

tesa SE: Our responsibility – Our commitment

2015 Report



A living tradition of responsibility



Ban Ki-moon, Secretary-General of the United Nations (World Economic Forum)

Global Compact

January 31, 2001 at the World Economic Forum in Davos: The then UN Secretary-General, Kofi Annan, calls upon internationally operating companies to actively respond to the challenges of globalization. His vision: A global pact with universally applicable social and environmental principles.

Companies from some 170 countries, international employees' associations, civil society groups, governments and UN organizations have now joined the Global Compact. Under the patronage of presiding UN Secretary-General Ban Ki-moon, the world's largest corporate citizenship initiative continues to grow. The pact's ten underlying principles in the areas of human rights, labor standards, environmental protection and fighting corruption have long been part of tesa's corporate values. The membership of tesa in the Global Compact underscores this lively tradition. tesa SE's entire commitment is based on a continuous improvement process. In the current progress report for 2015, tesa provides insights into the development of its activities and projects – with regard to the ten principles of the UN Global Compact and its corporate responsibility strategy.

The ten principles of the UN Global Compact

- Principle 1:** Businesses should support and respect the protection of internationally proclaimed human rights; and
- Principle 2:** make sure that they are not complicit in human rights abuses.
- Principle 3:** Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- Principle 4:** the elimination of all forms of forced and compulsory labor;
- Principle 5:** the effective abolition of child labor; and
- Principle 6:** the elimination of discrimination in respect of employment and occupation.
- Principle 7:** Businesses should support a precautionary approach to environmental challenges;
- Principle 8:** undertake initiatives to promote greater environmental responsibility; and
- Principle 9:** encourage the development and diffusion of environmentally friendly technologies.
- Principle 10:** Businesses should work against corruption in all its forms, including extortion and bribery.



2015 Progress Report

As a member of the United Nations Global Compact, tesa has undertaken to provide an annual report documenting the progress of its activities and measures. This serves the purpose of engaging in regular dialogue with the environment and documenting the projects in which tesa is implementing and reinforcing the ten principles of the Global Compact within the company. The 2015 Progress Report will give you an overview of our global commitment in the areas of human rights and labor standards, environmental protection, fighting corruption, and society. tesa traditionally pursues a sustainable approach that both ensures

continuity as well as a constant improvement process. With more than 50 affiliates around the world, countless projects are involved in these efforts. For this reason, this report is limited to an exemplary selection of current activities and measures. Since 2008 we have been publishing an online version of the Progress Report. Apart from the fact that this format makes it more easily accessible, it also allows for regular updates. More information about the topics of products, the environment, employees and society can also be found in the "Responsibility" section of the tesa website at www.tesa.com/company/responsibility.



Declaration of support A member out of conviction

Mandatory values and sustainable business policies are traditionally the prerequisites for the economic success of tesa SE. >> Page 4



Human rights and labor standards The human factor for success

The defining topics in 2015 included a culture of feedback and dialogue, employee training and qualifications, as well as occupational health and safety. >> Page 5



Environmental protection Consistent further development

All tesa locations have very high standards. We are constantly evolving from this high level. >> Page 12



Compliance and fair competition Integrity and proper conduct

tesa pays strict attention to compliance with laws and guidelines. A central co-ordination unit combines all associated processes and activities. >> Page 17

tesa
connects



Social Commitment Strategy with regional facets

The slogan "tesa connects" is associated with our corporate social responsibility program, comprised of activities designed to make it easy for tesa employees around the world to become involved in a meaningful fashion. >> Page 18

Declaration of support

“Taking responsibility has a longstanding tradition at tesa: it is seen as an important investment for the future.”

The year 2015 was a special one for us, as some 1,000 employees moved into our new, ultra-modern headquarters building just outside Hamburg. That represented a big step forward for the firm and for me personally as well as the new CEO, as the move optimally sets the stage for systematically executing on the plans the company has in place. As one of the world’s leaders in self-adhesive technology, our business has grown by delivering innovation, quality and progressive technologies. Construction work to build a similar facility has begun at the plant in Hamburg, and options are currently being reviewed regarding additional international tesa production sites. Innovation, quality and technological advances remain the chief focus of product development. The assumption of responsibility is one of the supporting pillars for our activities. We underscore this tradition of a sustainable business policy through our membership in the United Nations’ Global Compact.

The new corporate headquarters in Norderstedt opened on schedule in September 2015, marking the conclusion of three years’ construction work. Since the end of the year, the tesa headquarters has been the corporate center for research and technology, greatly enhancing international competitiveness. The ‘one tesa’ project is already paying off through heightened business process transparency, flexibility and competitiveness, additionally improving teamwork and refining the tesa corporate culture. Employee interests and environmental concerns were taken into account in planning for the new headquarters. As examples, the building complex was constructed in accordance with the most recent energy efficiency regulations (ENEV 2014), all office workspaces are equipped with height-adjustable desks, and employees benefit from the health-enhancing company gym and canteen. Additionally, the new building is fully handicapped-accessible.

Binding environmental targets have been defined for tesa production sites worldwide for several years now. A range of measures large and small have meant that all tesa plants adhere with very strict environmental standards, and implementation of these measures continued unabated in 2015. During the year under review the company locations in Offenburg and Hamburg received energy management certification under ISO 50001. This reliable energy management system, including high-tech monitoring, is being utilized at most tesa locations worldwide. This maximizes transparency regarding corporate energy consumption, allowing the design of effective control measures. In 2015 the firm began environmentally friendly in-house power generation, which has gone well. The new trigeneration system at the

Offenburg site substantially reduced carbon emission. A similar system is thus under construction at the Hamburg plant, and we are currently looking at the potential for rolling these out at international tesa sites. Product development is increasingly focused on the environmental impact resulting from customer use.

