

tesa SE: Our Responsibility – Our Commitment

Report 2010



A vivid tradition of responsibility



Ban Ki-moon, U.N. Secretary-General (UN Photo/Mark Garten)

Global Compact

January 31, 2001, at the World Economic Forum in Davos: Then UN Secretary General Kofi Annan calls on companies that operate internationally to take an active stance in meeting the challenges presented by globalization. His vision: a global pact based on universally accepted social and environmental principles.

Today, companies from more than 80 countries, international employee associations, civil society organizations, governments, and United Nations organizations are involved in the Global Compact. Under the auspices of the current UN Secretary General, Ban Ki-Moon, the world's largest corporate citizenship initiative is moving forward.

The ten principles on which the pact is based, covering the areas of human rights, labor standards, environmental protection, and the fight against corruption, have long formed part of the corporate values of tesa. Our membership in the Global Compact underscores this vivid tradition. All of tesa SE's activities related to commitment and involvement are subject to a continuous improvement process. In this current issue, the Progress Report 2010, we provide an insight into the development of our activities and projects – with regard to the ten principles of the UN Global Compact and our own corporate responsibility strategy.

The ten principles of the UN Global Compact

Principle 1: Businesses should support and respect international human rights in their own sphere of influence

Principle 2: They must ensure that they are not complicit in human rights abuses

Principle 3: Businesses should uphold freedom of association and the effective recognition of the right to collective bargaining

Principle 4: All forms of forced and compulsory labor must be eliminated

Principle 5: The use of child labor must be abolished

Principle 6: Discrimination with respect to employment and occupation must be eliminated

Principle 7: Businesses should support a precautionary approach to environmental challenges

Principle 8: Initiatives should be undertaken to promote greater environmental responsibility

Principle 9: The development and diffusion of environmentally friendly technologies is to be encouraged

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery



Progress Report 2010

As a member of the United Nations Global Compact, we have committed ourselves to reporting annually on the progress of our initiatives. This helps facilitate a regular interchange of information with those around us and documents our projects aimed at putting the ten principles of the Global Compact into practice and firmly implementing them within our company.

The Progress Report 2010 provides you with an overview of our worldwide commitment and involvement in the fields of human rights and labor standards, environmental protection, the fight against corruption, and society. tesa has traditionally taken a sustainable approach that ensures both continuity and a continuous

improvement process. With more than 50 affiliates worldwide, there are a large number of projects involved. For that reason, this report is limited to a representative selection of current initiatives.

In line with the modern communication channels used by our stakeholders, we began publishing our Progress Report in an online version in 2008. In addition to the advantage of better accessibility, an online report also offers opportunities for regular updates. You can also visit the “Responsibility” section of our website for comprehensive information on the topics of the environment, quality, employees, and social matters: www.tesa.com/company/responsibility.



Declaration of Support

Membership based on firmly held convictions

We are firmly convinced that binding values and a sustainable business policy are prerequisites for economic success.

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Human Rights and Labor Standards

The human factor as a determinant of success

Conduct guidelines and activities in the areas of employee qualifications as well as occupational health and safety characterized the year 2010. >> Page 5



Environmental Protection

Worldwide initiatives

At present, tesa is making progress on over 50 environmental projects. Examples from the areas of energy, solvents, and environmentally friendly products. >> Page 10



Fighting Corruption

Integrity and proper conduct

In our Code of Conduct, the Purchasing Charter, and the tesa Antitrust Compliance Program, we take a clear stance on the rules of conduct that apply on a binding basis at tesa. >> Page 16



Social Projects

Strategy with regional facets

With its focus on children and young people, our social commitment and involvement is reflected in over 40 projects worldwide.

>> Page 17

Declaration of Support



“Our responsibility is multifaceted, ranging from environmentally friendly technologies to volunteer work.”

Thomas Schlegel,
CEO of tesa SE



“We are responsible for what we do and for what we do not do.” French Enlightenment philosopher Voltaire gave us this piece of wisdom, which tesa has been taking to heart for generations. Around the world, we combine our economic actions with ecological and social measures, which we pursue and implement systematically. They comprise both large-scale investments in progressive technologies and tiny actions – from consistently raising awareness to the personal commitment of our employees. Our membership in the United Nations Global Compact underscores this sustainable business policy.

With numerous projects, tesa once again demonstrated in 2010 that many small elements add up to make a big impact. One of our outstanding achievements was the commissioning of a unique production unit in Hamburg that produces double-sided acrylate adhesive tapes. From an economic point of view, this new site enables us to gain a foothold in promising business segments. At the same time, the new procedure – developed and patented by tesa – is a ground-breaking innovation in ecological terms: In contrast to conventional processes, solvents are only used in the first stage of production. During the subsequent drying process they are extracted again and added back into the cycle. The result speaks for itself: The annual use of solvents and energy is reduced by 50 percent, in addition to which we have decreased CO₂ emissions by 2,000 metric tons and do not employ any process water.

We have continued to systematically pursue our ambitious environmental goals. We have resumed and implemented cost-intensive projects that we were forced to put on ice in 2009 owing to the impact of the global economic crisis. They include a state-of-the-art ventilation system at the Hamburg plant. Our

environmental efforts have also focused on our products. Since January 2010 we have been offering consumers extremely environmentally friendly solutions under the new tesa ecoLogo® sub-brand, including refillable products, recycled materials, renewable raw materials, and ecologically friendly production technologies. We are planning to continually expand our range, both in office supplies and in the DIY segment.

