2016.

Direct Local Help – Close Cooperation With the German Red Cross

The German Red Cross (DRK) is responsible for managing many refugee accommodations in Hamburg. To support their work we have been cooperating closely with the DRK in Hamburg’s Eimsbüttel district since the fall of 2015. Besides donating products and money, many of our employees are personally engaged in working with refugees.

In 2016 more than 130 Beiersdorf employees helped in the Clothing Donation Center every week, sorting donations and issuing them to the shelter’s residents. At the same time 13 teams took children, families, and young people on outings in the surrounding area, which included a visit to the zoo, a barbecue, sports activities, trips to museums, and a visit to a local children’s daycare center.



At Beiersdorf in Hamburg we will open up more than 10% of our annual internship positions to refugees. By 2020 this amounts to a total of 100 integration internships.



donating overstocked products contributes both to our social and environmental sustainability goals.

WE DON'T WASTE - WE DONATE

Donating overstocked products contributes both to our environmental and our social sustainability goals, since skin care, hygiene and wound care products are urgently needed in many social projects. In addition, we protect the environment by donating products in perfect condition instead of disposing of them. This is why we expanded our commitment to product donations across Europe in 2016.

Efficient Donation Process for Maximum Social Impact

Despite accurate planning within the supply chain, overstocks cannot always be avoided. Continuous stock controlling helps us to identify possible overstocks early on, and to earmark these for donation. The most common reason why such products may no longer be sold is the launch of a new packaging design, meaning that the remaining stock is no longer distributed for sale, even though it is in perfect condition. Instead, it can be made available for donation.

By carefully matching supply and demand for donations we ensure that donated products meet a specific need in the respective social project and target group. Colleagues in charge of Supply Chain planning and Corporate Social Responsibility cooperate in selecting suitable organizations. In general, we donate products locally.

Donating via Distributor - One Interface, Many Winners

Our cooperations with local members of the "In Kind Direct International" network are special projects. In Germany, France and the UK we already deliver product donations to these organizations, which function as distributors between companies and charitable organizations. Thanks to a powerful infrastructure and a large network of approved local partners, these organizations are able to receive and distribute large quantities of product donations quickly and flexibly.



Find Out More About Our Social Responsibility

Stakeholder Engagement

We maintain a close dialog with our stakeholders and promote collaborative partnerships. Through the involvement of all stakeholder groups we can further improve our performance in our sustainability topics along our value chain and embed them even more deeply within our company. This will help us achieve our environmental and social targets faster and more efficiently.



Materiality Analysis and Multi-Stakeholder Dialog

An open dialog with our external stakeholders such as suppliers, non-profit organizations (NPOs), other companies, and consumers enables us to review and optimize our work regularly. We use Materiality Analysis as a tool to ensure we work in a targeted way and focus on the right sustainability topics.

STAKEHOLDER ROUNDTABLE - OPEN DIALOG ON SUSTAINABILITY

In November 2016 we invited raw materials and packaging suppliers, NPOs, retail partners, and sustainability experts from other multinational and global companies to our first Multi-Stakeholder Dialog in Hamburg. The main topic of the Roundtable was "Responsibility in the Supply Chain". The goal of this new event format was to openly discuss with each other, learn from each other, and to create opportunities together in order to make our supply chain even more sustainable.

Intensive dialog at this event with our partners and sustainability experts from other organizations and companies helped us weigh up alternatives, discuss new options for action, and identify global similarities and differences.

Intensive Exchange on Potential Solutions

The discussion highlighted the complexity of long supply chains, amongst other factors. We learned about the difficulties companies are facing in trying to guarantee sustainability in their upstream supply chains. In addition, the participants discussed how sustainability can be anchored most effectively at all management levels in a company. The expert group also debated other specific questions, such as the interaction between the implementation of sustainability certification systems on the one hand, and on the other the commitment to smallholder farming projects that improve local cultivation conditions – for instance in the cultivation of palm (kernel) oil, cotton and tea.

Close collaboration with strategic suppliers, who were selected with regards to their sustainability performance, was identified as a key success factor. In addition, sector-specific and cross-sector cooperation

plays an important role in jointly strengthening the sustainable cultivation of raw materials. For more on the topic of responsibility in our supply chain, please see [page 18](#).

Positive Outcome - To Be Continued

For us this first Roundtable was thoroughly worthwhile. By gaining an in-depth understanding of the challenges facing our suppliers, as well as the perspectives of NPOs and other companies, we were able to generate valuable proposals for raising our supply-chain sustainability.

"A great format for receiving feedback, and for engaging with critics as well. We gained some valuable new inputs for our work, and for implementing our We care. strategy."

