

# tesa SE: Our Responsibility – Our Commitment

## Report 2011



## A vivid Tradition of Responsibility



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

### Global Compact

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

Today, companies from more than 135 countries, international employee associations, civil society organizations, governments, and United Nations organizations are involved in the Global Compact. Under the auspices of the current UN Secretary General, Ban Ki-Moon, the world's largest corporate citizenship initiative is moving forward.

The ten principles, on which the pact is based, covering the areas of human rights, labor standards, environmental protection, and the fight against corruption, have long formed part of the corporate values of tesa. Our membership in the Global Compact underscores this vivid tradition. All of tesa SE's activities related to commitment and involvement are subject to a continuous improvement process. In this current issue, the Progress Report 2011, we provide an insight into the development of our activities and projects – with regard to the ten principles of the UN Global Compact and our own corporate responsibility strategy.

### The ten principles of the UN Global Compact

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

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

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

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

**Principle 5:** The use of child labor must be abolished

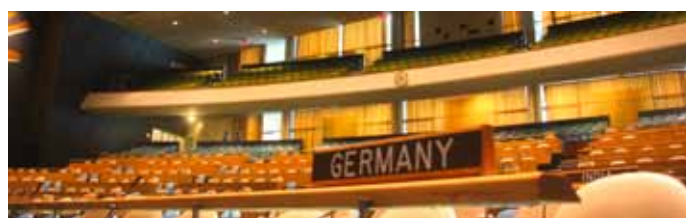
**Principle 6:** Discrimination with respect to employment and occupation must be eliminated

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

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

**Principle 9:** The development and diffusion of eco-friendly technologies is to be encouraged

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



# Progress Report 2011

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

The Progress Report 2011 provides you with an overview of our worldwide commitment and involvement in the fields of human rights and labor standards, environmental protection, the fight against corruption, and society. tesa has traditionally taken a sustainable approach that ensures both continuity and a continuous improvement process. With more than 50 affiliates

worldwide, there are a large number of projects involved. For that reason, this report is limited to a representative selection of current initiatives.

We began publishing our Progress Report in an online version in 2008. In addition to the advantage of better accessibility, an online report also offers opportunities for regular updates. You can also visit the “Responsibility” section of our website for comprehensive information on the topics of the environment, quality, employees, and social matters:

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



## Declaration of Support

### Membership based on firmly held convictions

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

>> Page 4



## Human Rights and Labor Standards

### The human factor as a determinant of success

Numerous activities in the areas of employee qualifications as well as occupational health and safety characterized the year 2011. >> Page 5



## Environmental Protection

### Worldwide initiatives

At present, tesa is making progress in 46 environmental projects. Examples from the areas of energy, waste reduction, and eco-friendly technologies and products. >> Page 10



## Compliance and Fair Trade

### Integrity and proper conduct

We pay strict attention to compliance with laws and guidelines. A central co-ordination unit combines all associated processes and activities. >> Page 16



## Social Projects

### Strategy with regional facets

Our social commitment and involvement is reflected in over 40 projects worldwide. A new project combines environmental protection with corporate volunteering. >> Page 17

## Declaration of Support



“Responsibility is traditional at tesa: We see it as an important investment in the future.”

Thomas Schlegel,  
CEO of tesa SE



“2011 was a very special year for us, as it saw the tesa brand celebrate its 75th anniversary. Once, the name was merely synonymous with a small roll of adhesive tape. Today, tesa is one of the world’s leading companies in the self-adhesive technology segment. Our success story is not just associated with innovations, quality and technological progress. Traditionally, the acceptance of responsibility is one of the defining factors in this development. We underscore our sustainable business policy through our membership of the United Nations’ Global Compact.

To mark the brand’s 75th anniversary, we have in Germany entered into a new partnership that combines environmental protection with employee volunteering. With a total of 75,000 young oak trees, we are supporting a land restoration project in the Lower Saxony Elbe valley plain – part of the UNESCO Elbe River Landscape biosphere reserve. The first area was planted in the fall of 2011. The tesa teams will continue to reforest the oak wood in 2012.

In 2011, our many environmental projects demonstrated that it is the sum of the individual components that set great things in motion. What impresses me personally is that many initiatives are the direct result of ideas and suggested improvements from our employees. Thus, with the aid of small and large measures, we have managed to save energy and cut waste. At product level, too, we are continually forging ahead with our efforts to protect the environment. In technological terms we achieved a quantum leap with the commissioning of the globally unique ACX plant for the production of double-sided acrylate adhesive tapes for high-strength permanent adhesive bonds.

The patented process that was developed in-house by tesa stands out because of a significant reduction in the use of solvents and energy and no use of process water whatsoever. In 2012, we will be launching the entire product line for industrial customers onto the market.

With our tesa ecoLogo® products, we now offer consumers a complete range of especially eco-friendly products in the office segment. With new ecoLogo® solutions for masking, fixing and repairing, we will also be setting an ecological example in the construction and DIY markets in 2012.

The public “Kleben Sie ein Zeichen”- (“Stick a Sign”) competition also acted as a signal in 2011. tesa supported regional sustainability projects throughout Germany with a total of 50,000 euros. The aim was to back inexpensive creative ideas with a major impact. 80 projects were set up on the campaign page online. Around 37,000 people participated in the voting and selected the 12 best projects.