The group also continued its efforts in 2015 to cultivate a corporate culture of communication and dialogue. Frank talks between staff and managers are essential, as they form the basis for mutual trust, elevating job satisfaction to high levels. In the year under review tesa drew up another new employee survey to be conducted at tesa headquarters starting in April 2016. The tesa plant in Offenburg received recognition twice in 2015 of the favorable work environment maintained there, receiving the Initiative Ludwig Erhard Award for holistic management and the family NET Award presented by the state of Baden-Württemberg for work-life balance standards.

The extensive tesa continuing education program was further expanded in 2015 including both seminar offerings at the new headquarters in Norderstedt and online courses, giving employees access to even more digital training modules allowing learning anywhere and anytime, including a dedicated online training portal for our locations in Asia.

Our commitment to social responsibility was further demonstrated in the year under review in relation to the official company objectives of “help, donate, support, protect”. “tesa connects” is our slogan for the range of employee volunteering activities and projects worldwide.

Further information about the topic of responsibility at tesa can be found on tesa’s “Responsibility” page on the Internet: www.tesa.com/company/responsibility.

We will continue to pursue our sustainable business policy in keeping with the UN Global Compact going forward.



Dr. Robert Gereke,
CEO of tesa SE



Dr. Robert Gereke

Human rights and labor standards

The human factor for success

People – employees as well as customers and suppliers – are the foundation for the success of tesa's business. For this reason, tesa believes it is just as important to respect and support international human rights as it is to have impeccable working standards. tesa has made a full commitment to this in an internationally applicable tesa Code of Conduct and in the global tesa Purchasing Charter for collaborating with suppliers. The substance of the behaviors and rules associated with these measures were also an integral part of numerous employee training and qualification measures in 2015. In the area of occupational

health and safety tesa was once again able to continue the positive trend of previous years. tesa's reportable number of accidents is considerably lower than the industry average. The topic of compliance was an item on tesa's agenda once again. Among other activities, preparations were completed for rollout of a new system-linked reporting tool for heightening activity status and risk transparency on a global basis. Issues relating to antitrust law were addressed in training sessions and regular communication measures.



Code of Conduct

Mandatory rules of conduct

The tesa Code of Conduct defines clear values and behavioural guidelines for all employees of the tesa Group.

>> Page 6



Purchasing Charter

Minimum standards in strategic purchasing

A standard process is used throughout the group to qualify, evaluate and develop suppliers. This allows us to ensure our mandatory minimum standards around the world. >> Page 7



Employees

Continuing education and corporate culture

Our employees are the most important capital for securing our success. Our corporate culture and targeted support initiatives take this fact into account. >> Page 7



Occupational health and safety

A low number of accidents

Thanks to high standards and preventative measures, the rate of reportable accidents was once again significantly lower than the industry average in 2015. >> Page 11

Code of Conduct



The tesa Code of Conduct defines values and clear, behavioral guidelines.

Mandatory rules of conduct

Respect, honesty, trust, tolerance and integrity – these principles of business activity have not only made us successful in the past. They also guide us now and will continue to do so in the future. The associated rules of conduct have been laid down in a globally binding Code of Conduct. As in previous years, we continued to reinforce the content in 2015 by using various communication and training measures.

With its rules and criteria, the tesa Code of Conduct, which is derived from our corporate values and the ten principles of the UN Global Compact, provides clear orientation. It boosts confidence in the performance and integrity of the tesa Group. Regardless of their position or function, we expect all employees to stand by our ethical principles and to act consistently based on them. As role models, our managers exemplify the rules of conduct and actively communicate them. Since introducing the Code of Conduct, all managers are required to complete a web-based training program. tesa also provide all levels of management with presentation materials to support them in the ongoing communication process with employees. To ensure that this issue is permanently present, the Code of Conduct is also an integral part of tesa's orientation seminars for new employees, management training programs, the "Sales Qualification Program" for employees in sales, and tesa's Management Development programs for managers and junior managers.

New whistleblowing system

The groundwork for a new global compliance network was laid in 2015. Rather than having one single go-to for all countries, going forward seven staff members across four time zones who speak six languages will be acting as contact for compliance tip-off issues. This system will facilitate confidential disclosures by whistleblowers, lowering worldwide reluctance to report potential violations.

The tesa Code of Conduct establishes our most important principles in a total of six subject areas:

1. **Compliance with legal regulations**
tesa conducts its business lawfully and strictly complies with the laws of the countries in which it operates.
2. **Fair competition**
tesa does not obtain any market advantages through unfair or illegal practices.
3. **Protection of tesa assets**
tesa is careful with the proprietary information, assets and resources of the company.
4. **A socially acceptable working environment**
tesa guarantees a socially acceptable, safe and motivating working environment. tesa strongly opposes child and forced labor, discrimination and the like. We also expect the same from our business partners.
5. **Personal integrity**
tesa fosters a high degree of personal integrity and fairness among its employees and avoid situations in which personal interests conflict or could conflict with those of the company.
6. **Social Commitment**
tesa takes its responsibility for future generations seriously and strives for sustainable development in all relevant areas – economical, ecological and social.



Download
„Code of Conduct“

Purchasing Charter



Standard criteria are used at all locations to qualify, evaluate and develop suppliers. This allows us to ensure our mandatory minimum standards around the world.