Dorle Bahr,

Head of Environmental Sustainability & Safety



In this context, we are also engaged in various multi-stakeholder initiatives such as AIM-PROGRESS, FONAP, RSPO and Sedex to achieve synergy effects and further develop sustainability aspects all along the global supply chain. For more information on this please see [page 18 ff.](#)

MATERIALITY ANALYSIS

What impact do our products and activities have on society and the environment? Which sustainability topics are especially relevant for our stakeholders and for Beiersdorf as a company? Our Materiality Analysis depicts the 20 key topics that together with our stakeholders we see as most material.

We have used the Materiality Analysis as a strategic tool since 2011 to help us pinpoint the most vital sustainability topics and integrate them in our “We care.” sustainability strategy. At the heart of this are global ecological and social topics, as well as other issues of major importance to our stakeholders and to us at Beiersdorf. We defined a strategic framework in 2011 based on these insights and developed specific KPIs that allow us to measure our performance in these sustainability areas, and benchmark ourselves as a company.

Materiality Analysis as a Continual Process

The success-critical topics and influencing factors in our core business have changed continually since we carried out our first Materiality Analysis in 2011. So we ran a second one in 2014, and this identified new key topics – for instance, the stronger focus on our Responsible Sourcing Program, through which we fulfill our responsibility all along the supply chain, and

our expanded stakeholder engagement initiative that integrates employees, consumers, suppliers and NPOs in our sustainability efforts.

To ensure maximum transparency and comparability for our stakeholders and the general public we carried out our analysis oriented towards the materiality aspects set out in the GRI G4 reporting guidelines.

We are currently planning a further Materiality Analysis for 2017 to help us identify new trends, topics and challenges, and to prioritize these within our “We care.” sustainability strategy.

The 20 Key Topic Areas

We launched our 2014 Materiality Analysis with a comprehensive online survey of our internal and external stakeholders. To make sure the data were as representative and indicative as possible, we consciously selected respondents from different countries and differing functions. Following this, in-depth interviews with external sustainability experts as well as intensive internal workshops helped us identify 20 global ecological and social challenges – and then evaluate their impact along our entire value chain. The materiality matrix we developed from this shows the relevance of the respective topic areas for Beiersdorf and our company’s stakeholders.



[Find Out More About Our Materiality Analysis](#)

Employees

We actively involve our employees in our sustainability strategy and support the personal commitment of every individual and our teams by providing them with the necessary framework and freedom to act. Sustainability projects actively supported by our employees also improve team spirit and people's identification with our company.

Our employees around the world are committed to a wide range of environmental and social initiatives as part of "We care.". For example, we encourage our employees to participate in regional environmental projects; we support them as part of "NIVEA cares for family" in helping disadvantaged families in their local markets around the world, and we give them the opportunity to participate actively in refugee aid through specific projects. At Beiersdorf we are convinced that we can best achieve sustainability all together, with motivated and dedicated employees.

Joining Forces for the Environment in Thailand

In June 2016, more than 800 colleagues from Beiersdorf Thailand headed to Bangpu Nature Education Center to work together shoulder-to-shoulder on ecological activities that included beach and mangrove forest cleanups, as well as founding a mangrove tree nursery which included the hand-planting of no less than 4,000 trees. This remarkable effort was achieved thanks to excellent cooperation between the Foundation for Environmental Education for Sustainable Development, Thailand (FEED), the Royal Thai Army, and Beiersdorf (Thailand). This joint initiative was launched to honor Thailand's Queen Sirikit as well as to encourage Thais to rehabilitate their local environment and to raise awareness for ecological sustainability.

Despite the hot weather and endless mud, we jointly succeeded in planting 4,000 mangrove trees thanks to an outstanding team spirit!

Mangrove forests play important roles in supporting marine biodiversity as spawning and nursery areas for many marine species. They absorb great quantities of CO₂, a critical factor in mitigating global climate change. Mangrove forests protect shorelines from damaging storms, waves and floods, and also help prevent coastal erosion with their densely tangled root systems. They maintain water quality and clarity, filter pollutants, and their roots trap floating garbage from the land - as was highlighted by the sheer volume of

garbage we collected during this intensive ecological activity. They not only fulfill multiple ecological functions essential to their surrounding habitats, but are also an important resource for local communities.

At the moment, mangrove forests are one of the world's most threatened natural habitats - more than half the world's mangrove forests have already been destroyed. Bangpu is one of the last remaining mangrove forests in the Gulf of Thailand. So at Beiersdorf (Thailand) we are fully committed to helping restore and caring for our environment, in line with our "We care." strategy.