In 2011, we pressed ahead with our global social activities. The focus here was on long-term partnerships and volunteering work to help children and young people. Furthermore, our commitment to expanding our training offers remains undiminished. The extensive communication of our globally applicable values and guidelines is part of this personnel training and qualification. In order to be able to combine the associated processes practically, we set up a central co-ordination unit for compliance. In addition, various specialists are available to provide specialist advice on topics including anti-corruption, data protection, anti-trust law, environmental protection and industrial safety. Consumers around the world trust in our brand and our company. This is the true basis of our success. We intend to consistently deliver on our value proposition in future too and to continue to pursue our sustainable business policy within the meaning of the UN Global Compact.

## Human Rights and Labor Standards

### The human factor as a determinant of success

People are the foundation of our business success – people like our own employees as well as customers and suppliers. With this in mind, compliance with and advocacy of international human rights are just as much a part of our principles as unimpeachable labor standards. We have firmly established these principles with initiatives that include the internationally applicable tesa Code of Conduct and the worldwide tesa Purchasing Charter, which governs our cooperation with suppliers. The content of the policies and rules associated with these initiatives formed an integral component of numerous staff development measures in 2011, too.

In terms of industrial safety, we were again able to continue the positive trend of past years and further reduce our below-average accident figures. In addition, we focused continually on further compliance issues. The initiatives included the establishment of a special compliance communication platform on the intranet, a training film on the subject of data protection produced in collaboration with Beiersdorf, training on the anti-corruption guidelines as well as the implementation of the tesa “Anti-trust Compliance Program”, which involved training on the subject of antitrust law at executive board, management and sales level worldwide.



### Code of Conduct

#### Binding rules of conduct

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



### Purchasing Charter

#### Minimum standards for strategic purchasing

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



### Employee Qualification

#### Range of further training expanded

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



### Occupational Health and Safety

#### Low accident figures

In 2011, the number of notifiable industrial accidents fell once again and we were able to reduce the average number of accidents even more significantly. >> Page 9

# Code of Conduct



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

## Binding rules of conduct

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

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

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

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

### 1. Adherence to legal regulations

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

### 2. Fair competition

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

### 3. Protection of tesa net assets

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

### 4. Socially acceptable working environment

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

### 5. Personal integrity

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

### 6. Social commitment

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



Download „Code of Conduct“

## Purchasing Charter



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

### Minimum standards for strategic purchasing

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

By signing our contract terms and conditions, suppliers make a binding commitment to operate in accordance with the ten fundamental principles of the UN Global Compact. In our cooperation with suppliers, we strive to establish long-term strategic partnerships and pursue a continuous improvement process. This includes jointly established goals and monitoring the degree

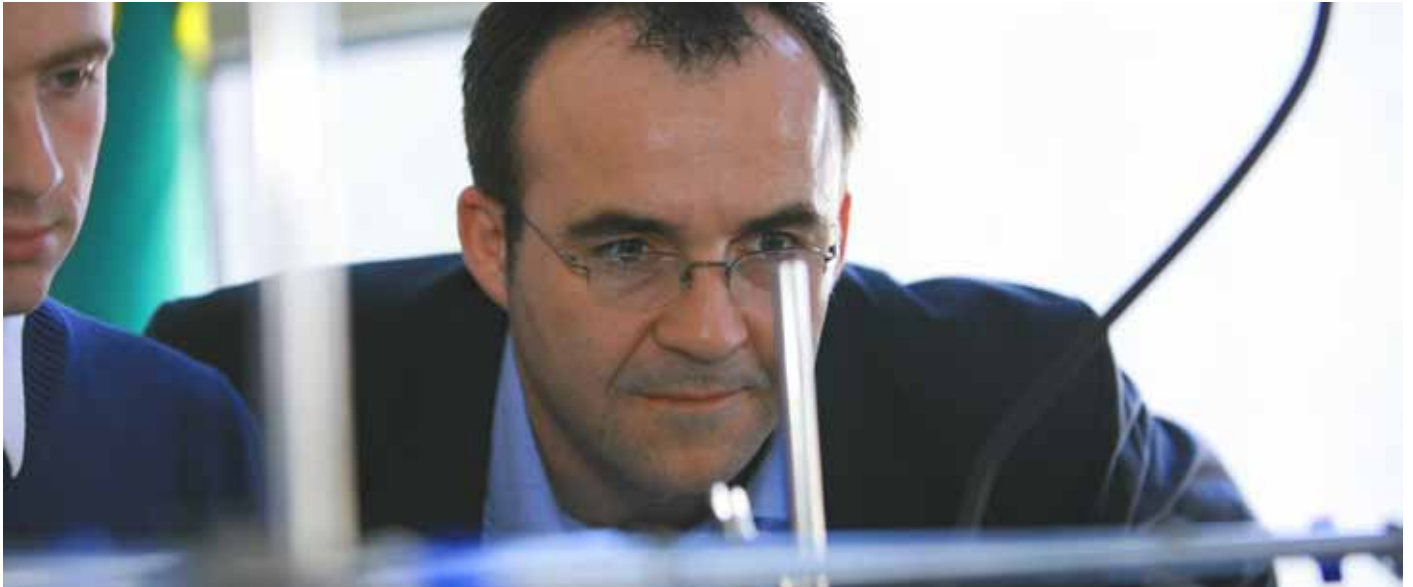
to which they are met, site visits, and certification under the ISO 14001 environmental standard and ISO 9001 quality standard.

