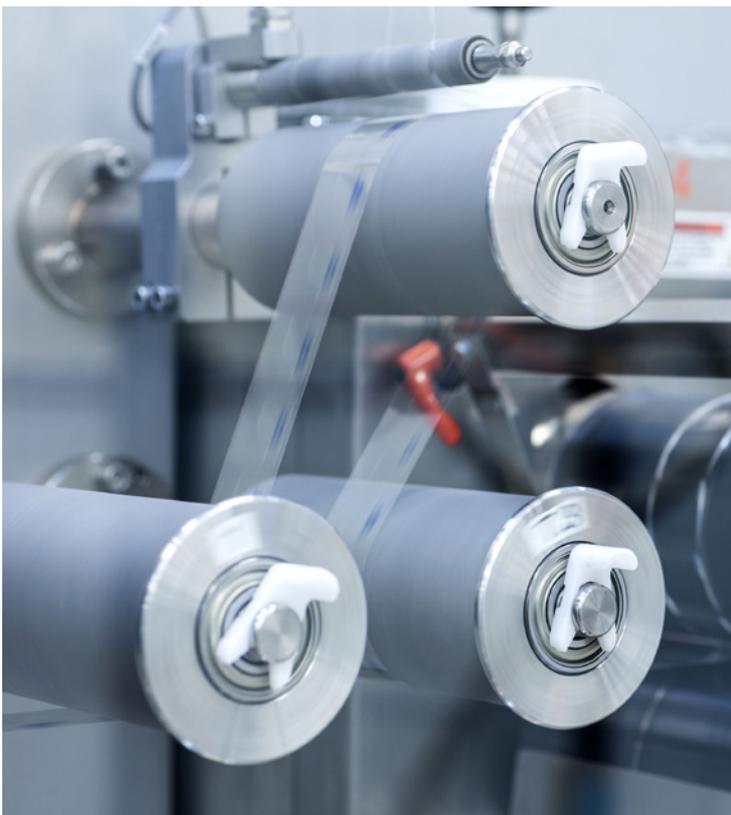


# tesa SE: Our responsibility – Our commitment

## 2014 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 over 140 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 2014, 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.



# 2014 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 in the company. The 2014 Progress Report will give an overview of tesa's global commitment in the areas of human rights and labor standards, environmental protection, fighting corruption, and society. tesa traditionally pursues a sustainable approach that ensures both continuity and a constant improvement process.

With more than 50 affiliates around the world, countless projects form part of these efforts. For this reason, this report is limited to an exemplary selection of current activities and measures. Since 2008 tesa has been publishing an online version of the Progress Report, which not only makes it more easily accessible, but 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](http://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, which is based in Hamburg, Germany. >> Page 4



## Human rights and labor standards The human factor for success

The defining topics in 2014 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 environmental standards. tesa is constantly evolving beyond this high level. >> Page 11



## Compliance and fair competition Integrity and proper conduct

tesa pays strict attention to compliance with laws and guidelines. A central coordination office bundles together all associated processes and activities. >> Page 16

tesa  
connects



## Social commitment A strategy with regional facets

In 2014 tesa set a new course for its social commitment. "tesa connects" makes it easy for employees to play a meaningful role. >> Page 17

## Declaration of Support

“Responsibility has a tradition at tesa:  
We see it as an important investment  
in the future.”

tesa SE is one of the world’s leading companies in the self-adhesive technology segment. Our successful development is associated with innovations, quality and technological progress. 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 construction of our new corporate headquarters with an adjoining research and technology center continued unabated in 2014. As planned, 850 employees will this year be provided with a new professional base in Norderstedt, just outside Hamburg. While we are currently distributed across several buildings, this will give us the benefit of working in close proximity. This will have a positive impact on our business processes, flexibility and competitiveness, as well as proving advantageous in terms of collaboration and our good corporate culture. To enable employees to follow the progress of our construction project “one tesa,” we arranged field trips as part of numerous communication measures in 2014. The enthusiasm was tangible during tours, a summer party and our Christmas celebration. We also used the past year to develop concepts for important social benefits – including our ultra-modern gastronomy area and an extensive range of sport and health offerings.