More than 800 employees of Beiersdorf Thailand participated in a project to replant the mangrove forest, with teams planting 4,000 young mangrove trees by hand.

Local Social Commitment – From Children’s Parties to Senior Citizen Workshops

Our social commitment has many facets. In Hamburg, for example, we have been cooperating with ten non-profit organizations (NPOs) for several years now. Thanks to a continuous exchange we know very well how and where the organizations need our support. Besides donating money and products, in many cases it is a matter of delivering tangible hands-on support for specific projects. The help required can often be provided through our employees donating their time – and our “Social Team Days” offer a great opportunity to do this. Once a year, many departments at Beiersdorf take time for teambuilding, and more and more of them are taking advantage of our “Social Team Days” to get involved together with their colleagues for a good cause.

This voluntary social engagement is a win for all parties involved. Our teams are motivated by doing good, and grow closer together. The NPOs and their respective target groups benefit from our involvement, since we actively support them in the implementation of their project. And as a company, we are able to get our employees actively involved in our social commitment.

In 2016 a total of 24 teams at our Hamburg headquarters implemented a "Social Team Day".

In 2016, a total of 24 teams at our Hamburg headquarters conducted a “Social Team Day”. Here are two examples of what our employees achieved: Our partner association “Hände für Kinder” (“A Helping Hand For Kids”) offers children and young people with disabilities a short-term home, and this association needed support in organizing its annual summer festival on the Kupferhof. A team from our Research and Development Department got involved in the preparations – and at the beginning of June 2016 helped to manage a successful event with 1,000 happy visitors and beaming children!

For “Aktion Augen auf!” (“Eyes Open Campaign”), the expertise of our colleagues from the Digital Team was in strong demand. The campaign is run by

the “Arbeiterwohlfahrt Hamburg” (“Workers’ Welfare Association”) and works to support the elderly in preventing social isolation and neglect in their homes. Our project team carried out two workshops as part of a cooperation, helping train senior citizens to use PC tablets and to learn how helpful and connective modern technology can be.

TRANSPARENCY AND MOTIVATION THROUGH THE EMPLOYEE CAMPAIGN “ALL ABOUT PEOPLE“

In recent years we had implemented two successful internal employee engagement campaigns for our “Products” and “Planet” areas. In 2016, the focus was on our third pillar “People”. The campaign, named “All about people”, was launched at our headquarters in Hamburg in October 2016 and was also communicated internationally.

The goal of “All about people” was to inform about our numerous measures and activities in this area, and to encourage employees to participate in local projects. Besides projects in the field of health and safety, activities from our social engagement around the world were also presented. Various posters and a campaign film drew attention to the event. A special feature: For the first time, the film was created from user-generated videos of committed colleagues at our affiliates. This shows once more the high engagement and enthusiasm we have at Beiersdorf for sustainability.



„All about People“ video

“Safe Cycling” - Technical Check and a Helmet Prize Draw

At our headquarters in Hamburg we offered a bicycle safety-check for our employees already for the second time in 2016 - and used the check-up to integrate another safety topic. Many employees cycle to work, which is good for the environment and their fitness; however, they often ride without helmets, although these are vital for their personal safety in rush-hour traffic. In order to motivate our employees to wear a helmet, we allowed them to try on and win various bicycle helmets that meet their style and comfort requirements.

A Host of Good Suggestions for Getting Involved

The wide range of the actions presented showed impressively how and where employees within our company are engaged in “People” topics, and provided plenty of suggestions for everyone to make a personal contribution. For example, employees in Hamburg could register as a buddy for an integration intern, or sign up to help out at the Clothing Donation Center. There was also an opportunity to register for “Glückscent” (“Lucky Cent”), an automatic donation of just a few cents from one’s monthly salary for a good cause. Our call for the donation of winter clothing resonated particularly strongly, with almost 1,000 items of clothing handed in at our events. The donations were provided to two Hamburg DRK refugee shelters, which we support as partners.



 [Find Out More About Our Employees' Engagement](#)



"We collected an incredible amount of really great articles - and our partners at the DRK were delighted with this generous support!"

Katrin Selzer,
Senior Communications Manager |
Sustainability & Engagement



Consumers

More and more consumers consider sustainability aspects in their daily purchasing decisions. They expect companies to be committed to the environment and society, and to be transparent about it as well. That is why we actively approach our consumers, report on our sustainability activities, and offer them sustainable product solutions. We also appreciate feedback from our consumers and incorporate this into the ongoing optimization of our products. Additionally, we offer our consumers the opportunity to actively get involved in our brands' social commitment activities.