Sustainable supplier development is managed centrally at tesa by means of so-called product group strategies. They define the existing strategic partners of tesa SE on the one hand, while on the other hand providing insights into areas requiring the qualification of new suppliers. All results from the supplier appraisals are fed in, as are any measures subsequently agreed. The product group strategies are coordinated across functions with the individual tesa production sites and Research & Development. This enables us to ensure that the defined measures are implemented and that the portfolio of suppliers continues to meet our high demands in terms of technology and sustainability going forward.



Download „Purchasing Charter“

## Employee Qualification and Training



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

### Quality increase in continuing education and training

All over the world, employee integration and development are among the most important factors contributing to our success. In 2011, we used this to qualitatively expand on the good foundation of our extensive training program, focusing again on the successful Sales Qualification Program, which encompasses 30 target-group-specific courses in a large number of different languages. At the same time, the Code of Conduct and its rules also play a central role. During the current reporting year, some 1,220 employees from international Sales and Research & Development attended some 340 training days. Furthermore, we conducted 16 additional training courses focusing on tesa's in-house and especially eco-friendly ACXplus technology. The courses were attended by 160 employees from all over the world.

But not only does the qualification of sales staff make an important contribution to the implementation of the tesa corporate strategy. We are increasingly encouraging our employees to pass on their own expertise as trainers, in order to integrate it effectively within the company in the long term. We provide the internal trainers with the methods and pedagogic skills they need to communicate the predominantly technical know-how.

During the current reporting year, we expanded the international "Train the Trainer" training program in a targeted manner. In excess of 90 participants have now successfully completed the basic module "From a presenter to a trainer", meaning that we were able to add an advanced module for the first time in 2011.

The three-day intensive seminar is designed for employees who teach regularly and plan their own training measures. This gave the first six-strong team of participants valuable tools for refining their training and design skills.

The qualification of junior personnel who have the potential to take on future managerial responsibilities remains one of the focuses of tesa's employee qualification activities. The appraisal conducted upon completion of the training of the first group showed that this program not only covers managerial issues optimally, but also convincingly conveys other relevant subjects including Corporate Social Responsibility and the content of the tesa Code of Conduct. A second group of young talents has already started to emerge for 2012. The tesa management is determined to proceed with further management training initiatives. One initiative that focuses on the legal aspects of managerial work got off the ground in 2011. tesa is establishing this measure as an integral part of the global qualification of all tesa managers. In the various countries, the focus is on subjects such as anti-trust regulations and legally compliant management.



## Occupational Health and Safety



**We improved our occupational health and safety once again in 2011, with the number of occupational accidents falling by a further 12 percent overall.**

### Low accident figures

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

Our internal processes for reducing risk are a decisive factor in this. These processes, which combine risk identification and assessments, employee responsibility and a continual improvement process incorporating everyone involved have enabled the company to safely identify and eliminate many potential hazards.

All around the world, tesa is subject to our Occupational Safety Guidelines, which are aligned to the international OHSAS 18001 standard. In terms of safety, we regularly raise employee awareness of the issue worldwide – including through training on conduct that is conducive to safety and health, prevention of explosions and fires, fire extinguishing drills, detailed operating procedures for all production facilities, and targeted employee training. This approach has ensured a steady decline in the number of occupational accidents subject to mandatory reporting. Across all international tesa locations, the number fell from 171 in the previous year to 15 in 2011. The average number of days lost fell by 15 percent compared to the previous year.

In addition to safety drills and on-site analyses, together with our parent company Beiersdorf and other affiliates, we offered a several-day foundation course for safety officers in 2011. The seminar focused on health and safety at the workplace. In our Hamburg plants, this was complemented in 2011 by new

health and safety programs. We also responded to the nuclear disaster in Fukushima by equipping all production facilities and logistics centers that receive goods from Japan with radiation meters. The responsible employees were trained on how to use the equipment and how to assess measured values. Fortunately no contaminated goods were detected.

At tesa, the systematic identification and risk assessment of potential hazards form the cornerstone of our ability to preclude faults, mistakes, and improper conduct wherever possible. To this end, in 2011 we were able to further develop our risk assessment and elimination system in line with the TOP principle.

This analytical tool, which covers three categories – “technical”, “organizational”, and “personal” – improves the assessment of potential hazards and thus facilitates the evaluation and prioritization of potential solutions.

We also consistently advanced our high standards in terms of occupational health and safety initiatives during the project planning of new systems and facilities. The early identification of possible danger areas was the focus. The aim was to take the correct precautionary measures in advance.