In the current reporting year, we have introduced a new Corporate Citizenship program and sharpened the profile of our social commitment through the four pillars “helping, donating, supporting, protecting.” The “tesa connects” approach makes it easy for employees worldwide to volunteer for the benefit of society. At the same time, the core tesa competencies and strengths are reflected: its inventiveness and spirit of ingenuity, orientation towards solutions, practical aid and team spirit. In 2014, employees got involved in neighborhood projects, collected donations, filled children and young people with enthusiasm for science and technology, and helped to protect the environment and nature. Both in Germany and in our international affiliates, the level of commitment in 2014 was much higher than in previous years. One of the reasons for this was almost certainly because employees were able to make their own wishes known in advance.

Binding targets as well as both small and large measures have in recent years ensured that our production locations worldwide



Thomas Schlegel, CEO of tesa SE

have very high environmental standards. We continued this commitment in 2014 and pressed ahead with the introduction of energy management systems. Through these, we can check and manage our energy consumption even better. In the tesa plant in Offenburg, an ultra-modern system for trigeneration went into operation in the current reporting year, enabling us to generate our own power from gas, waste heat and cold, and to protect the environment. The installation of another system is planned in the tesa plant in Hamburg for 2015. We are also ensuring continuous improvement at product level. Not only are we focused on our own environmentally friendly offers like the tesa ecoLogo® range, we are also taking increasing note of the entire lifecycle of our product solutions, including detrimental environmental impacts arising outside our own company.

To improve the satisfaction of our staff even more, we make sure there is a good feedback culture. Open and honest dialogue between employees and managers was again encouraged in 2014, and mutual trust was strengthened. The employee development and feedback meeting introduced in the previous year was consistently continued. In addition, management teams and employees made agreements for further improvements in 15 workshops. Their implementation will continue in 2015. We have again devoted ourselves to the topic of management through further measures. We are also offering employees more opportunities to familiarize themselves with other areas of work – particularly in production. Such projects are intended to create an understanding of internal relationships and dependencies. We were also able to expand the further education program in 2014. One focus of this was our training program for employees from Research and Development, Sales and Marketing.

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](http://www.tesa.com/company/responsibility)

In the future tesa will continue to pursue its sustainable business policy in keeping with the UN Global Compact.



Thomas Schlegel

# 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 2014. 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. Amongst other things, tesa carried out a risk analysis, documented the results precisely and derived measures where necessary. Issues relating to antitrust law were examined afresh in training sessions and regular communication measures.



### Code of Conduct

#### Mandatory rules of conduct

The tesa Code of Conduct defines clear values and behavioral guidelines for all employees of the tesa Group. Its content is an integral part of workshops and training programs. >> 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 tesa to ensure its mandatory minimum standards around the world. >> Page 7



### Employees

#### Continuing education and corporate culture

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



### 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 2014. >> Page 10

## Code of Conduct



The tesa Code of Conduct defines values and clear behavioral guidelines. Its content is an integral part of workshops and training programs.

### Mandatory rules of conduct

Respect, honesty, trust, tolerance and integrity – these principles of business activity have not only made tesa successful in the past; they also guide tesa now and will continue to do so in the future. The associated behavioral rules have been laid down in a globally binding Code of Conduct. As in previous years, tesa continued to reinforce the content in 2014 by using various communication and training measures.

With its rules and criteria, the tesa Code of Conduct, which is derived from tesa's 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, tesa expects all employees to stand by its ethical principles and to act consistently based on them. As role models, our managers exemplify the rules of conduct and actively communicate them. Since the Code of Conduct was introduced, all managers have been required to complete a web-based training program. tesa also provides 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.

The Code of Conduct establishes tesa's 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. tesa also expects the same from its 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 tesa to ensure its mandatory minimum standards around the world.

### Minimum standards in strategic purchasing

tesa is convinced that sustainable, responsible action must extend beyond the confines of the company itself. For this reason, its internal rules of conduct have long applied for collaborations 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 princi-

ples 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 as well as site visits and certification in accordance with the environment and quality standards ISO 14001 and ISO 9001.



Download „Purchasing Charter“

## Employees



tesa's employees are the most important capital for securing its success. The corporate culture and targeted support initiatives take this fact into account.