Minimum standards in strategic purchasing

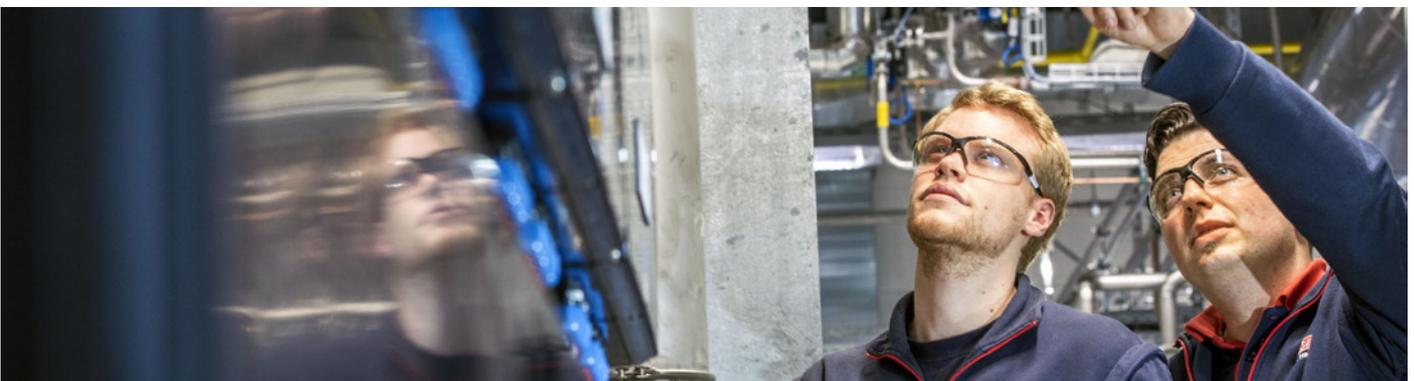
Responsible corporate governance over the long term requires looking beyond their boundaries of the company itself. This is our firm conviction at tesa, which is why company-internal rules of conduct have long applied to relationships with suppliers around the world. In order to provide a standard framework for its internationally applicable minimum standards in the areas of human rights, labor standards, environmental protection and fighting corruption, tesa's strategic purchasing division adopted the tesa Purchasing Charter in 2008. As a result of the terms and conditions of contracts, suppliers make a binding commitment to act

in accordance with the ten basic principles of the UN Global Compact. In its collaborations, tesa strives towards long-term strategic partnerships and a continuous improvement process. This includes mutually agreed goals and their verification, site visits as well as certification in accordance with the environment and quality standards ISO 14001 and ISO 9001.



Download „Purchasing Charter“

Employees



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

Quality and corporate culture

The commitment and expertise of our employees is the basis for the worldwide success of tesa. We promote trust between employees and management, encouraging every individual to

show responsibility and initiative. Important components of our future-oriented HR policy include the targeted training of qualified employees, continuous further education and a very diverse range of offers for actively promoting the well-being of our em-



employees. The new tesa headquarters was in fact designed in part taking these policy objectives into account. The ultra-modern facility features height-adjustable desks at all office workstations for example, a company gym and a canteen where fresh and healthy foods are served. The new complex is fully accessible by people with disabilities.

A culture of feedback and dialogue

tesa strives to maintain a culture of communication and dialogue with employees across all regions, utilizing career pathways and performance review meetings for example as a tool promoting trust between staff and managers. In 2015 as in previous years, such one-on-one dialogues were held, giving both parties a forum for providing constructive feedback, framing expectations and actively structuring the cooperative relationship.

The firm conducts regular employee surveys in an effort to strengthen our corporate values and continuously improve employee satisfaction and retention. While the feedback is consistently positive in general, several optimization measures have been introduced worldwide as a result.

In 2015 there a great deal of attention was given at tesa headquarters to the findings uncovered in the last employee survey conducted. Teams of managers and staff across all functional areas met in the framework of a series of some 20 workshops to develop concrete agreements on how to further improve the corporate culture. The next employee survey, the design of which was completed in the year under review in partnership with leading HR consulting firm Aon Hewitt, will be devoted to gauging the effectiveness of measures taken. The survey is slated to be conducted in April.

The last employee survey at the tesa plant in Hamburg indicated that employee satisfaction there is in the upper third in a nationwide comparison. In addition to quantitative results, comment fields are provided on the survey questionnaire soliciting insights regarding the company of a more qualitative nature. Many employees took the opportunity to highlight the positive relationship they have with their managers, rating tesa

a good employer overall. The next such survey there is planned for 2017.

Human resources, leadership and training

tesa stepped up its systematic strategic personnel development efforts in 2015 to prepare internal successor candidates in advance for key positions at the international level. The firm has developed a new competency model augmenting the existing talent management standards. The model is to be implemented within all personnel development instruments worldwide to enhance the firm's ability to assess the performance and potential of our staff members. In the year under review, a uniform global template for staff performance appraisals was developed based upon the model which is to be initially introduced for management before eventually being rolled out to all staff levels. The tesa Intensive Leadership Program was continued, which is a specialized training concept designed to prepare up-and-coming managerial talent for the challenges ahead. The Program was attended by 28 employees in 2015.

The Hamburg tesa plant expanded its array of training offerings, Machinery and system operator training sessions started in the year under review as well as industrial mechanic training courses. Chemical, electronics and mechatronic technician courses are being added in 2016. This is part of tesa's strategic response to developments in individual business areas affected by demographic shifts.

Targeted continuing education

Ongoing investment into the targeted qualification of employees is part of tesa's corporate strategy. In line with this, the current reporting year was once again marked by wide-ranging measures.

The Sales and Marketing Qualification Program continued with great intensity in 2015, involving 121 training sessions conducted over 15 days, attended by roughly 1,025 employees. In addition to introductory training courses for new hires, the training program includes specialized courses tailored to the needs of individual business areas such as Sales, whose staff members for



example receive training combining technical knowledge and sales competencies. tesa has a separate training program in place for research and development personnel focusing on relevant topics such as patents and quality management. Consisting of 27 training days, the program was attended by 114 employees in 2015.

The tesa Purchasing College conducted a further round of four training sessions in 2015, attended by 40 personnel. This fairly new program for international purchasers comprises custom-made training sessions in which participants acquire a broad skillset for international cooperation in line with global standards. In future, tesa plans to open up the training courses to employees in different roles involving individual purchasing.