1. The number of industrial accidents increased in 2010 from 16 to 17 due to a late report after the COP publication.

# Environmental Protection

## Worldwide initiatives

Leaving an intact environment behind for subsequent generations is one of tesa's stated corporate goals. All of our long-term production sites are certified according to the international ISO 14001:2004 environmental standard. 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 involves the development of our own production technologies to enable solvent-free production. In addition, we are increasingly pursuing our commitment and involvement at product level: For instance, with the tesa ecoLogo® sub-brand we now offer a full range of eco-friendly products for the office segment, and in 2012, will also expanding our green product range to encompass the con-

struction and DIY segments, making us the first adhesive tape manufacturer to offer such solutions in these segments. With the sustainability competition "Make a difference that sticks", we promoted regional sustainability projects in Germany for the first time in 2011 and aim to continue this initiative owing to its huge success.

Ongoing monitoring and improvement of specific key indicators, such as the reduction of energy consumption, CO<sub>2</sub> emissions, use of solvents, VOC emissions and waste, have long been an integral part of our approach to environmental management. In total, our involvement extended to 46 individual projects, some of which are detailed.



## Environmental Goals, 2007 through 2012

### International activities

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



## Energy

### Raising awareness

Exemplary projects at tesa plants in Germany, China and Italy led to a significant reduction in energy consumption in 2011. >> Page 12



## Reduced Solvent Use

### Eco-friendly technologies

Compared with conventional processes, the patented ACX technology developed by tesa offers huge environmental benefits. >> Page 13



## Waste Management

### Small steps, big impact

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



## Commitment at Product Level

### Consumers benefit from tesa

Sustainably produced goods like the tesa ecoLogo® range help protect the climate. The winners? People all over the world. >> Page 15

## Environmental Goals, 2007 through 2012



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

### International activities

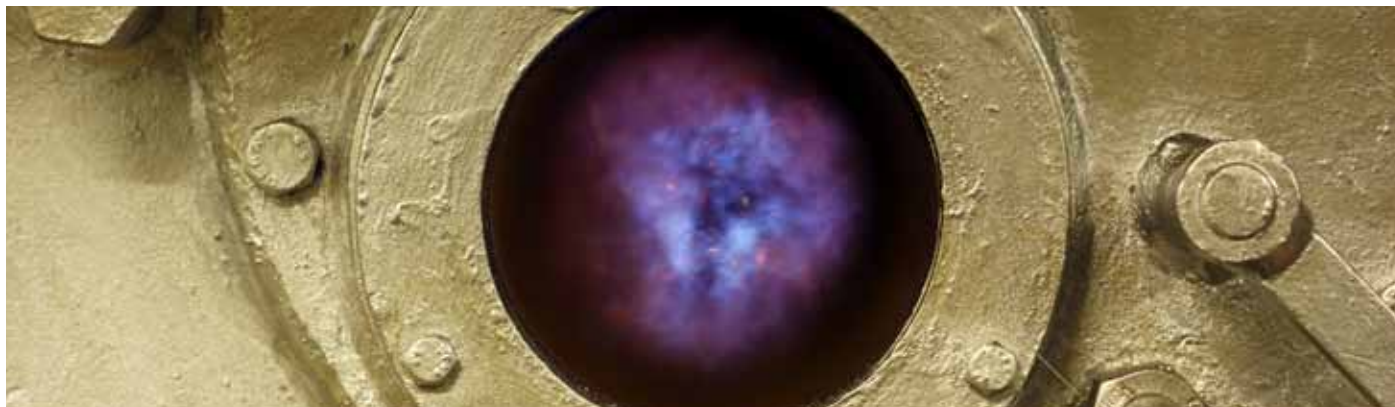
Our environmental program for the period from 2007 through 2012 involves ambitious, binding goals. We monitor the degree to which we meet these internationally applicable environmental goals through a global monitoring program based in each case on constant production quantities. The current five-year plan also includes emissions of volatile organic compounds (VOCs). Our activities in this area have already yielded clear successes: From 2007 until 2011, we were able to achieve a 49 percent reduction, meaning that we have almost met our target of a 50 percent reduction by 2012. This is also directly connected with the ongoing further development of our production technologies, where we are consistently eliminating solvent use wherever possible. In 2011 this approach led to a decrease of 12 percent over 2006.

As in the crisis year of 2009 and the subsequent year 2010, our final figures for energy consumption in the reporting year fell short of our expectations, but improved significantly compared to the previous year's level. With regard to the constant 2006 production volume, which we use as the fixed benchmark across all areas, we posted a decrease in energy consumption world-wide of 10 percent.

### Environmental goals 2007 through 2012

<b>VOC emissions</b>	<b>- 50 %</b>
<b>Solvents used</b>	<b>- 15 %</b>
<b>Energy consumed</b>	<b>- 10 %</b>
<b>Waste</b>	<b>- 5 %</b>
<b>CO<sub>2</sub> emissions in Europe</b>	<b>- 10 %</b>

## Energy



**2011 was characterized by numerous energy-saving measures and initiatives.**

### Raising awareness

After-effects of the worldwide financial and economic crisis could still be felt in some areas in 2011. In this reporting year they affected among other things energy consumption and generated waste. Nevertheless, the company was able to implement continuous and targeted improvements. For example, in the tesa plant in Offenburg, the project begun in 2009 “Active Environmental Protection through Reduced Waste and Energy Use” continued successfully. Under the motto “Small steps, big impact”, employees contributed numerous suggestions for improvements for the third year running, resulting in 20 individual projects in 2011.