2010 also saw us continue with our social activities and advancing Corporate Volunteering internationally. Volunteer work is free but not for nothing: Disadvantaged children and teenagers benefit, as do the tesa employees – especially from the shared pleasure of reading together, renovation projects or leisure activities.

Furthermore, tesa continues to focus on systematically expanding its range of further training opportunities for its employees. An integral part of many further training measures are the tesa values and guidelines, as we are convinced that responsible and sustainable business is only possible if our employees are suitably qualified.

For nearly 100 years, the tesa name has stood for innovative solutions, high quality, and dependable service. We will continue our efforts to uphold these standards into the future – along with acting sustainably and following the spirit of the UN Global Compact.

Human Rights and Labor Standards

The human factor as a determinant of success

People are the foundation of our business success – people like our own employees as well as customers and suppliers. With this in mind, compliance with and advocacy of international human rights are just as much a part of our principles as unimpeachable labor standards. We have firmly established these principles with initiatives that include the internationally applicable tesa Code of Conduct and the worldwide tesa Purchasing Charter, which governs our cooperation with suppliers. The content of the policies and rules associated with these initiatives has formed an integral component of numerous staff development measures since their introduction.

In 2010, the number of notifiable work-related accidents fell again and we were able to further reduce our below-average accident figures. In addition, in this reporting year we implemented targeted communication measures for the “tesa Antitrust Compliance Program” introduced in the previous year with training courses and an e-learning program. This helps orient employees regarding fair competition and prevents possible anti-trust law violations.



Code of Conduct

Binding rules of conduct

The tesa Code of Conduct defines clear values and conduct guidelines for all employees of the tesa Group. Its content is an integral component of training courses and workshops. >> Page 6



Purchasing Charter

Minimum standards for strategic purchasing

Supplier qualification, evaluation, and development have been harmonized across the Group. This helps us ensure that our internationally binding minimum standards are met. >> Page 7



Employee Qualification

Range of further training expanded

Our employees are the most important capital for securing tesa's success. Our corporate culture and targeted staff development and support initiatives take this fact into account. >> Page 8



Occupational Health and Safety

Low accident figures

We improved our occupational health and safety once again in 2010, as attested by an overall reduction in occupational accidents by 20 percent overall. >> Page 9

Code of Conduct



The tesa Code of Conduct defines values and clear conduct guidelines. Its content is an integral component of training courses and workshops.

Binding rules of conduct

Respect, honesty, trust, tolerance, and integrity – these are the principles we apply in our business, principles that have not only made us successful in the past, but also guide us in the present and will continue to do so in the future. The rules of conduct associated with these principles are specified in a mandatory worldwide Code of Conduct. During this reporting year, we implemented communication and training initiatives to ensure that these ideas take even firmer hold within the company.

The rules and criteria incorporated into the tesa Code of Conduct, which is derived from our corporate values and the ten principles of the UN Global Compact, provide clear guidance. The Code of Conduct strengthens trust in the performance and integrity of the tesa Group. No matter what their position or title, we expect all employees to abide by our ethical principles and consistently apply them in everything they do. We demand that our executives not only demonstrate exemplary compliance with the rules of conduct, but also ensure at the same time that they actively communicate the rules to others.

Since the Code of Conduct was introduced, all executives have been required to complete an e-learning program. For the current communication process with employees we also make supporting presentation material available to all management levels. In order to keep the topic at the forefront, the Code of Conduct is also an integral component in our introduction seminars for new employees, leadership training, in the “Sales Qualification Program” and in our management development programs for executives and junior managers. These latter got off to a successful start in 2010.

The Code of Conduct establishes our most important principles in six main topics:

1. Adherence to legal regulations

We do business lawfully and strictly observe the laws of the countries in which we are active.

2. Fair competition

We do not gain market advantages through unfair or illegal practices.

3. Protection of tesa net assets

We deal carefully with the company’s legally protected information, net assets and resources.

4. Socially acceptable working environment

We ensure a socially acceptable, reliable and motivating working environment. We soundly reject child and forced labour, discrimination or the like. We also expect the same from our business partners.

5. Personal integrity

We promote the highest level of personal integrity, and fairness among our employees and avoid situations where personal interests conflict or may conflict with those of our company.

6. Social commitment

We take our responsibility to future generations seriously and work to ensure sustainable development in all the relevant areas: economic, ecological, and social.



Download „Code of Conduct“

Purchasing Charter



The qualification, evaluation, and development of suppliers are handled according to standard criteria at all tesa locations, ensuring that our binding worldwide minimum standards are met.

Minimum standards for strategic purchasing

We at tesa are firmly convinced that sustainable, responsible corporate conduct must go beyond the individual company itself. That's why our internal rules of conduct have long applied to our cooperation with suppliers around the globe as well. To provide a standardized framework for our internationally applicable core principles, the Strategic Purchasing division of tesa established the tesa Purchasing Charter in 2008. Since then, we have continuously promoted the minimum standards we apply worldwide and expect our partners to meet in the areas of human rights, labor standards, environmental protection, and the fight against corruption.