In 2015 the tesa plant in Hamburg continued its successful line training offering as well as the Open Production project, in which employees are able to gain practical experience in areas they are not usually involved in. Temporary deployment in different production areas affords a comprehensive understanding of the manufacturing process, strengthens cooperation and catalyzes improvements. In the year under review the tesa plant in Hamburg augmented the long-established Management Orientation Stop, in which staff rate their managers using a point system, by adding on a TEAM Orientation Stop. This feedback instrument is designed to allow identification of areas where action is needed within teams and help staff recognize hidden improvement potential on their own, creating opportunities to build on existing team strengths.

The topic for the annual tesa team training held in 2015 was plant production strategy and its significance to each individual staff member. Attended by 500 employees, the training event was moderated by the respective area managers, and involved real-world-oriented open-floor discussions of rules of cooperation, uniform management expectations and the need for clear central coordination of expectations. The training also involved a look back at past events and topics such as workplace safety, quality, leadership and shared expectations.

Open Course Program

In addition to courses on specialized and function-specific skills tesa offers an open course program allowing study of a range of varied topics. In the year under review 250 staff members participated in training courses on presentation and project management skills, which have been quite well-attended generally in recent years. The tesa offering of language and IT training courses was expanded in 2015, attended by 70 personnel in the year under review.

Additional courses were set up as part of the “Treffpunkt Weiterbildung” continuing education offering in connection with moving of the Hamburg office to the new location in Norderstedt just outside town. The diverse offering, which was originally created many years ago by our parent company Beiersdorf, enables employees to complete training in their spare time. The first three training seminars conducted at the new tesa headquarters starting in autumn 2015 were attended by 35 staff members. Plans are to expand the training offering to 11 seminars in 2016. Course enrollment is open to Beiersdorf and Tchibo employees as well, promoting networking throughout the corporate group.

Responding to the trend towards virtual seminars, in 2015 tesa launched a series of online learning modules and a digital version of the Onboarding sales training course, which employees can utilize for further education from anywhere and at any time of day. Our locations in Asia have their own platform called Learning Hub Asia, from which an array of digital training courses is offered. These include training modules for familiarizing new hires with the tesa corporate culture and business areas. Additional international skill enhancement programs will be introduced in 2016 such as an e-learning academy specifically for supply chain personnel.

Health and well-being

tesa wants its employees to feel and be healthy. That’s why a team of experts from the occupational health service, social counseling, the works council and the severely handicapped representatives panel together developed a modern health management program for the new headquarters in Norderstedt,



which includes the tesa sport club. The club offers top-quality endurance and strength training equipment and a range of courses like spinning, yoga and 'back power', a lunchtime 'active break', physiotherapy and massage therapy. This array will be expanded in 2016 to include personal health checkups and individual risk analyses. tesa employees and their family members have the possibility as well to utilize the Beiersdorf athletic association to keep in shape through low-cost memberships. Hamburg's fourth-largest company athletic association offers over 40 different types of sports. The parent company's workplace wellness offerings are quite popular as well, as are the health and fitness offerings at other locations.

Supplementing the tesa sport club, the corporate headquarters in Norderstedt promotes active lifestyles by providing commuting bicycles for sale or rent. Health is a concern in the offices too, where all work stations have height-adjustable desks to minimize back strain. All employees receive information and tips about maintaining good posture both sitting and standing from the company's in-house ergonomics desk. Good nutrition is also important, which is why the new company cafeteria offers freshly prepared local foods and a varied menu of healthy meals including a daily WellFit dish with less than 700 calories.

The Health Working Group presented its activities at the tesa plant in Hamburg in 2015, adopting the slogan 'Healthy – Body and Soul'. This annual program of events involved a range of courses held in the plant's own fitness room (yoga, table tennis, back training etc.) and team events such as group running. Employees again had four days to have their current fitness level checked out, including heart and other organ functions. As motivation to exercise daily, a skiing course is offered for both beginners and advanced skiers. The teams also formed health circles to address current health-related issues, discuss problem areas and come up with solution ideas jointly with their managers. Cutting-edge work time models for the various stages of life were additionally introduced, including the 'Parent-Child Office' and the '57 Plus' arrangement for older workers interested in reducing their weekly work hours without major loss of income – both aimed at improving work-life balance.

The tesa plant in Offenburg received recognition twice for work environment quality in 2015, first of all from the organization Initiative Ludwig Erhard Preis e.V., which presented its award for holistic management practices in the SME category. The judges' panel cited the plant's impressively solid and longstanding leadership culture, social and environmental responsibility practices and culture of open communication and trust. Additionally the plant received the familyNet Award from the state of Baden-Württemberg for LIFE+, a progressive work-life balance policy initiative. The holistic approach taken by the tesa plant in Offenburg extends as well to addressing the effects of demographic change.

The group's international affiliates are also active in promoting employee health, with tesa location North America in Charlotte, USA planning for example to introduce a Mental Health Awareness Training program in 2016. The program is designed to educate employees on ways to guard against stress, improve mental health and better handle difficult workplace or customer situations.

Occupational health and safety



The health and safety of employees are a top priority at tesa which places the emphasis firmly on prevention with high standards and targeted measures.

Strict regulations

The Occupational Safety Guidelines, which are based on the international standard OHSAS 18001 (Occupational Health and Safety Assessment Series), apply for all tesa locations around the world. In November 2015 the tesa plant in Italy received initial OHSAS 18001 certification.

Targeted risk assessment and prevention measures are essential however for optimal protection against injury and work-related hazards. As in previous years, the accident rate at tesa was significantly below the industry average of 14.5 percent, as tracked by the employers' liability association. The worldwide group rate was 2.3 accidents per 1,000 employees. This shows that tesa is on the right track with its high safety standards, occupational health measures and training programs.