Following on from 2010, the Offenburg plant realized further energy-saving projects in the current reporting year. For instance, lighting in the warehouses and production facilities was modernized on an ongoing basis, resulting in annual energy savings of more than 260 megawatt hours. Within the framework of another project, ramps and loading bays at a warehouse were insulated.

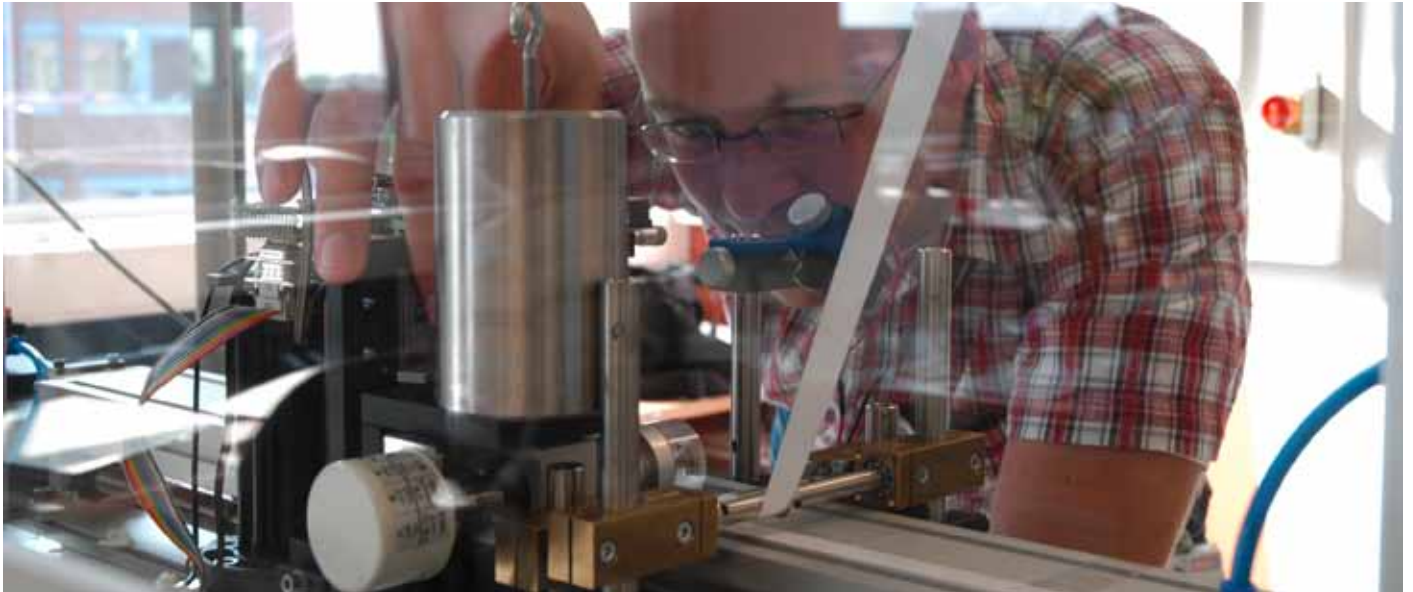
The plant expects energy savings of approximately 120 megawatt hours per year starting in 2012. The location continued to replace the activated carbon in two adsorbers used for waste air purification. This led to a significant increase in efficiency and will result in annual energy savings of around 425 megawatt hours. Finally, in November, redundant energy supply lines (steam and condensation lines) were decommissioned and dismantled. This is expected to lead to annual energy savings of around 175 megawatt hours starting in 2012.

In 2011, further energy-saving projects were on the agendas of other tesa locations. One example of this is an extremely successful project in Suzhou (China), where process control parameters for the thermal post-combustion facility were optimized to such an extent that it was possible to achieve an energy saving of around 2,200 megawatt hours. At the same location, the replacement of old bulbs and fluorescent tubes with modern LED lamps led to an annual reduction in energy consumption by approximately 100 megawatt hours.

Two comprehensive energy-saving projects were also successfully completed in the Italian tesa plant in 2011. The optimization of a solvent recycling plant, including the renewal of the activated carbon and replacement of the existing cooling towers, is expected to result in a reduction in energy consumption of around 20 percent (approx. 2,700 megawatt hours) compared to 2010 starting next year. The state-of-the-art ventilation system installed and commissioned in 2010 at tesa’s Hamburg-Hausbruch plant is proving significantly more efficient than initially assumed. Instead of the originally estimated 500 megawatt hours, it was possible to save as much as 800 megawatt hours during the current reporting year. In 2011, the plant also replaced the existing street lighting with modern LED technology. This is expected to lead to annual energy savings of around 70 megawatt hours. In the course of maintenance measures, the plant also replaced four of the previously unregulated heat circulation pumps with new, energy-efficient speed-controlled models. As a result of this measure, the plant anticipates a further reduction by approx. 120 megawatt hours.