DON'T TURN RED! MEET LOTTE AND MAX, OUR "SUN PROTECTION DOLLS"

As experts in innovative skin care, at Beiersdorf we not only offer our customers high-quality skin care products but are also committed to improving their health awareness – by providing information on sun protection, for example. Especially for children's delicate skin, sun protection is a must. But because many children resist having creams applied when it seems unnecessary to them, in 2016 NIVEA SUN started an awareness campaign in Germany with a difference: Through a playful approach, our "sun protection dolls" Lotte and Max help children learn how important it is to protect their skin from the sun's harmful UV rays. The two puppets are made of a special plastic that reacts to UV light: If the children leave them out in the sun without protection, Lotte and Max turn red and get "sunburnt". But if they apply sunscreen to their plastic companions, the dolls' "skin" doesn't turn red. This helps children to understand how important it is to protect themselves from the sun, and to apply sunscreen to their own skin. The campaign is accom-

panied by a lovingly created animated film starring Lotte and Max, which has been played on all social media channels.



Get to know Lotte and Max, our sun protection dolls, in this animated film.

NIVEA Dolls Conquer Brazil

The NIVEA Sun Dolls were introduced in Brazil in June last year. The sun protection campaign was developed and implemented for Beiersdorf Brazil by a São Paulo-based creative agency. On the campaign launch, the sun dolls – called "NIVEA Dolls" in Brazil – were distributed to mothers and their children over the age of three on the beaches of Rio de Janeiro. With this unusual project, NIVEA is raising awareness for sun protection and skin care while creating strong, emotionally driven consumer participation at the same time.

"Children's skin definitely needs sun protection because it is thinner than the skin of adults and reacts very sensitively to sun radiation. At the same time, children often don't like to have cream applied to them. With our sun protection campaign and especially with the two dolls, Lotte and Max, we want to show them why sun protection is so important in a fun way."

Ingo Tanger,
Marketing Director Germany



“WE CARE.” AT LINKEDIN

LinkedIn is currently the world’s largest professional network with 400 million registered users globally, making it one of the most relevant social media for businesses in the competition for the right talents. Beiersdorf is no exception: We use LinkedIn to provide potential job candidates with genuine, exciting and varied insights into our working world to convince them of our benefits as an employer. “We care.” topics are an important and regular component of this communication, since they are closely linked to our company values and thus also generate strong interest within our LinkedIn target groups.



 Visit Our Global LinkedIn Page To Read All Our Stories: Beiersdorf At LinkedIn

“WE CARE.” IN “NIVEA FÜR MICH” MAGAZINE

Our print consumer magazine “NIVEA für mich” (NIVEA for me) is published three times a year and mailed to more than 530,000 NIVEA fans and interested consumers in Germany. In “NIVEA für mich” we also cover exciting content in the area of sustainability: For example, in our Spring/Summer 2016 edition we reported on our cooperation with the German Life Saving Society (DLRG), whose aim it is to teach more children how to swim. The Winter 2016 edition was dedicated to the most important milestones and successes of our “NIVEA cares for family” global social commitment and engagement. The “NIVEA für mich” magazine is also available online – feel free to take a look:

 <https://www.nivea.de/nivea-fuer-mich/magazin-0290>



 Find Out More About Our Consumer Engagement

Suppliers

Our strategic supplier management ensures that also our suppliers meet our high standards in terms of quality, working conditions and environmental protection. In addition, close and collaborative partnerships with our suppliers strengthen our capacity for innovation and enable us to improve sustainability throughout our value chain.

To ensure that our high standards regarding product quality, working conditions, and environmental protection are fully complied with we put great emphasis on strategic supplier management, which is characterized by a regular dialog and joint projects with our suppliers.

Our focus increasingly lies on integrating external knowledge. To intensify the cooperation with our external partners since mid 2016 we have bundled our Open Innovation activities under the new communication umbrella “PEARLFINDERS - We Open Innovation”, which also includes the “Supplier Fair” and the “Formulation Academy”. Both of these future-oriented, in-house events promote open dialog and knowledge transfer with our partners, and help us to develop innovative product ideas together with them.