### Quality and corporate culture

The commitment and expertise of tesa's employees form the basis for its worldwide success. tesa promotes trust between employees and management, encouraging every individual to

show responsibility and initiative. Important components of tesa's future-oriented HR policy include the targeted training of qualified employees, continuous further education and a very diverse range of offers to actively support the well-being of employees.



### A culture of feedback and dialogue

In 2013 tesa conducted a survey amongst employees at its Hamburg headquarters under the motto “tesa wants to know” – supported by the independent institute “Great Place to Work” (GptW). The result was a very good showing for tesa, with a score in the upper bracket. In order to improve satisfaction levels even more, tesa held 15 workshops with management teams and employees in 2014. As part of this, all functions reached agreements on further improvements. The extent to which these are taking effect will be examined in a new employee survey, which will be carried out following the move into the new tesa headquarters (fall 2015). In fall 2014 tesa’s Hamburg factory also examined the satisfaction levels of its workforce: 380 employees (72 percent) took part, providing feedback and ideas that are now being evaluated by market research institute TNS Infratest. A result had not yet been established when this progress report went to press.

In order to further enhance the open dialogue between employees and managers, tesa introduced a redesigned employee development and feedback meeting in 2014. This creates a foundation for mutual trust: Both parties – the employees and managers – are equally given the opportunity to provide each other with constructive feedback, to learn about each other’s expectations and to take an active role in developing the collaboration. In 2014 both managers and employees had the opportunity to refresh their knowledge about the most important themes for successful negotiation in short workshops.

### tesa factory, Hamburg

tesa’s factory in Hamburg is also reinforcing the feedback and dialogue culture with a number of different measures. It has already seen the successful implementation of line training and the “Open Production” project, for which employees gather practical experience outside their normal area of activity. Temporary deployment in different production areas is designed to create a complete understanding of the manufacturing process, strengthen cooperation and drive forward improvements. As another feedback tool, managers in tesa’s Hamburg factory use “praise cards” to reward employee’s achievements. The written word expresses appreciation, enhances dialogue and reminds em-

ployees that they are part of a greater whole. Another successful measure has been the “Orientation Stop”, with which managers are evaluated by their employees using a points system. This tool is mandatory for all managers, helping them reflect on their own conduct, and aims to aid the development of a better tomorrow. Future cooperation was also a theme in 2014 at the annual “tesa team training” more than 500 employees. Under the guidance of the relevant managers, in the current reporting year employees focused on overarching expectations – with real-life relevance and open discussion rounds. Part of the training also involved a look back at past events on the subjects of safety in the workplace, quality and management.

### Intensive management at tesa

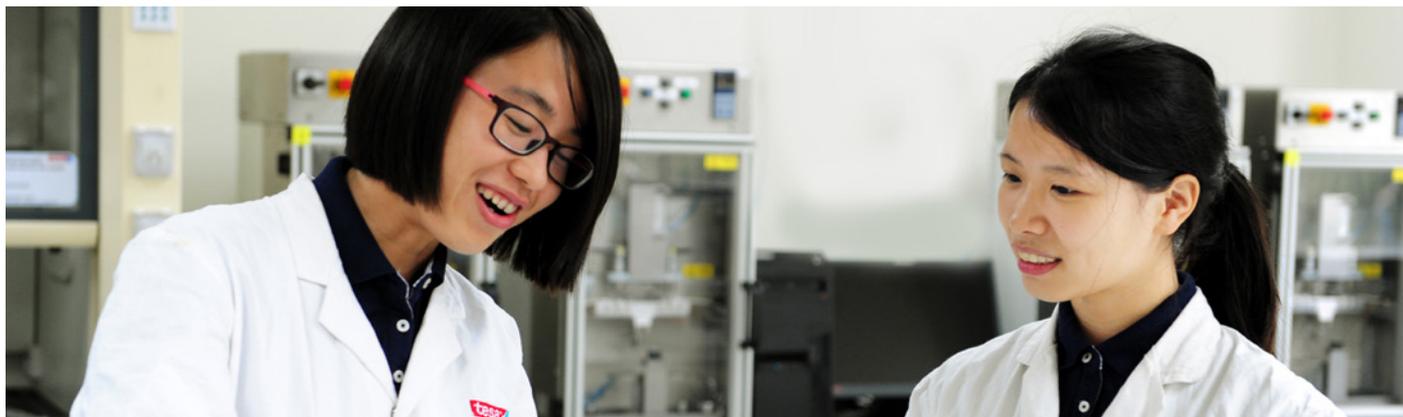
tesa’s HR division offers a special training concept specifically designed for junior management talent. Among other things, the “Intensive management at tesa” training course focuses on respectful dialogue between managers and employees. The goal is to prepare participants for future challenges by sustainably positioning issues such as appreciation and recognition as the foundation for a good management culture. In 2014, 29 up-and-coming managers underwent training.