The comprehensive technical modernization of the ventilation system and the corresponding system control facilities in the technology center of tesa SE was also brought to a successful conclusion. Starting in 2012, we anticipate annual savings in energy consumption of over 3,000 megawatt hours with a simultaneous reduction of CO<sub>2</sub> emissions by around 700 metric tons. Due to the positive experience to date, the measure will be extended to include the cellar rooms. The entire project has received a subsidy commitment from the Hamburg Authority for Urban Development and Environmental Affairs.

## Reduced Solvent Use



**With the new eco-friendly ACX technology, tesa is revolutionizing the high-strength permanent adhesive market.**

### Eco-friendly technologies

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

tesa has succeeded in making a technological breakthrough with its new proprietary ACX technology, which has been in use since 2011. The state-of-the-art method, subsidized by the Federal Ministry for the Environment, Nature Conservation and Nuclear Safety, enables eco-friendly production of double-sided acrylate adhesive tapes for high-strength permanent adhesive

bonds. What makes the globally unique production unit started up in the tesa plant in Hamburg-Hausbruch so special is the fact that, compared with conventional technologies, the new method only uses solvents in the first process step, extracts them again immediately during the following drying process and returns them to the cycle. Thanks to this technology, each year solvent and energy consumption is cut by 50%, CO<sub>2</sub> emissions are reduced by around 2,000 metric tons and process water can be dispensed with entirely. These results have also won praise from our customers. Following initial successful applications in various test markets, the introduction of the complete product range will take place in 2012. The extremely resistant adhesive tape solutions are ideal for use in permanent adhesive bonds in the automotive, electrical, wind and solar industries as well as for applications in the illuminated sign market or in the construction industry.

## Waste Management



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

### Small steps, big impact

Producing goods of any kind unavoidable involves waste. To reduce the quantity of waste generated and protect both the environment and natural resources, we hold regular training sessions worldwide to ensure that everyone involved becomes aware of how to prevent unnecessary waste and how to recycle properly. Beyond that, we are always looking for new technical solutions and partners that enable us to recycle as much as possible.

The tesa plant in Offenburg drove forward the project “Active Environmental Protection through Reduced Waste and Energy Use”, which was successfully launched in 2009. As in the area of energy, the project’s motto is also “Small steps, big impact”. Striking communications measures raise staff awareness of the issue and, when combined with incentives offered as part of employees’ variable bonuses, help to involve all affected departments in the problem-solving process and prompt employees to proactively make and implement suggestions for improvements. Other locations like Suzhou/China have meanwhile adopted the issue of waste reduction in their target agreements and linked it to the payment of the variable bonus. The location in Italy will be adopting this procedure in the coming year.

tesa’s Offenburg plant put a whole host of other suggested improvements into practice in 2011. Among other things, the location installed a facility that makes tearing open bags of raw materials easier and ensures that virtually all of the content goes into production by means of vibration. Prior to this, a residual amount often remained in the bags following emptying. Other projects and their results: Mass losses incurred when starting up the coating facility for the production of tesa Powerstrips® have been halved by switching to a double shift operation and a more efficient use of materials by optimizing coating and cutting widths.

## Commitment at Product Level



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

### Consumers benefit from tesa

Responsibility for the environment concerns us all – at tesa, we are convinced of it. That's why we consistently pursue our environmental commitment at product level. Among the pioneering solutions are our eco-friendly tesa ecoLogo® range of products. In addition, tesa products directly help consumers to save energy. Our top-seller and the market leader in this area, tesamoll®, for sealing windows and doors, can reduce heating energy consumption by up to 35 percent and can cut costs by over 100 euros. With its tesa ISO SYSTEM®, tesa also offers homeowners the option of simple and effective do-it-yourself interior roof insulation.

Public debates on the topic of climate change, dwindling resources and environmental protection have led to growing consumer demand for sustainably produced products. We are responding to this trend with the sub-brand tesa ecoLogo®, and starting in 2012 we will be the first adhesive tape manufacturer to offer more “green” products for masking, fixing and repairing for the construction and DIY markets. Eco-friendly, solvent-free production and the use of predominantly organically based materials and recycled packaging are the main environmental benefits that DIY enthusiasts can use to protect the environment. In 2010, this was preceded by the introduction of the first tesa ecoLogo®

products in the office segment, where the eco-friendly tesa adhesive tapes and glue sticks, correction tapes and adhesive rollers are now among our top-selling product. As a result, the paper, office supplies and stationery industry association awarded us the 2011 sustainability prize in the current reporting year.

Special attention to the issue of sustainability generated tesa in Germany 2011 with a contest called „Stick a sign!“. This was associated with the public call to submit regional sustainability projects and to apply for individual project subsidies of between 2,000 and 5,000 euros. The primary goal was to back smaller, regional creative ideas with a major impact. In the end, there was a choice of 80 different projects on the online campaign page [www.zeichen-kleben.de](http://www.zeichen-kleben.de), and some 37,000 people participated in the vote. In total, tesa provided 50,000 euros for the 12 best projects. The projects supported included the introduction of a sustainability label for regional projects, the construction of a water system in the playground of a daycare center and a musical about the climate staged by an elementary school. Considering its overwhelming success, the competition will be held again in 2012.