By signing our contract terms and conditions, suppliers make a binding commitment to operate in accordance with the ten fun-

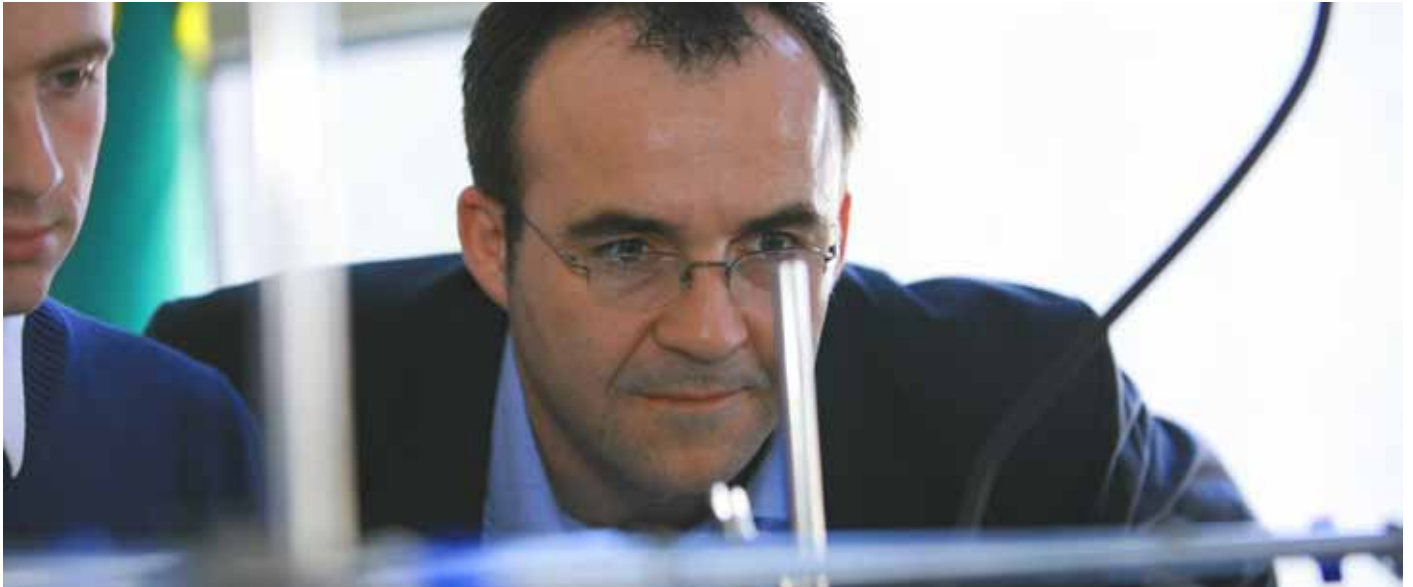
damental principles of the UN Global Compact. In our cooperation with suppliers, we strive to establish long-term strategic partnerships and pursue a continuous improvement process. This includes jointly established goals and monitoring the degree to which they are met, site visits, and certification under the ISO 14001 environmental standard and ISO 9001 quality standard.

We have also been supporting compliance with our minimum standards by implementing our SRM (supplier relationship management) process. Under this process, supplier qualification, evaluation, and development follow the same systematic approach throughout the entire tesa Group – from initial contact via a questionnaire to in-plant product qualification.



Download „Purchasing Charter“

Employee Qualification and Training



Our employees are the most important capital for securing our success. Our corporate culture and targeted support initiatives take this fact into account.

Quality increase in continuing education and training

All over the world, employee integration and development are among the most important factors contributing to our success. In 2010 we used this to qualitatively expand on the good foundation of our extensive training program, focusing in particular on the successful Sales Qualification Program. Thus we refined the training portfolio, which at present comprises 30 courses, to target employees from international Sales and Research & Development specifically. The concept of receiving core course contents in the existing variety of languages remains unchanged. The tesa Code of Conduct, with its rules of conduct, continues to be a key component of all sales-related training and activities. Altogether 660 employees participated in 385 training days in the current reporting year.

Under the slogan “From presenter to trainer” tesa initiated the new international continuing education program “Train the trainer”. The aim of this is that employees pass on their expert knowledge as trainers in the framework of internal courses. In compact seminar units, tesa trainers receive methodical-didactic and communicative tools to transmit course contents in a professional and diverse manner. In the current reporting year the first 45 speakers were trained.

In 2010, we also launched some continuing education concepts which were designed in the previous year. Of particular note here is the successful implementation of a program for the qualification of junior staff who show potential for future management

tasks. The appropriateness of this initiative became evident shortly after its introduction. Already with the first group of participants from all over the world we were able to position future-oriented topics such as sustainability and corporate responsibility in a meaningful and straightforward way. In addition to the specialized content, such topics as Corporate Compliance and the tesa Code of Conduct are also integral components of the courses.

In this reporting year tesa also gave the internationally valid leadership principles a new framework: “Leadership Excellence” promotes the so-called situational style of leadership, which deals with the different needs, strengths, weaknesses, and goals of employees. The revised leadership principles are to serve superiors and employees alike as orientation and therefore be integrated into future training. The six principles in detail:

1. Maintain mutual respect and mutual trust.
2. Agree upon clear goals.
3. Give employees leeway.
4. Create a feedback culture.
5. Increase performance through an atmosphere of challenge and encouragement.
6. Be a model.

There are four to five open questions for each principle – as an incitement to think about one’s own style of leadership and recognize potential for improvement.

Occupational Health and Safety



We raised our high worldwide standards for occupational health and safety once again in 2010.

Low accident figures

Prevention is the best form of protection from injuries and job-related health risks. Our extraordinarily low accident rates demonstrate that we are on the right track with our occupational health and safety initiatives and training measures at all plants.