### Human resources planning and training

Succession planning and talent management are important tools in strategic human resources development. The aim is to build up expertise for important key positions promptly and systematically on an international level. In 2014 tesa successfully continued its work in both areas and introduced supporting software. This corresponds with current data protection legislation and helps tesa to manage all the necessary data for the identification of suitable candidates securely. This measure means that all regions can now participate in the corresponding processes and can thus set the course for the future. On this basis all necessary standards are being further improved and harmonized step by step.

### 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 meas-



ures. The “Sales Qualification Program” was continued with great intensity in 2014, with a total of 115 training courses held. In the process, around 1,170 employees participated during 320 days of training. tesa offers three separate specialist programs with a focus on the areas of sales, marketing, and research and development. In addition to basic qualifications for new employees, the “Sales Qualification Program” includes special formats that are specifically tailored to the needs of individual business areas. One example of this is the sales program with a combination of technical training and sales skills.

In addition, eleven training courses were held in our “tesa Purchasing College” in 2014. This fairly new program for international purchasers comprises custom-made training sessions in which participants acquire wide-ranging knowledge of cooperation spanning different countries and functions in line with global standards. The current reporting year saw 110 trainees take part. In future, tesa plans to open up the training courses to employees in different roles involving individual purchasing. tesa is thus catering to the growing demand for open training courses, of which 50 already took place in 2014. During the current reporting year, 340 colleagues took part in presentation or project management training – a substantial increase on the previous year. In 2015 tesa plans to react to the increasing need for language and IT qualifications by incorporating corresponding offerings into the overall program.

### Health and well-being

Health and well-being are important to tesa. This is reflected across the company: Thanks to the low membership fees, many tesa employees and their family members stay in shape at the Beiersdorf sports association. Hamburg’s fourth-largest company sports association offers over 40 sports. The parent company’s offerings promoting health in the workplace are also quite popular, and the same is true for the health and sports offerings at other locations.

After the move into the new tesa headquarters in Norderstedt (fall 2015), employees will also be able to choose from a broad offering of health and fitness outside of the Beiersdorf network. tesa laid the foundations for this during 2014, developing con-

cepts for the sport and exercise sector as well as the future company restaurant. The latter will focus on fresh preparation, regional products, and balanced and healthy nutrition. In addition, a team was formed to come up with a new health management concept for tesa Germany. Its members include experts from the company’s medical service, the social counseling team, the works council and the disabilities representation.

The activities of the “Health” working group at tesa’s Hamburg factory were guided by the motto “Gesund im Team”, or “healthy within the team” during 2014. The annual program included various courses in the factory’s own gym, soccer and volleyball tournaments, team events and a special nutrition program in the factory canteen. In addition, health checks were carried out in cooperation with the company’s medical service. Over 250 employees underwent checks on their current fitness and the health of their hearts and other physical functions, and received individual advice. Other campaign days for checks or new analyses are in the planning stage.

Company culture plays a key role in the well-being of employees. tesa’s Offenburg factory was once again rewarded for its exemplary actions with the HR Management Award for the topic of “New Work” in 2014. This was in recognition of pioneering work models for various different phases of life, for example the “parent-and-child” office and “57 plus”. Efforts like this not only make work and family life more compatible, but also offer older employees the chance to reduce their weekly working hours without a substantial loss of income.

## Occupational health and safety



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

### A low number of accidents

Prevention is the best form of protection from injuries and work-related health risks. As in previous years, tesa's global accident rate of 4.0 accidents per 1,000 employees was significantly below the industry average of 14.5 percent as stated by the German employers' liability insurance association. This shows that tesa is on the right track with its high safety standards, occupational health measures and training programs.