General safety rules were adopted for all areas of the new corporate headquarters in Norderstedt in 2015 and staff members trained accordingly. The measures conducted on an ongoing basis at all tesa locations include providing detailed operational instructions for all production equipment, targeted at-machine briefings and a range of educational and training courses on such topics as proper conduct for safety and health, explosion and fire prevention and fire extinguisher usage. Such regular worldwide offerings heighten employee awareness.

Internal accident avoidance processes make a significant contribution to hazard reduction. These are based on a combination of systematic hazard identification and risk assessment, employee responsibility, and a continuous improvement process, which

includes all parties involved. The foundation for targeted solutions and appropriate risk reduction is the so-called STOP principle, which outlines four categories: substituting, technical, organizational and personal. This way, measures can be categorized and evaluated.

In order to ensure that its high demands for occupational health and safety measures are consistently pursued and implemented, tesa factors in occupational health and safety considerations from the beginning when planning new plants projects. Here the focus is on the early identification and elimination of potential risks. tesa's safety standards are thus already incorporated into the drafting of specifications. The whole construction and manufacturing process is accompanied by regular status enquiries. Even before a new plant is handed over, all the important location details are checked directly in situ in a "Factory Acceptance Test". Then a "Site Acceptance Test" is carried out before the plant eventually begins production. This test involves additional checks on all safety-related functions, with optimization measures taken where necessary.

Environmental protection

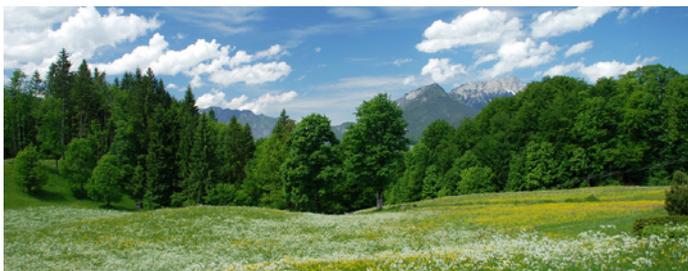
Global initiatives

Leaving an intact environment for subsequent generations is one of tesa's stated corporate goals. tesa's "green thread" is based on a precautionary approach: We promote the international exchange of information between our environmental experts and actively take the initiative. Part of this strategy is the development of tesa's own production technologies, which enable it to manufacture without the use of solvents. We are increasingly demonstrating our commitment at the product level as well, as illustrated by the tesa ecoLogo® sub-brand: a full range of eco-friendly office products. For over four years, tesa has been active in the do-it-yourself sector with corresponding offerings.

tesa has defined its position in globally binding environmental guidelines. These guidelines dictate the standards for the company's actions to all employees and are meant to further raise environmental awareness. Ongoing monitoring of performance indicators and regular internal production site audits are con-

ducted to facilitate systematic action upon the obligations we believe are incumbent upon the company. In these audits, tesa assesses whether process procedures and regulations are being correctly adhered to. The firm also regularly conducts matrix audits in connection with external certification auditing and monitoring to verify adherence by all sites certified under for international environmental standard ISO 14001. Where required, tesa makes corrections and introduces measures for continuous improvement and to ensure the utmost efficiency in the use of resources.

Of course, we also abide by minimum standards and legal requirements in all areas in which we are involved. In order to correctly implement the different countries' laws, rules and regulations, which can sometimes vary, tesa has employees who are familiar with local laws and can ensure compliance at all of its production sites.



The tesa environmental program

Corporate environmental protection

Specific areas of activity and clearly defined projects are the key to tesa's successful environmental management program. All tesa locations around the world have high standards. >> Page 13



Climate protection

Raising awareness

tesa operates climate protection measures on its own initiative and responsibility in order to leave an intact environment for subsequent generations. >> Page 14



Resource conservation

The efficient use of raw materials

Efficient use of raw materials and resources is important to us in terms of sustainable business policy.

>> Page 15



Environmentally friendly products

Consumers benefit from tesa

Sustainably produced goods like the tesa ecoLogo® range protect the climate. The winners? People all over the world.

>> Page 16

The tesa environmental program



Specific areas of activity and clearly defined projects are the key to tesa's successful environmental management program. All tesa locations have very high standards.

Corporate environmental protection

Systematic efforts commenced in 2001 to set up a company environmental management system, which has undergone continuous further development ever since. It is above all the world-wide plants that have contributed to tesa regularly exceeding the firm's ambitious goals. Since establishment of the environmental program, tesa has substantially reduced emissions of volatile organic compounds (VOC) – by more than half. In addition, there have also been significant reductions in the consumption of solvents, CO₂ emissions and generation of waste for disposal.

In the interest of climate protection and resource conservation we also regularly review whether there are more environmentally friendly alternatives to the raw materials currently employed. This involves referencing studies of the ecological balance sheet of our products and analysis of environmental impact over their entire useful lives. Additionally, for many years now the firm has deployed environmentally friendly technologies and patented processes "made by tesa".

Care is taken to minimize energy consumption, which is why the Offenburg and Hamburg plants (like all tesa production sites) are certified for the environmental standard ISO 14001, and in the first quarter of 2015 were additionally energy management certified under ISO 50001. The new tesa headquarters, built in accordance with the latest energy efficiency regulations (ENEV 2014), is up next to be certified in 2016.

Good initial results have been seen from environmentally friendly in-house power generation. In late 2014 the tesa plant in Offen-

burg started up a CCHP (trigeneration) system, which in 2015 already yielded a significant reduction in carbon emissions, and is being studied for potential rollout to other production sites.