One major factor in this process is our internal reporting systems to reduce risk. The combination of risk assessments conducted through an occupational safety management system, employee responsibility, and an improvement process that incorporates everyone involved has enabled the company to identify and eliminate many potential hazards.

All around the world, tesa is subject to our Occupational Safety Guidelines, which are aligned to the international OHSAS 18001 standard. In terms of safety, we regularly raise employee awareness of the issue worldwide – including through training on conduct that is conducive to safety and health, prevention of explosions and fires, fire extinguishing drills, detailed operating procedures for all production facilities, and targeted employee training. This approach has ensured a steady decline in the number of occupational accidents subject to mandatory reporting. Across all international tesa locations, the number fell from 20 in the previous year to 16 in 2010, an average decrease of 20 percent overall.

At tesa, the systematic identification and risk assessment of potential hazards form the cornerstone of our ability to preclude faults, mistakes, and improper conduct wherever possible. To this end, in 2010 we were able to further develop our risk assess-

ment and elimination system in line with the TOP principle. This analytical tool, which covers three categories – “technical”, “organizational”, and “personal” – is used to assess potential hazards and facilitates the evaluation and prioritization of potential solutions.

We also consistently advanced our high standards in terms of occupational health and safety initiatives during the project planning of new systems and facilities. The early identification of possible danger areas was the focus. The aim was to take the correct precautionary measures in advance. In 2010, this principle was successfully put into practice in India, where the new tesa Converting Center was opened in the seaport city of Chennai. To prevent potential accidents, the topic of occupational health and safety played a crucial role from the start, even during the planning and construction phase.

Environmental Protection

Worldwide initiatives

Leaving an intact environment behind for subsequent generations is one of tesa's stated corporate goals. All of our long-term production sites are certified according to the international ISO 14001:2004 environmental standard. In addition, our new tesa Converting Centre in the seaport city of Chennai in India, which opened its doors in 2010, is at the planning stage. We take a precautionary approach, promoting the international exchange of information between our environmental experts and actively taking the initiative. Part of this strategy is the development of our own production technologies to enable solvent-free production. In addition, we are increasingly pursuing our commitment and involvement at product level: For instance, we now offer a large number of product solutions that help customers and consumers

conserve energy. At the beginning of 2010, we also launched the new tesa ecoLogo® sub-brand. We will continue to expand this range of particularly green products in 2011 focusing on office and do-it-yourself products.

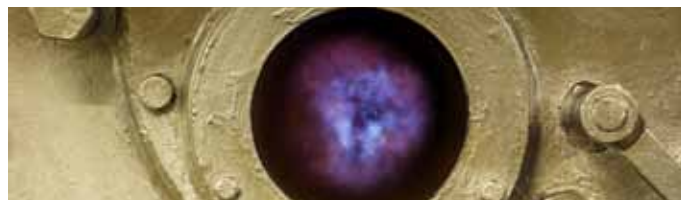
Ongoing monitoring and improvement of specific key indicators, such as reduction of energy consumption, CO₂ emissions, VOC emissions, and waste, have long been an integral component of our approach to environmental management. We also expect our suppliers to uphold comparable standards. In total, our environmental commitment and involvement encompassed 53 individual projects in this reporting year. By way of example, the section that follows cites some of our initiatives.



Environmental goals, 2007 through 2012

International activities

Clearly formulated goals are the key to our ambitious environmental program, which encompasses projects spanning the entire globe. >> Page 11



Energy

Raising awareness

Exemplary projects at the tesa plants in Offenburg and in Hamburg-Hausbruch led to energy reduction. >> Page 12



Reduced solvent use

Environmentally friendly technologies

Compared with conventional processes, the patented ACX technology developed by tesa offers huge environmental benefits. The system, which is globally unique, was launched in fall 2010.

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Waste management

Small steps, big impact

Changes in behavior start with the right mindset: Reducing waste and proper recycling protect the environment and conserve resources. >> Page 14



Commitment at product level

Consumers benefit from tesa

Products aimed at conserving energy and sustainably produced merchandise help protect the climate. The winners? People all over the world. >> Page 15

Environmental Goals, 2007 through 2012



Clearly formulated goals are the key to our ambitious environmental program, which encompasses projects spanning the entire globe.

International activities

Our environmental program for the period from 2007 through 2012 involves ambitious, binding goals. We monitor the degree to which we meet these internationally applicable environmental goals through a global monitoring program based in each case on constant production quantities. The current five-year plan also includes emissions of volatile organic compounds (VOCs). Our activities in this area have already yielded clear successes: From 2007 until 2010, we were able to achieve a 39 percent reduction. That means that as things currently stand, we will in all likelihood meet our target of a 50 percent reduction by 2012. This is also directly connected with the ongoing further development of our production technologies, where we are consistently eliminating solvent use wherever possible. This approach led to a decrease of seven percent in 2010.

As in the crisis year of 2009, our final figures for energy consumption in 2010 fell short of our expectations, but slightly improved on the previous year's level. With regard to the constant 2006 production volume, which we use as the fixed basis for comparison across all areas, we posted a slight increase in energy consumption in Europe of four percent, which also impacted on our CO₂ emissions.

Environmental goals 2007 through 2012

VOC emissions	- 50 %
Solvents used	- 15 %
Energy consumed	- 10 %
Waste	- 5 %
CO₂ emissions in Europe	- 10 %

Energy



In 2010, tesa once again launched a number of energy-saving measures.