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. When it comes to safety, tesa regularly raises employee awareness of the issue worldwide – including with training courses on conduct conducive to health and safety, preventing explosions and fires, fire extinguishing drills, detailed operating procedures for all production facilities, and targeted training. Internal processes significantly contribute to reducing hazards and risks. These are based on a combination of systematic hazard identification and risk assessment, employee responsibility, and a continuous improvement process, which includes all par-

ties 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 involves the Occupational Health and Safety department in the planning of new plants right from the beginning. 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. Since 2001 tesa has been consistently pursuing the establishment of its own environmental management system. It is the global production sites, above all, that have contributed to tesa regularly exceeding its ambitious goals. Since the beginning of the program the output of volatile organic compounds (VOCs) has been significantly reduced. In addition, there have also been significant reductions in the consumption of solvents, CO<sub>2</sub> emissions and generation of waste. All tesa production sites are certified according to the international environmental standard ISO 14001.

The common "green thread" throughout tesa is based on a precautionary approach: tesa promotes the international exchange of information between its environmental experts and actively takes 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. In addition, tesa is increasingly pursuing its commitment at the product level: With the ecoLogo® sub-brand, tesa now offers a full range of eco-friendly products for the office sector, which is being expanded continuously. For

over three years, tesa has been active in the do-it-yourself sector with corresponding offerings.

Of course, tesa also abides by minimum standards and legal requirements in all areas in which it is 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 legislation and can ensure compliance at all of its production sites. 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. Resource-conserving production processes are just as important as environmentally-friendly products. tesa sets specific environmental goals and consistently pursues them to make sure that it lives up to its commitment. The monitoring of key figures as well as regular audits at the relevant production sites help in this endeavor. In these audits, tesa assesses whether process procedures and regulations are being correctly adhered to. Where required tesa makes corrections and introduces measures for continuous improvement and to ensure the utmost efficiency in the use of resources.



### tesa environmental program

#### Corporate environmental protection

Defined areas and specific projects are the key to tesa's successful environmental program. All tesa locations around the world have high standards. >> Page 12



### Climate protection

#### Raising awareness

tesa enacts climate protection measures on its own initiative and responsibility in order to leave an intact environment for subsequent generations. >> Page 13



### Saving resources

#### The efficient use of raw materials

The efficient use of raw materials and resources is important to tesa in terms of a sustainable business policy.

>> Page 14



### 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 15

## 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

tesa has taken the initiative and responsibility to engage in preventative environmental protection measures. Alongside the minimization of CO<sub>2</sub> emissions, the reduction of energy consumption is a key focus of its environmental management program. In the last few years the greatest strides have been made thanks to state-of-the-art technologies and new, patented tesa processes. In addition, a number of smaller measures also made a big impact in 2014.

In the future, tesa will continue to do everything in its power to maintain high standards and to continue improving with reasonable measures. In order to further optimize the environmental compatibility of its products, tesa uses the so-called life-cycle analysis method, which helps to identify adjustment points that represent significant ecological value-drivers in the life-cycle of individual products. On this basis, tesa is able to check whether there are

more environmentally friendly alternatives to individual product components or elements of packaging. Another important aspect of tesa's environmental commitment is energy consumption. Here the company is focusing on introducing energy management systems that will enable ultra-modern energy monitoring.

### Environmental program: Goals achieved between 2002 and 2014

Energy use	-21 percent
CO <sub>2</sub>	-16 percent
Solvent use	-35 percent
Waste	-65 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 over 60 percent of the plant's entire production takes place without solvents.

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 agreed 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 had already dropped to 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 break-

through 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 CO<sub>2</sub> emissions even further. The "Green Car Policy" was launched that same year. Low-emission cars are set to significantly reduce the CO<sub>2</sub> 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.

## Climate protection



Eco-friendly production processes and measures to raise awareness among employees are part of tesa's commitment to climate protection.