## Compliance and Fair Trade



**At tesa, compliance with laws and internal guidelines is a matter of course. A central functional unit combines all associated processes and ensures adherence to international standards.**

### Integrity and proper conduct

#### Compliance

tesa traditionally stands for trustworthiness. This image hinges on virtues that guarantee free markets and fair competition while protecting people and the environment. The tesa Group categorically rejects all forms of corruption and unlawful or immoral conduct. In order to be able to consistently ensure this worldwide, we actively protect our company and our employees against possible risks. In 2011 we once again promoted and demanded active discussion of the subject of compliance and our system of values as laid down in the internationally valid tesa Code of Conduct, including by means of communication tools such as a special compliance platform on the intranet and training. The aim is to enhance awareness by means of targeted information and to prevent unintentional breaches of laws and regulations. Since the end of 2010, our employees have been able to seek the advice of the central “Compliance Coordination” office in the event of questions or doubts in individual cases. The newly established 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 pools eleven fields in total. In addition, 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 and industrial safety or trademark and patent law.

#### Fair Trade

Our activities focus, among other things, on antitrust law, which promotes a free economy and prohibits distinct restrictive practices. In the current reporting year, we successfully introduced our “tesa Antitrust Compliance Program” comprehensively. It serves to raise awareness of matters 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 possible violations, we have set up internal communication structures and a network of competent attorneys. This has enabled us to provide quick and smooth training and information – both directly and via an eLearning program. We shall continue to pursue the topic actively going forward.

In 2011, we successfully concluded the international training sessions for all decision makers and employees with contacts that could involve antitrust law issues, such as sales and marketing employees. In addition, we also offer a 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. 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 Projects

### Strategy with regional facets

The intensive social commitment of tesa SE and its affiliates was also evident in 2011 in numerous projects. These projects are in line with our Corporate Giving Strategy, which we first formulated in 2007 and which is incorporated into the tesa Code of Conduct.

In the current reporting year, we again helped children and young people with donations, sponsorships and voluntary work. With a focus on long-term effect, we have already been involved in most of the projects for many years.

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



### Commitment to People and the Environment Cultivating Biodiversity

To mark the brand's 75th anniversary, tesa has entered into a long-term partnership with the UNESCO Lower Saxony Elbe valley plain biosphere reserve. >> Page 18

In our activities, we focus in particular on volunteering among tesa employees. Examples of this concept of "Corporate Volunteering" include our support for the Hamburg-based initiative Mentor – die Leselernhelfer Hamburg e. V. or the assistance provided to the Suzhou Sunshine School in China for children from families of migrant workers. People and the environment are the focus of one new active sponsorship, launched in cooperation with the UNESCO Lower Saxony Elbe valley plain biosphere reserve to mark tesa's 75th anniversary. The goal is to implement specific measures to conserve the naturally diverse and ecologically sensitive alluvial forest.



### Fostering Creativity Multifaceted commitment

"Das macht Schule" and Hamburg-based initiative Mentor e. V. are involved in fostering children's creativity. >> Page 19



### Promoting Education Improving educational opportunities

Educating children and young people is part of our Corporate Giving Strategy. Examples from China and India. >> Page 20



### Developing Future Talent in Science and Technology Early specialization

In our role as a technology company, we support education and training opportunities for future talent, along with specific educational institutions. >> Page 21



### Support for Institutions for Sick and Socially Disadvantaged Children Improving opportunities

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

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## Commitment for People and the Environment



**To mark the brand's 75th anniversary, tesa has entered into a long-term partnership with the UNESCO Lower Saxony Elbe valley plain biosphere reserve.**

To mark tesa's 75th anniversary in 2011, we expanded our environmental commitment at production and product level with a further module: Active sponsorship for a land restoration project in the Lower Saxony Elbe valley plain biosphere reserve combines environmental protection with corporate volunteering.

To establish new hardwood stocks throughout the entire biosphere reserve, tesa will be donating 75,000 young oak trees. At the end of 2011, some 50 tesa employees embarked on the first planting session, in some cases with their families. Less than three hours later the first section of the "tesa forest" had been planted with 75 new oak saplings. The next tesa teams will continue to reforest the oak wood starting in the spring of 2012 within the scope of corporate volunteering campaigns. Developing new forest resources is considered indispensable for lessening the greenhouse effect. Such activities also have a positive effect on biodiversity.

Established in 2002, the Lower Saxony Elbe valley plain biosphere reserve is part of the UNESCO Elbe River Landscape biosphere reserve. It covers an area of nearly 570 square kilometers, starting about 100 kilometers southeast of Hamburg. The aim of these nature conservation activities is to preserve and develop this floodplain landscape with its unique scenery and ecological, cultural, social and economic values and functions in a way that serves the needs of both man and nature.

## Fostering Creativity



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

### Germany

#### “Helping hands” by tesa

Last year, tesa entered into a new partnership with the non-profit association “Das macht Schule”. The goal: In the context of the corporate volunteering program, tesa employees become involved with Hamburg schools and together with pupils actively work to combat the renovation backlog, because even in a metropolis such as Hamburg, finances are tight. Volunteering their time and a fresh coat of paint, 50 colleagues from Consumer Marketing spruced up eight classrooms. Another 14 volunteers from the Research & Development and Industry Market Management divisions redecorated two more classrooms.