Environmental program: Goals achieved between 2002 and 2015

Energy use	- 24 percent
CO ₂	- 19 percent
Solvent use	- 41 percent
Waste	- 77 percent
VOCs	- 91 percent

Highlights, key figures and successes of the tesa environmental program

In **2002** the tesa plant in Offenburg put an eco-friendly production system for the solvent-free manufacturing of masking tape into operation. That was just the beginning: today the over 60 percent of the plant's entire production takes place without solvents.

Environmental protection

In **2005** tesa received the B.A.U.M. environmental prize and the “Responsible Care Prize” for the consistent and successful development of a holistic environmental management system.

In **2006**, five years after launching its environmental program, tesa saw positive results from successfully reducing the amount of energy and solvents consumed.

A second environmental program was passed for the period between **2007** and **2012** – with a focus on reduced emissions of volatile organic compounds, also known as VOC emissions.

In **2007** an innovative system for heat recovery at the tesa plant in Offenburg considerably reduced energy consumption.

In **2009** tesa reported significant advances in the emission of volatile organic substances. VOC emissions were down 50 percent compared to 2001. One year later the figure was already at minus 58 percent.

In **2010**, the tesa plant in Hamburg installed a new, state-of-the-art ventilation system. That same year the technology center at tesa’s headquarters in Hamburg received funding from the Hamburg Authority for Urban Development and Environmental Affairs to modernize the technology in the ventilation system and

its control unit. The first tesa ecoLogo® products also started conquering the office supplies market.

In **2011** tesa succeeded in making a technological breakthrough at the plant in Hamburg. The globally unique and patented ACX technology enabled the eco-friendly production of double-sided acrylic adhesive tapes for high-strength permanent adhesive bonds.

In **2013**, tesa introduced an energy management system at its German production sites to sustainably reduce energy consumption and CO₂ emissions even further. The “Green Car Policy” was launched that same year. Low-emission cars are to significantly reduce the CO₂ emissions of the entire fleet from an average of 161 to 140 grams per kilometer.

In **2014** tesa’s Offenburg factory began operating a CCHP (combined cooling, heat and power) system for environmentally friendly in-house power generation. The German production sites of Hamburg and Offenburg are each implementing an ultra-modern energy monitoring system as part of their energy management.

In **2015** the energy management systems were introduced at the production sites in Hamburg and Offenburg, Germany are certified under the international standard ISO 50001.

Climate protection



Employee awareness measures and environmentally friendly production methods are part of the firm’s climate protection agenda.

The tesa plant in Offenburg started operation of an ultra-modern trigeneration (CCHP) system in late 2014, enabling environmentally friendly power generation from natural gas, waste heat and cold. Heat for plant usage and cooling for the climate control system are also generated. In line with planning, in 2015 already the site recorded a roughly 3,600-ton reduction in carbon emissions for the year.

In November 2015 the tesa plant in Hamburg commenced work to install a similar cogeneration system which will be yielding significant carbon emission reductions starting in the spring of 2016. The cutting-edge system will enable simultaneous in-plant generation of electricity and heat. The mechanical energy primarily generated is converted directly into electrical energy, while heat generated in the process can be captured for building heating or use in production.

In addition to eco-friendly methods and other measures that we use to keep up with the latest technology, raising the awareness of our employees is also part of our commitment. Not only are

they familiar with ongoing operations, they also continually help us save energy, lower carbon emissions and reduce costs thanks to their knowledge and ideas.

Resource conservation



tesa handles raw materials and resources efficiently. Environmentally friendly technologies and good waste management are deemed important.

During the year under review, the tesa production sites in Hamburg and Offenburg, Germany focused their efforts on further development of their respective energy management systems. Numerous staff training sessions were held on tesa energy policies in the first quarter 2015 in connection with the two plants' successful certification under the international standard ISO 50001. Additional energy-saving measures were identified and projects designed accordingly for inclusion in the sites' energy management agendas. Modern energy monitoring systems are in place for tracking energy consumption, affording heightened energy efficiency and transparency. The systems are continuously expanded and improved, such as by the installation of new meters in 2015.

The tesa plant in Hamburg invested in a new production hall in 2015, specially designed for energy efficiency. Seven hundred LED lamps and motion detectors were installed for the hall's lighting system, the combined use of which will keep energy consumption roughly two-thirds lower than if conventional lighting were used.

Life cycle analysis

A great deal of environmental pollution is caused outside one's own company while manufacturing products. The firm is thus focusing more sharply on the entire product life cycle from raw materials to processed materials, production, transport and dis-

posal after use. With the help of the so-called life cycle analysis method, tesa will determine the parameters that affect the ecological footprint of its products. The goal of this life cycle analysis is to discover the best options for every product – not just in-house at tesa, but always in collaboration with suppliers and service providers.

Waste management

All production of goods involves the generation of waste. In order to reduce this in a sustainable manner and to protect the environment and resources, we run regular training courses to ensure that all those involved are conscious of the need to avoid unnecessary waste and to recycle appropriately. In addition, we are constantly seeking new technical solutions and cooperation partners to enable us to maximize recycling.

Commitment at the Product Level



Products for conserving energy and sustainably produced goods help to protect the climate. The winners? People all over the world.

Consumers benefit from tesa

For quite some time, tesa has been consistently transferring its environmental commitment at the product level. tesa ecoLogo® is a constantly expanding range of environmentally friendly consumer product solutions which have received multiple awards in recent years. These solvent-free adhesives and their packaging are mostly made of biological and recycled. The compactly designed Smart ecoLogo® tape dispenser for example meets high environmental standards, made 100% from recycled plastic via materials-minimizing methods. Also in 2015, all glue sticks were

converted over to the ecoLogo® format; tesa thus now only sells ecoLogo® glue sticks, no conventionally made ones. The company's 'green' range of ecoLogo® products has been sold in hardware, DIY and other stores for several years now, which includes painting, repair and packing tapes. There consumers can also find energy-saving products like tesamoll® for sealing gaps around windows and doors, as well as tesa® ISO SYSTEM for easy roof insulation.