### Small things can make a big difference

In addition to eco-friendly production processes and other measures that the company uses to keep up with the latest technology, tesa's commitment includes raising the awareness of its employees. Not only are they familiar with ongoing operations, at the same time they also help save energy and reduce costs thanks to their knowledge and ideas. In 2009 this process was initiated in an exemplary manner at the tesa plant in Offenburg with the "Active Environmental Protection through Reduced Waste and Energy Use" project. According to the motto of "small things can make a big difference", this site was successful again in 2014. Amongst other achievements, the plant saved around 1,180,000 kilowatt-hours of energy, for example through the modification of an electron radiation hardening system, which is used for the cross-linking of adhesives, or through the incorporation of a reverse osmosis system for water processing. The high-

light came in July 2014 with the activation of the first CCHP (combined cooling, heat and power) system for environmentally friendly in-house power generation. Power generation using gas, waste heat and cold saves the factory 3,600 tons of CO<sub>2</sub> every year. After Offenburg, the installation of another CCHP system in tesa's Hamburg factory is planned for 2015.

As part of the international tesa environmental management system, production sites have been implementing successful energy-saving projects for many years. The current reporting year was marked by the introduction of an energy management system at the German production sites. Both in Hamburg and in Offenburg, ultra-modern energy monitoring systems were installed. The certification of the fully implemented energy management systems in line with ISO 50001 will take place in 2015.

Saving resources



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

Responsibility begins in the mind

Life cycle analysis

A great deal of environmental pollution is caused outside one’s own company while manufacturing products. For this reason, in the future tesa will focus more on the entire life cycles of our products – from the extraction of raw materials to the materials used, production and transport, and disposal after their 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 – not just in-house at tesa, but always in collaboration with suppliers and service providers.

Environmentally friendly manufacturing processes

Efficient handling of raw materials and resources led to ecological and economical improvements again in 2014. The consistent use of the globally unique production plant for environmentally compatible manufacturing of double-sided acrylic adhesive tapes, housed at tesa’s Hamburg factory, had a positive effect on energy consumption. The technology known as ACX is notable for the extremely efficient extraction of emissions, among other things. Compared to conventional processes, this leads to the following environmentally relevant savings:

Use of organic solvents:	approx. -55 percent
Disposal of organic solvents:	approx. -89 percent
Processing water requirement:	approx. -100 percent

Waste management

The production of any good involves the generation of waste. In order to reduce this in a sustainable manner and to protect the environment and resources, tesa conducts regular training courses to ensure that all those involved are conscious of the need to avoid unnecessary waste and to recycle appropriately. In addition, tesa is constantly seeking new technical solutions and cooperation partners to allow it to maximize recycling efforts.

The “Reduction of Waste and Energy Consumption” project, launched in tesa’s Offenburg factory in 2009 and continued ever since, has put forward some impressive results. For example, the improvement of a measuring system in the tapes coating plant H12 helped to stabilize the regulation of the adhesive application. This leads to annual material savings of 550,000 m<sup>2</sup>, which corresponds to the size of around 77 soccer fields. Most ideas come from the employees themselves. Bold communication measures in combination with an incentive system in the form of a variable bonus have led to the proactive introduction and implementation of these suggested improvements. With numerous other measures, the employees have brought about positive effects in line with the motto “ideas not waste”. The key to the success was and is people’s own conscientiousness. This is something tesa’s Offenburg factory aimed to strengthen in 2014, for example with its Waste and Energy Day: To great effect, the waste remaining after one day of production was “exhibited” – 20 tons of waste, five 1,000-litre containers, ten 200-litre containers and a whole load of piled-up palletes. The aim is to further reduce the waste generated.

## 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 applying its environmental commitment at the product level. Consumers are offered eco-friendly solutions, including the tesa ecoLogo® range, which is being expanded on a regular basis. Solvent-free adhesives and the use of primarily organically derived or recycled materials and packaging are the main environmental advantages. The environmentally friendly products have won prizes on multiple occasions in the last few years. In 2014 the range was further expanded: At the Paperworld exhibition tesa presented the new Smart ecoLogo® desk tape dispenser to the industry. The dis-

penser meets high standards with regard to the environment, with casing made from 100-percent recycled plastic. In addition, the solvent-free, odour-free tesa® multipurpose glue was given a new bottle made from 80 percent recycled plastic, and was integrated into the range.

tesa also now carry a “green” ecoLogo® range in DIY and home improvement stores. There consumers can also find products such as tesamoll® for sealing gaps around windows and doors as well as tesa® ISO SYSTEM for easy roof insulation.