Raising awareness

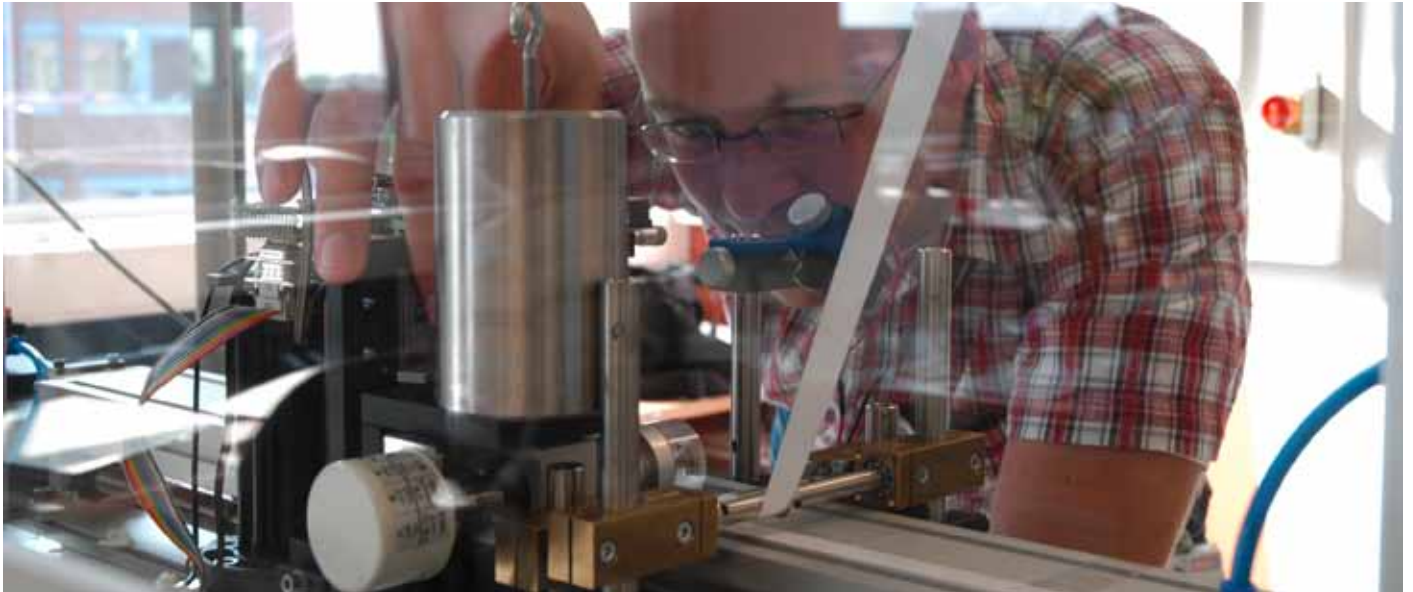
The after-effects of the worldwide financial and economic crisis could still be felt in some areas in 2010. In this reporting year they affected among other things energy consumption and generated waste. Nevertheless, the company was able to implement continuous and targeted improvements. For example, in the tesa plant in Offenburg, the project begun in the previous year "Active Environmental Protection through Reduced Waste and Energy Use" continued successfully. Under the motto "Small steps, big impact", employees contributed numerous suggestions for improvement, resulting in 26 individual projects in 2010. Following on from 2009, the plant in Offenburg for example implemented another project for heat recovery. In the context of another energy-saving project, the plant also renewed a transformer and reorganized electricity supply. These two projects together reduced energy consumption by 682 megawatt hours in 2010.

New energy-saving projects were also on the agenda at other tesa locations in 2010. Plans were again taken up and realized that tesa had had to put on hold due to the economic crisis in 2009 – including the installation and start-up of a state-of-the-art ventilation system in the tesa plant in Hamburg-Hausbruch. In

the future, it will save about 500 megawatt hours of energy a year. In the Hamburg plant in the course of the last year a heat transfer plant was also replaced. In 2011, we expect an annual energy saving of approximately 630 megawatt hours with this measure.

Further projects at the end of 2010 included a comprehensive technical modernization of the ventilation system and the corresponding plant control in the technology center of tesa SE. In this we calculate annual savings on energy consumption of approximately 2,770 megawatt hours with a simultaneous reduction of CO₂ emissions of over 650 metric tons. Both in the planning and in the implementation phases the project received funding from the Hamburg Federal State Authority for Urban Development and the Environment. Furthermore, in the tesa plant in Offenburg and at tesa Bandfix GmbH in Switzerland, energy-saving projects in IT areas were implemented – including the harmless rise in temperature in the server areas to lower the energy consumption for air conditioning. Comparable measures are also planned in Hamburg in 2011.

Reduced Solvent Use



tesa received financial support from the German government's Environmental Innovation Program for its new eco-friendly ACX technology.