Compliance and fair competition



Adherence to laws and internal guidelines is something that goes without saying at tesa. A central co-ordination unit combines all associated processes and activities.

Compliance

Integrity and proper conduct

tesa traditionally stands for trust. This includes virtues that guarantee free markets and fair competition as well as protecting people and the environment. The tesa group firmly rejects any form of corruption as well as any illegal or immoral behavior. In order to be able to consistently ensure this worldwide, we actively protect our company and our employees against possible risks. In 2015 the firm once again actively addressed the issue of compliance and our system of values as laid down in the globally applicable tesa Code of Conduct. Supporting activities included refresher courses designed to keep the firm's worldwide anti-corruption policies a forefront consideration for all staff. Also in the year under review, the groundwork was laid for rollout of an efficient system-linked reporting instrument designed to further increase transparency regarding the status of the global tesa compliance management system.

Communication measures are being continuously implemented via in-house media. Detailed and specific compliance information is provided to raise awareness and minimize breaches resulting from ignorance of laws and regulations. Since late 2010 employees have had the ability to contact the Compliance Coordination desk for any questions and in case of doubt. The central coordination desk is tasked with advising, setting international standards and ensuring efficient bundling of all compliance processes. Its duties also include preparing status reports for the management team. The Compliance office combines a total of eleven fields. Specialists in various staff functions provide expert advice on matters concerning anti-corruption, labor and competition law, information technology and data protection, antitrust law, financial regulations, environmental protection, workplace safety, and trademark and patent law.

Fair competition

For quite some time our activities have focused on antitrust law, which promotes a free economy and prevents clearly restrictive practices. To do this, tesa successfully introduced the "tesa Anti-trust Compliance Program" throughout the company a few years ago. It serves to raise awareness on issues relating to antitrust law and enable the implementation of a worldwide functional antitrust law compliance system for the entire tesa Group. Besides providing relevant information on antitrust law and educating about possible violations, we set up internal communication structures and a network of competent attorneys. In addition to refresher training, further intensive classroom training sessions on the subject were held for multipliers in 2015, which involved the identifying of high-risk countries where local authorities are increasingly active in pursuing anti-trust matters. Training course content was thus translated into the respective local languages and tailored to take account of local legal particularities.

We also offer a permanent topic-related platform on the tesa intranet. This page allows employees worldwide to find out about conduct that complies with antitrust law in their day-to-day business dealings and helps them find competent advisors. Training seminars are conducted in the local language in these countries, the material for which factors in specific considerations under local laws.

In our international regions, guidelines that have been modified to take into account the legal requirements in the respective countries and a catalog of examples of correct and incorrect conduct lay down what is and what is not permissible under antitrust law.

Social Commitment

Strategy with regional facets

The assumption of corporate responsibility is part of tesa's corporate philosophy. Out of the conviction that all sides win, tesa gets involved at several levels worldwide – in the form of donations, sponsor memberships and sponsorships as well as through volunteer involvement on the part of employees.

Help, donate, support, protect – the four pillars of the “tesa connects” corporate citizenship program. The objective is to take

an approach that makes it easy for employees worldwide to get involved for the good of society in a meaningful way. At the same time, the program creates a bridge to the core tesa competencies and strengths of the company – its inventiveness and spirit of ingenuity, orientation towards solutions, practical aid and team spirit.



tesa helps

Good neighborly relations

In the immediate vicinity of our locations tesa teams get stuck in on local projects, thus supporting the community.

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tesa donates

Uncomplicated help

tesa supports the victims of natural disasters or other crises through targeted donations of money and products.

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tesa supports

Improving prospects for the future

With a focus on science and technology, we invest in the futures of children and young people.

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tesa protects

Active conservation

Specific environmental projects preserve nature and help to improve the quality of life in the region.

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tesa helps: Here's to good neighbors



Neighborhood assistance that is needed in the immediate vicinity of tesa locations – that is the core thought behind “tesa helps”. On-site tesa teams on every continent get involved project by project and support the community.

The tesa headquarters continued its partnership with the non-profit volunteering organization “tatkräftig – Hände für Hamburg” in 2015. According to the motto “1 day, 1 team, 1 goal”, the organization lends a hand in the form of volunteer helpers at over 150 institutions that require support. In the year under review, more than 60 employees volunteered in charitable projects, helping social institutions for example by performing extensive landscaping and handywork with tools, wood and paint. A “tesa helps” joint project with “tatkräftig” has now become an integral part of the first year of apprenticeship at the tesa plant in Hamburg.

Global commitment

The affiliates also provided active aid in their vicinities in 2015. The social commitment of tesa employees is a tradition in France, Spain, Italy, the Netherlands, Belgium, the UK, Turkey, Mexico, Colombia, Japan, India, China and many other countries. Examples:

Colorful afternoons for children in the Netherlands, Slovakia and the Czech Republic

Employees of the Dutch affiliate in Hilversum began supporting the “Stichting Het Raakt U” foundation in 2015. Fifteen employees of the firm organized an activity day for severely disabled children at the Orthopedagogical Daycare Center De Pompon (ODC) complete with funny clown, scrumptious pancakes and covered wagon ride. In Slovakia there were craft-making activities for the “Deti Slovenska” foundation, as tesa employees (pro-

viding all the materials) made paper flowers and race cars for young hemophilia patients along with balloon animals, clothes-peg constructions and glass decoration using tesa glitter pens. A similar crafts afternoon for children with leukemia was held by eleven employees of the Czech affiliate at the Motol University Hospital Transplant Center in Prague.