## Compliance and fair competition



Adhering to laws and internal guidelines is something that goes without saying at tesa. A central coordination office combines all associated processes and ensures compliance with international standards.

### Compliance

#### Integrity and proper conduct

tesa traditionally stands for trust. This includes virtues that guarantee free markets and fair competition as well as protection of 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, tesa actively protects company and employees from possible risks. In 2014 tesa once again actively addressed the issue of compliance and its system of values as laid down in the globally applicable tesa Code of Conduct. This included performing a compliance risk analysis including documentation and further developing corresponding compliance measures. The reporting year also saw the launch of a global refresher training course on tesa's anti-corruption directive aimed at further consolidating its content. Communication measures on in-house media are being implemented continuously. The aim is to raise awareness by providing precise information and to prevent unintentional breaches of laws and regulations. Since the end of 2010, employees have been able to seek the advice of the central "Compliance Coordination" office in the event of questions or doubts in individual cases. This function defines international standards and ensures the 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. Various specialists are available to provide expert advice on topics including anti-corruption, labor and competition law, information technology and data protection, antitrust law, financial guidelines, environmental protection, occupational health and safety, as well as trademark and patent law.

### Fair competition

For quite some time activities have been focused on antitrust law, which promotes a free economy and prevents practices that are detrimental to competition. To do this, tesa successfully introduced the "tesa Antitrust 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, tesa set up internal communication structures and a network of competent attorneys. This issue will continue to be actively pursued in the future. As part of the compliance risk analysis, tesa held antitrust law workshops in 2014, in which risks specific to the department were analyzed and existing tools reviewed. Where necessary new measures were defined and executed.

A permanent topic-related platform is also offered 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. To raise awareness even more, the company also informs staff about relevant developments and decisions made by the antitrust authorities via the News portal on the tesa intranet.

In the 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 lays down what is and what is not permissible under antitrust law.

## Social commitment

### A 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.

Helping, donating, supporting, protecting – with these four pillars tesa launched a new Corporate Citizenship program “tesa connects” in 2014. The objective of “tesa connects” 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.

Employees were able to include their wishes within the context of a survey on social commitment in 2013. In the meantime, the Corporate Citizenship program has taken shape. Overall tesa recorded a significantly higher level of commitment in the current reporting year – both in Germany and in the international affiliate.



#### 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: Good neighborly relations**



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.

**Germany:** tesa’s headquarters found a fitting partner in the volunteering organization “tatkräftig – Hände für Hamburg”. 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. The offer has been very well received by tesa employees since the official start in September 2014: Around 60 colleagues in eight teams have completed a total of 480 hours of charitable work. The work varied depending on the project. Gardening and manual activities with tools, paint and rollers were as much a part of the agenda as games and craft afternoons with children or senior citizens. Amongst others, nine trainees from tesa’s Hamburg factory volunteered together with their supervisor. They worked for a children’s nursery, building fences, filling play areas with a suitable subsoil and erecting a tepee tent in the style of the Native American tradition. A tesa assistance project in cooperation with the “tatkräftig” organization is set to become a firm fixture of the first year of an apprenticeship in tesa’s Hamburg factory in future.



**The Netherlands:** In June 2014 a Dutch-Belgian team made a paradise out of a beach on the Dutch North Sea coast for 105 small pirates. The school children from the socially deprived area of the city of Amersfoort near Hilversum went on a discovery trip with a treasure hunt. Many of them experienced a day at the sea for the first time.

**Belgium:** For the second time, the Belgian tesa company supported the European Summer Games of the “Special Olympics” in Antwerp. Seventeen “helping hands” from tesa were impressed by the courage of the mentally disabled athletes. They supported the athletes in sports that included badminton, judo and table tennis.

**Global commitment**

The affiliates also provided active aid in their vicinities in 2014. The social commitment of tesa employees is a tradition in France, the Netherlands, Belgium, the United Kingdom, Turkey, Mexico, Japan, India, China and many other countries. In 2014 over 250 colleagues got involved to help the community. Six examples illustrate this:

**Hungary:** In 2014 employees of the Eastern European Regional Team contributed to the creation of a special mother-and-child area in the children’s cardiology ward of a Budapest hospital. The so-called “Mother Hotel” enables mothers to stay close to their children as they undergo treatment. Armed with paint and brushes, the tesa team transformed the previously impersonal spaces into a bright and colorful area for mothers and their children.