Environmentally friendly technologies

Part of our continuous improvement process, and an essential component of the tesa environmental program, is our consistent shift toward eco-friendly production technologies. Since the first large-scale system for solvent-free coating was put into operation at the tesa plant in Offenburg in 2002, we have been determinedly expanding on this technology, which was developed and patented by tesa. Our plants in Offenburg and Italy have produced the majority of their products without using solvents for several years now. In the case of products that, for technical reasons, cannot yet be produced without solvents, we use advanced systems for solvent recovery and reuse.

tesa has succeeded in making a particular technological breakthrough with its proprietary ACX technology, a state-of-the-art method that enables eco-friendly production of double-sided acrylate adhesive tapes. In September 2010 the globally unique

production unit started up in the tesa plant in Hamburg-Hausbruch. The particular feature here: Compared with conventional technologies, the new method uses solvents only in the first process step, extracts them again immediately during the following drying process and returns them to the cycle. The outcome: 50% less solvent and energy consumption annually, a reduction of approximately 2,000 metric tons in CO₂ emissions and the complete elimination of process water. These results have won praise on a political level as well: The Federal Ministry for the Environment, Nature Conservation and Nuclear Safety recognized the investment project with funding from the Environmental Innovation Program.

Waste Management



Changes in behavior start with the right mindset: Reducing waste and proper recycling protect the environment and conserve resources.

Small steps, big impact

Producing goods of any kind necessarily involves generating waste. When it comes to reducing the quantity of waste generated and protecting both the environment and natural resources, we hold regular training sessions worldwide to ensure that everyone involved becomes aware of how to prevent unnecessary waste and how to recycle properly. At some of our locations, the great importance of this topic is reflected in the fact that the indicator of waste quantities is even included in the personal targets set for the responsible employees. This ensures that when problems occur, all of the relevant departments are involved in the resolution process, which raises each and every person's awareness of the issue. Beyond that, we are always looking for new technical solutions and partners that enable us to recycle as much as possible.

The tesa plant in Offenburg cast a spotlight on this topic in 2009 with its project "Active Environmental Protection through Reduced Waste and Energy Use". As in the area of energy, the project's motto is also "Small steps, big impact". Posted commu-

nications raise staff awareness of the issue and, when combined with incentives offered as part of employees' variable bonuses, help prompt employees to proactively make suggestions for improvements.

In 2010 the tesa plant in Offenburg implemented numerous suggestions and measures. These included the installation of a special system for measuring surface weight. It enables the continuous measuring of amounts applied and leads to clear waste savings – in particular in the event of product changes. Moreover, at various plants the diameter calculators were optimized, which keeps leftover run lengths to a minimum. The use of raw material ends as feeder material on the bundles also brought substantial progress. These three projects alone saw savings amount to approximately 30 metric tons of waste per year. The overall project for waste reduction covers eleven individual projects.

Commitment at Product Level



Products aimed at conserving energy and sustainably produced merchandise help protect the climate. The winners? People all over the world.

Consumers benefit from tesa

Responsibility for the environment involves all of us – at tesa, we are convinced of it. That’s why we consistently pursue our environmental commitment at product level. In the recent past in particular, tesa has added groundbreaking solutions to its product range in this area.

Public discussion of climate change has put the topic of environmental protection in sharper focus among consumers as well. A growing number of people desire sustainably produced goods. With the new tesa ecoLogo® sub-brand, tesa is emphasizing “green” products. Refillable containers, recycled materials, renewable resources, and eco-compatible production technologies are among the company’s most important criteria. Since 2010 the first products, such as refillable tesa® adhesive and correction rollers or the tesa® Easy Cut tape dispenser, have conquered the market, and tesa is consistently expanding its range. For example, with tesafilm® Eco & Clear as well as tesa-pack® Eco & Strong. In the do-it-yourself area, tesa is already “green” – including in the field of masking tape.

For many consumers, the fact that saving energy is not only good for the environment, but also has a positive effect on budgets, is the crucial factor in deciding to do something about the worst energy wasters in the home – roofs, windows, and doors. Consumer tips abound, but hardly any of them are as easy to put into practice as simply sealing gaps around windows, a segment where tesa leads the market with its classic tesamoll®. Consumers in Germany can conserve up to 35 percent of the heat energy they use every year, cutting their costs by triple-digit figures, according to findings by independent engineering firm ebök, which is based in the German city of Tübingen.

With the tesa ISO SYSTEM®, launched in 2009, tesa offers homeowners in Germany, Austria, and Switzerland the option of simple do-it-yourself interior roof insulation. The results of these kinds of measures speak for themselves: While a single-family home without heat insulation loses over 12,000 kilowatt-hours of energy every year, the figure for a comparable insulated home is only about 3,000.

Fighting Corruption



The new tesa Antitrust Compliance Program helps ensure fair competition by providing information on aspects relevant from an antitrust law standpoint.

Integrity and proper conduct

Integrity and responsibility are vital and essential components of our actions. We conduct our business as a company in strict compliance with laws and regulations. The tesa Group categorically rejects all forms of corruption and unlawful or immoral conduct. In 2010, the Management Board therefore passed an anti-corruption guideline for the Group, in coordination with Beiersdorf, which is intended to help employees recognize corruption risks and avoid breaches of law. The guideline will be further implemented and included in training measures in the course of 2011.

When a company does business worldwide, it is forced to appeal to its partners' own sense of responsibility to a certain extent. With the tesa Code of Conduct, we give our own employees a clear understanding of our values. It provides guidance and fosters both integrity and responsible conduct. And if questions arise in individual cases, a Compliance Manager is available to act in an advisory capacity. We also expect our suppliers to uphold values and standards that are comparable to our own. Our cooperation with our partners is defined in the tesa Purchasing Charter.

tesa traditionally stands for trust. This image is associated with virtues that guarantee free markets and fair competition. To ensure that this is the case consistently, all over the world, we established the tesa Antitrust Compliance Program at the end of 2009. It raises our employees' awareness of antitrust issues in order to prevent potential violations. We operate a special intranet platform that features the most important information on aspects that are relevant from an antitrust law standpoint as well as guidelines for conduct that complies with antitrust law in our day-to-day business dealings.