Runs for charity in France, Spain and Colombia

tesa employees in France participated in the “Course des Héros” charity run for the fifth time in 2015. These athletic tesa staff members completed a six-kilometer run for which they had collected a total of 10,000 euros in advance donations from friends, family and colleagues to benefit the organization “Action Enfance”, which supports needy children and adolescents. At the Oxfam Intermon Trailwalker event, six tesa colleagues from Spain covered 100 kilometers in less than 32 hours. Donations raised went to the organizer Oxfam, which will use the money in the organization’s fight against global poverty. And in Colombia, 24 employees ran in the “Carrera de la Mujer” to benefit a foundation for female cancer patients. Eight employees participated in the Marriott 6K Run for Fun to raise funds for the “Instituto Tobías Emanuel”, which provides daycare and schooling for blind and deaf children and youth.

Promoting integration in Belgium and the UK

Employees of the Belgium affiliate supported the tesa-sponsored Special Olympics National Games for the third consecutive year in 2015, assisting mentally handicapped children and adults before, during and after the judo competitions, providing encouragement and promoting their social inclusion. tesa UK again

supported the Walnuts School for autistic children in Milton Keynes. In addition to a donation earmarked for the school to purchase several appliances in 2015, a number of teens were given opportunity every Tuesday to get a look inside the working world at tesa. Accompanied by teachers the students worked a two-hour mini-shift at a packing station. This involved the sort of repetitive activities that suit people with autism.



tesa donates: Uncomplicated help



We support people in impacted regions – as well as selected institutions in their daily routine – with targeted funds and product donations.

In 2015 the Hamburg and Norderstedt locations introduced ‘left-over change’ donations, in line with the slogan: ‘small gesture, big impact’. The concept is simple so participation is easy: employees donate the cents amount of their bottom-line monthly pay (i.e. 0.01 to 0.99 euro) to non-profit organizations in their communities. The money collected, amounting to a maximum of 11.88 euro per employee and year, is credited to a separate tesa donation account. Between the start of the campaign in September 2014 and the end of December 2015 the three tesa locations collected approximately 3,100 euros. Management then rounds up and doubles the individual amounts.

tesa SE donated the company portion (4,200 euros) to the “Plan haben” initiative of the crime prevention council of the city of Norderstedt, aimed at providing adult supervisors to youths with behavioral problems who act as a contact for trusted advice. The ‘leftover change’ collected by the Hamburg tesa plant (1,410 euros) was donated to the non-profit “Neuwiedenthal aktiv e.V.”, an organization working with children and youth and for the greater community. The tesa Converting Center contributed to

help young people and their families by donating 680 euros to the “Grossstadt-Mission” project, which is an initiative for providing educational counseling and support to young people in troubled life situations. The ‘leftover change’ collected by all of these tesa companies in 2016 is to be donated to the mentoring project “Zeit für Zukunft – Mentoren für Kinder e.V.” Socially disadvantaged children and youths between the ages of six and sixteen meet two to four times a month for at least one year with an adult mentor whose role is to build up their self-confidence and promote their personal development.

The collection and provision of donations is also a good tradition in the tesa affiliates: The international tesa locations outside Germany donated almost 150,000 euro to various causes in 2015. The Singaporean affiliate contributed a large amount to the regional Red Cross effort to aid earthquake disaster victims in Nepal.

tesa supports: Education secures a future



Under “tesa supports” tesa combines education projects through which it aims to open up future prospects to children and young people. Here there is a focus on the themes of science and technology as important prerequisites for the preservation of our livelihoods as well as technological and social progress. In Germany and numerous affiliates, these objectives are linked to specific projects.

Introducing teens to MINT career paths

tesa SE in Germany has been partnering with the natural sciences and technology initiative NAT since 2014. In Hamburg and the surrounding metropolitan area, NAT networks schools with universities, colleges and technology-driven companies. The objective is to make it possible for adolescents to get a variety of insights into various occupational fields. tesa launched its first 90 Minutes MINT program (MINT = Mathematics, IT, Natural sciences, Technology) in early 2015. In this program, tesa employees take a little less than two teaching hours to give school students real-life insights into their working lives. In addition to practical projects and excursions like this, tesa has supported the NAT initiative financially by taking out a sponsoring membership.

Adhesive technology outreach in Japan

tesa’s Japanese affiliate was again active in the Tsukuba Science Festival in 2015. Held in Tsukuba, the famous ‘City of Science’, the event is aimed at introducing young people to the world of science through fun experiments and games. The scientists of tomorrow were able to experience fascination aspects of bonding technology at the tesa stand.

Sponsoring educational initiatives

Several tesa affiliates now regularly contribute funding to educational initiatives like the Educational Volunteers Foundation of Turkey, which offers informal education programs for children and the Mexican “Fundacion para la Proteccion de la niñez”

which provides English as a second language scholarships.

The Guatemalan affiliate finances a partial scholarship for a student otherwise unable to afford higher education, while tesa India donates to the “Nanhi Kali” organization which offers primary school education opportunities to disadvantaged young girls. In September 2015 tesa tape North America began sponsoring a four-year study program concentrating on automotive technology. The EcoCAR program is devoted to the development of an extremely energy-efficient high-performance vehicle.

tesa protects: Active for the environment



Environmental protection and sustainable management of natural resources are part of the tesa business strategy. Engagement on the production and product level is complemented by specific projects for preserving nature and improving the quality of life in the region.

Since 2011 we have been working to preserve the sensitive ecosystem of the UNESCO Biosphere Reserve “Niedersächsische Elbtalaue”, not far from Hamburg. Thanks to employee volunteering in three afforestation projects ongoing in 2015 – plus financial support – a host of trees typical for the region were planted which will increasingly provide habitats for birds and insects. Additionally during the year under review, funding was provided for nearly 20,000 plants for the nature dynamics area of the

“Stapeler Rens” forest, which is to be afforested as a protected habitat zone within the biosphere reserve where nature is left to take its own course.



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