**France:** This is the fourth time that tesa colleagues in France have taken part in the “Course des Héros”. The committed athletes not only completed six kilometers of a running course, but also collected a total of 6,000 euros in advance from their friends, family and colleagues, which will benefit the organization “Action Enfance” to support children and adolescents in need.

**United Kingdom:** Since 2009 tesa UK has been supporting the “Walnuts School” for autistic children in Milton Keynes. Complementing a donation, in 2014 for the first time six adolescents were allowed to get their first taste of working life at tesa. Accompanied by their teacher, they helped out for two hours a week at a packing station. This involved the sort of repetitive activities that suit people with autism.



**Austria:** For more than ten years now tesa Austria has provided a tesa craft tent for the Nivea family festivals put on by the parent company Beiersdorf. Equipped with craft materials and supported by creative volunteers, this year the children made treasure chests and a knight’s fortress out of sheets of cardboard. The family festivals take place to benefit the SOS Children’s Villages.

## tesa donates: Uncomplicated help



Help is urgently needed for natural disasters and other crises. We support people in impacted regions – as well as selected institutions in their daily routine – with targeted funds and product donations.

In 2014 the Hamburg locations introduced the so-called “remaining cents” donation, in line with the motto “small gesture, big impact”. A simple principle to make participation easy is behind this idea: Employees donate the cent amounts of their net wages (0.01 to 0.99 euro) for a good cause. The money collected, amounting to a maximum of 11.88 euro per employee and year, is credited to a separate tesa donation account and matched by the senior management. At the end of 2015, the three Hamburg tesa companies will add together the amounts collected for the first time and with it support non-profit institutions in their community. 450 employees have already registered for the campaign in 2014. The more employees who participate in the future, the greater the amount of the funds will be.

The collection and provision of donations is also a firm tradition in the tesa affiliates: The international tesa locations outside Germany donated almost 100,000 euro to various causes in 2014.

At the same time, a guideline for the handling of product donations was also developed as the basis for the area “tesa donates”. Accordingly, primary schools and kindergartens as well as charitable institutions that provide emergency aid during disasters are the focus of their commitment. The donation packages contain useful tesa products – for instance glue sticks, tesafilm® or Mini Dispensers for schools and kindergartens, or packaging tape and fly screens for disasters.

## tesa supports: Education secures a future



Under “tesa helps” 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:

**Germany:** Since September 2014 tesa SE has been collaborating with the “Naturwissenschaft & Technik” (“Science & Technology”, or NAT) initiative. 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. In November 2014 tesa opened its laboratories for the first time to ten mid-level female pupils from a local high school. Within the context of the program “mint:pink”, which is geared especially to girls starting from class nine, five tesa employees from product development and process engineering shared their own enthusiasm for adhesive technology with the girls. There are plans to expand the collaboration in 2015 – including through the “90 Minutes MINT” program. 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.

**Japan:** tesa’s Japanese subsidiary got involved in the “Tsukuba Science Festival” in 2014. The event in the deeply symbolic “City of Science” appeals to children and adolescents in a targeted manner. Of the more than 17,000 participants, 400 potential up-and-coming researchers plunged into the world of adhesive technology at the tesa stand and experienced it up-close.



**China:** In 2014 tesa tape Greater China supported the organization “Sunrise Library”, which levels the access to more education for children in poorly developed regions – among other things by developing libraries and offering reading and art courses. In addition to financial aid, eight tesa employees got actively involved in the event “The Camp to Inspire Dreams”.

## tesa protects: Commitment to 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 Elbtalau”, not far from Hamburg. With targeted reforestation in particular, we are making a contribution to climate protection and species diversity. After various planting efforts by tesa teams, 2,500 new oak trees are now flourishing in the reserve. When it came to planting time in the spring of 2014, 23 employees made their way to the reserve. In around 20 areas they planted pear

and crab apple trees, blackthorn, hawthorn and pink hawthorn bushes. These bushes protect still sensitive sapling oaks from animals and offer birds nesting opportunities.



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