In June 2010 we successfully concluded training sessions in Germany for all decision makers and employees with contacts that could involve antitrust law issues, such as sales and marketing employees. Since the fourth quarter of 2010, an e-learning-program has been available in several languages, with the assistance of which we have already trained all the European affiliates. Likewise, in 2011 we will train colleagues in North and South America as well as in Asia via e-learning.

Social Projects

Strategy with regional facets

The intensive social commitment of tesa SE and its affiliates was also evident in 2010 in numerous projects. These projects are in line with our Corporate Giving Strategy, which we first formulated in 2007 and which is incorporated into the tesa Code of Conduct.

Our Corporate Giving Strategy specifies the topics on which our activities focus, while also giving our affiliates the ability to adjust their approaches regionally according to local circumstances. On the whole, we set great store by achieving lasting effects through long-term initiatives that respond to the specific conditions and situations that apply in the region. Our commitment and involvement focusing on children and young people

encompasses four main areas. Alongside fostering creativity, promoting education, and developing future talent in science and technology, these main areas also include providing support to institutions that assist sick and socially disadvantaged children.

In our activities, we focus in particular on volunteering among tesa employees. Examples of this concept of “Corporate Volunteering” include our support for the Hamburg-based initiative Mentor – die Leselernhelfer Hamburg e. V. or the assistance provided to the Suzhou Sunshine School in China for children from families of migrant workers. We would like to present a few of these projects, which span all the fields in which we are active.



Fostering Creativity

Multifaceted commitment

“Das macht Schule”, “Tsalino & Tsalina” and Hamburg-based initiative Mentor e. V. are involved in fostering children’s creativity.

>> Page 18



Promoting Education

Improving educational opportunities

Educating children and young people is part of our Corporate Giving Strategy. Examples from China and Mexico. >> Page 19



Developing Future Talent in Science and Technology

Early specialization

In our role as a technology company, we support education and training opportunities for future talent, along with specific educational institutions. >> Page 20



Support for Institutions for Sick and Socially Disadvantaged Children

Improving opportunities

With scholarships, sponsorships, and volunteer work, we are committed to helping disadvantaged children and young people.

>> Page 21

Fostering Creativity



Multifaceted commitment – our social commitment is reflected in over 40 projects worldwide, focusing on children and young people.

Germany

“Helping hands” by tesa

Even in a metropolis such as Hamburg, tight finances in many schools are causing a renovation back log. In the context of a new corporate volunteering program, employees from tesa’s headquarters showed that the climate of well-being can be considerably improved with fresh color and volunteer commitment. In cooperation with the non-profit association “Das macht Schule”, four tesa teams set to work with students in October 2010. Prior to this, the schools had described their renovation needs and applied for assistance. In addition to the volunteer labor, in each case tesa made suitable products available such as masking tape, tesa EasyCover® covering sheets and tesamoll® for sealing windows

Write stories and do craft projects with Tesalino & Tesalina

The “Tesalino & Tesalina” competition is among the biggest and longest lasting projects promoting child literacy and creativity. In its eleventh year in the 2010 academic year, over 1,300 classes with a total of about 30,000 children took part. To date, the “Tesalino and Tesalina” competition initiated by tesa and Stiftung Lesen (the Reading Foundation) in 1999 has captivated almost 450,000 students. In 2010, children’s author Achim Bröger, winner of the German Children’s Literature Award, wrote the beginning of a story, which dealt with the world of animals. Writing, painting and crafting, the children of the participating elementary schools and special education centers took up the thread, imaginatively weaving the story still further. The topic for 2011 has already been decided: “Tesalino & Tesalina hot on the trail through Europe”.

Reading makes children smart – and happy

For ten years now, tesa has championed the cause of supporting children’s reading skills in order to prepare them better for school and their later professional lives. In this regard, we are cooperating with the Hamburg-based initiative Mentor – die Leselernhelfer Hamburg e.V. Taking the road less traveled to find joy in books is one way to think of the work done by the volunteer mentors. For one hour a week, the mentors take time to pass on their love of reading to children aged eight to 16 in a fun and entertaining way. For a rising number of tesa employees as well as the children, the weekly reading hour has become a fixture in their calendars. Together with their reading mentees – who often find access to books difficult – they dive into the fantasy world of stories. It’s a win-win solution for both sides: The children enjoy the undivided attention of their mentors for an hour while striving to perfect their reading skills, considered the gold standard in education, and the adults get to have fun reliving a bit of their childhoods.

Promoting Education



Improving educational opportunities – educating children and young people is part of our Corporate Giving Strategy. Examples from China and Mexico.

China

Educational opportunities for children of migrant workers

According to estimates, between 150 and 200 million migrant workers in China have moved from rural regions to the booming cities and coastal regions in recent years. For the children of these families, there is hardly any opportunity for a continuous education. To improve their prospects, employees of the tesa plant in Suzhou assist the neighboring Suzhou Sunshine School. With scholarships, assistance with teaching and joint learning, they help ease the children's path to a successful future. Campaigns such as fundraiser bazaars or shared recreational activities are part of the concept. In 2010, for example, the affiliate arranged for 30 students to spend a day in an interactive training centre in the Suzhou industrial estate.