Exclusive Fair for Innovative Partners

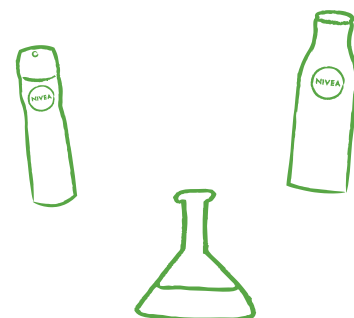
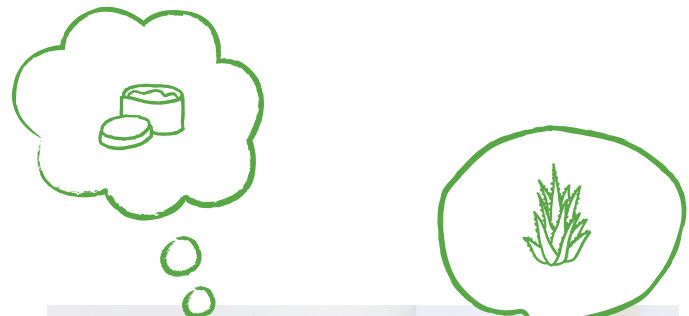
With the “Supplier Fair” in November 2016, Beiersdorf opened its doors for the second time to four of its most innovative partners in the Raw Materials, Active Ingredients, Packaging and Third Party Development business areas. The focus of the event was to strengthen the dialog with our partners who have an unconventional approach to innovation, think beyond boundaries, and can hence boost our own innovation culture. Together with about 300 employees from Research & Development, Marketing, and Procurement we held cross-functional discussions on inspiring new technologies and concepts that pave the way for future innovation.

Expert Knowledge from Outside

In December 2016, the fourth “Formulation Academy” took place at our Hamburg Research Center. The event is designed for selected long-term innovation partners to share their extensive knowledge and expertise with Beiersdorf scientists and developers.

This two-day event included expert talks on trends, innovations, raw materials, and technological background knowledge about textures and formulations for our face care, body care, and sun care products. In addition, participants used the event to obtain comprehensive information about body, face, sun, and Beiersdorf sustainability topics at the specialist exhibition stands, and to engage in personal conversations with the presenters.

Find Out More About The Involvement Of Our Suppliers



Performance Indicators

	Unit	2014	2015	2016
Economic				
Group sales (incl. tesa)	€	6,285 m	6,686 m	6,752 m
Production sites	number	18	17	16
Products				
Progress towards our Product target	%	12	18	25
Compliance of raw material sourcing with Sustainable Palm (Kernel) Oil Policy*	%	100	100	100
* supports the production of RSPO certified sustainable palm oil via Book & Claim (GreenPalm certificates)				
Planet				
Energy consumption	GJ	888,641	917,788	941,580
CO ₂ emissions (Scope 1+2)	tCO ₂ e	94,623	94,597	77,536
CO ₂ emissions (Scope 3)	tCO ₂ e	74,566	155,008	133,985
Electricity from renewable energy sources	%	0.24	9	42
Waste volume	tonnes	26,666	30,225	22,415
Water consumption	m ³	1,546,798	1,478,936	1,796,792
Wastewater volume	m ³	897,316	808,298	877,245
People				
Employees total (incl. tesa)	number	17,398	17,659	17,934
Occupational Accidents (≥ 1 day absenteeism)	number	106	73	50
Social projects benefiting supported families	number	130,217	181,026	235,186

All the information and data included in our sustainability reporting refer exclusively (unless explicitly stated otherwise) to our Consumer business segment. The tesa Business Segment undertakes its own reporting. In 2016, we were able to further increase our data coverage as well as improve our data and extrapolation quality. We may therefore observe some shifts in data compared to the previous year.

Ratings

We strive to assess the effectiveness of our sustainability efforts precisely, and steadily work on improving it. This is why we continually analyze our performance, based on relevant sustainability indicators right along the value chain. These indicators are also assessed regularly by external rating agencies, thus ensuring a high degree of objectivity, comparability and transparency for our stakeholders and the overall market.



CDP

The Carbon Disclosure Project (CDP) has analyzed environmental data published by companies since 2000. We have participated in the CDP since 2006, and in 2015 our climate-change reporting achieved the rating of “Sector Leader Consumer Staples” in the Germany-Austria-Switzerland (DACH) region.



FTSE4Good

FTSE4Good

FTSE4Good is an index based on a world-leading set of sustainability and corporate governance indices. It lists companies that are characterized by their outstanding corporate responsibility, which includes Beiersdorf.



oekom research AG

The oekom research AG rating agency assesses the sustainability efforts of around 3,500 listed companies worldwide. In 2016, Beiersdorf was awarded “Prime” status, a rating that confirms Beiersdorf’s market-traded securities are worthwhile investments from an ecological and social point of view.



MSCI

MSCI ESG Research provides institutional investors with a detailed analysis of a company’s sustainability performance. The rating includes environmental aspects, corporate governance, and social aspects. Beiersdorf was awarded the ESG rating “A” in 2016.



[Find Out More About Our Rating Performances](#)

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