Mexico

Scholarship program for disadvantaged children

The tesa affiliate in Mexico has been a member of the team of supporters contributing to the Foundation for the Protection of Children (Fundación para la Protección de la Niñez) since 2008. Together with its sponsors, the private institution has been able to help more than 100,000 disadvantaged children throughout the country in recent years. The Foundation focuses on health, fighting poverty, culture, and education. tesa Mexico is contributing by establishing its own scholarship program and by ensuring that a number of children in Mexico City receive the necessary learning materials as well as school uniforms and school meals. At Christmas 2010 the affiliate also introduced a new volunteering program: Employees renovated children's rooms, decorated a Christmas tree, brought gifts, but most important gave their time and attention.

Developing Future Talent in Science and Technology



Early specialization – in our role as a technology company, we are committed to training future talent, and we support specific educational institutions.

Brazil

Expertise for professional practice

In 2010, tesa Brazil and the Escola Theobaldo de Nigris (SENAI) college further expanded on the partnership they had started in the prior year. Since 2007, training courses for the paper industry have been a firm component of the curriculum of the school for graphics and design, which ranks among the best known worldwide in this industry. In 2010, tesa employees once again offered the teaching units “Technology, Cellulose and Paper” and “Processes Used in Paper Production”. In further practical and theoretical courses, students also acquire important knowledge about adhesive tapes for the printing market. In addition, tesa provides printing plate mounting tapes and organizes extracurricular events such as visits to companies. As a result, tesa Brazil often facilitates the initial contact between students and the paper industry.

Germany

Active promotion of junior management talent

tesa SE remained an active supporter of the Northern Institute of Technology (NIT) in Hamburg in 2010. In addition, the company is represented in the relevant industry advisory committees of Reutlingen University and the University of Applied Sciences (Hochschule für Technik und Wirtschaft) Berlin. The objective remains to maintain close cooperation between training institutes and tesa in order to discover and support talents early on.

In addition, tesa has continued and expanded its cooperation with other key universities. The related activities primarily pursue two goals: On the one hand, tesa strives to contribute to the promotion of scientific and technical talent, and, on the other hand, tesa's involvement provides the opportunity to offer young

academics an attractive start to their professional life – including at an international tesa location, depending on requirements.

Switzerland

Promotion of training and continuing education at tesa Bandfix AG

As one of the currently 17 members of the “Sponsorengruppe für die Weiterbildung im Maler- und Gipsgewerbe” (Sponsor Group for Continuing Education in the Painting and Plastering Trades), tesa Bandfix AG supports selected schools and workshops in Switzerland. The association, which was founded back in 2000, focuses on providing ideas and funding to support specific course programs aimed primarily at foremen and certified master craftsmen in the trades of painting and plastering. In addition, in 2010 tesa Bandfix AG expanded its commitment to training painters and flexo print specialists. In various cities in Switzerland, a tesa employee volunteers to provide instruction on topics such as adhesive technology and applications engineering or the theory and practice of mounting printing plates.

Support for Institutions for Sick and Socially Disadvantaged Children



Improving opportunities – with scholarships, sponsorships, and volunteer work, we are committed to helping disadvantaged children and young people.

Czech Republic

Bringing joy to sick children

For three years now, the tesa affiliate in the Czech Republic has been supporting University Hospital Motol in Prague, a transplant center for bone marrow donations to treat leukemia. In cooperation with the resident medical staff, employees help in the planning and execution of recovery weeks for sick children. Also in 2010, the young patients were able to experience a week away from hospital life not far from Prague – under medical supervision and with the support of psychologists, nurses and parents, but with a varied program in an idyllic environment. The goal of committed tesa employees sounds simple and yet weighs so heavily after the intensive medical treatment: bring joy.

The Netherlands

tesa employees get going

For a few years now, tesa has supported the “Princess Maxima” riding school in the Netherlands, whose emphasis is therapeutic riding for physically and mentally handicapped children. Apart from funding, tesa employees also volunteer on the yard. In 2010 three teams took up tools and tapes. The result was evident: In an “open-air exercise area” made of wood, the children today receive speech therapy – supported by their four-legged friends, whose presence causes enthusiasm and indirectly stimulates the children to speak. A new tool cupboard was also rebuilt and sorted. In another homemade cabinet the children can now keep their riding helmets safe.

China

Sponsorships and volunteering

At the Shanghai Children’s Welfare House, sick and disabled

orphans find a new home. tesa Shanghai maintains sponsorships for ten of these children. The tesa employees’ commitment to the facility also includes a volunteering program. The program involves regular visits to the institution that focus on shared play, singing, and reading with the children. Employees also use events such as tesa family days and Christmas parties to brighten the boys’ and girls’ everyday lives, including by collecting monetary donations, toys, clothing, and books.

Colombia

Sponsorships for socially disadvantaged children

Children with developmental disorders, especially autism, receive therapeutic care at the completely privately financed Centro Internacional de Investigación Clínico-Psicológico María Eugenia Colmenares (María Eugenia Colmenares International Clinical Psychological Research Center). Through targeted sponsorships, tesa Colombia supports those children whose parents cannot afford the fees on their own. The goal of the center is to provide the children, who range in age from three months to 12 years, with clear guidance, focusing on developing their abilities to learn autonomously, play with peers, and deal with fears and aggression. Within just a few years, this approach is intended to help children stabilize their personalities to such an extent that they can attend conventional schools and get by in everyday life.

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