#### Write stories and do craft projects with Tesalino and Tesalina

In 2011, around 1,500 school classes with in excess of 37,000 children from all over Germany took part in the “Tesalino and Tesalina” story-writing, inventing and craft competition initiated by tesa SE and Stiftung Lesen (Reading Foundation) for elementary schools and special education centers. Once again, they demonstrated a wealth of creative ideas, this time on the theme of “Tesalino & Tesalina hot on the trail through Europe”. Since its launch in 1999, the creative competition has captivated almost half a million children. The project involves a renowned author writing an exciting start to a story, which the children continue either in writing, by making things or within the scope of other creative activities.

#### Reading makes children smart – and happy

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

## Promoting Education



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

### **China. Educational opportunities for children of migrant workers**

According to estimates, between 150 and 200 million migrant workers in China have moved from rural regions to the booming cities and coastal regions in recent years. For the children of these families, there is hardly any opportunity for a continuous education. To improve their prospects, the tesa plant in Suzhou has already been supporting the local “Sunshine School” since 2008. With scholarships, “assistant teachers”, joint learning, fundraiser bazaars and various leisure activities, the employees help pave the children’s way to a successful future. In October 2011 the plant awarded the “Sunshine Scholarship and Education Assistance Awards” for the fourth time. Here 60 children and their teachers experienced an exciting day in addition to gaining an interesting insight into the company and the world of adhesive tape.

### **India. Education rather than quarry work**

Since 2006, tesa in India has been supporting the school for the “quarry children” of Yeleswaram by regularly taking on class sponsorships. With the aid of such donations, the children are able to attend the school constructed by the organization “wort und tat” in addition to receiving medical care. Without this assistance, they would have to slave away in the Yeleswaram quarry in Southern India for three euros a day – just like their parents and siblings, with whom they usually share a tiny mud hut. To help improve their chances for a better future, tesa took on the sponsorship of a class of around 60 boys and girls aged five to seven in 2011 via the foundation “Chancen für Kinder”.

## Developing Future Talent in Science and Technology



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

### **Germany. Active promotion of junior management talent**

tesa SE remained an active supporter of the Northern Institute of Technology (NIT) in Hamburg in 2011. In addition, the company is represented in the relevant industry advisory committees of Reutlingen University and the University of Applied Sciences (Hochschule für Technik und Wirtschaft) Berlin. The objective remains to maintain close cooperation between training institutes and tesa in order to discover and support talents early on. In addition, tesa has continued and expanded its cooperation with other key universities. The related activities primarily pursue two goals: On the one hand, tesa strives to contribute to the promotion of scientific and technical talent, and, on the other hand, tesa's involvement provides the opportunity to offer young academics an attractive start to their professional life – including at an international tesa location, depending on requirements.

### **Germany. A taste of working life**

Once a year, tesa gives its employees' children from the 5th grade and above a taste of working life at the "tesa Zukunftstag" ("tesa future day"). We offer them a behind-the-scenes look at numerous activities, and in our labs, offices and workshops give them ideas of working life. For example, by means of a paper chase, the children can find out what kind of things a company like tesa needs to buy. Equipped with a lab coat, protective goggles and safety shoes, they are given a guided tour of the technology center. In the process they are given answers to a whole host of questions like: "What happens when you place dry ice into water?" "How is film manufactured?" and "How many Germans are familiar with tesafilm®?" The "tesa Zukunftstag" has been enjoying an outstanding response for many years. In 2012, tesa will be opening its doors to its employees' children again.

### **Switzerland. Promotion of training and continuing education at tesa Bandfix AG**

As one of the currently 17 members of the "Sponsorengruppe für die Weiterbildung im Maler- und Gipsgewerbe" (Sponsor Group for Continuing Education in the Painting and Plastering Trades), tesa Bandfix AG supports selected schools and workshops in Switzerland. The association, which was founded back in 2000, focuses on providing ideas and funding to support specific course programs aimed primarily at foremen and certified master craftsmen in the trades of painting and plastering. In addition, in 2011 tesa Bandfix AG expanded its commitment to training painters and flexo print specialists. In various cities in Switzerland, a tesa employee volunteers to provide instruction on topics such as adhesive technology and applications engineering or the theory and practice of mounting printing plates.

## Support for Institutions for Sick and Socially Disadvantaged Children



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

### **France. Sweating for a good cause**

A group of employees from the French tesa company took to the starting blocks at the “Race of heroes” (“Course des Héros”) and in the process collected over 10,000 euros in support of the MVE Foundation (“Fondation Mouvement pour les Villages d’Enfants”). The organization has been giving new homes to children and young people from difficult family backgrounds for the past 50 years. The children often suffer from a lack of education and the consequences of emotional coldness, abuse or neglect. The MVE Foundation offers them a stable environment with pedagogic assistance and makes sure that siblings stay together. The team of tesa athletes collected the first 5,000 euros before the race had even started: All runners had to apply as heroes on the online event page and ask their friends to sponsor them. The athletes only earned their entry fee for the unusual race by collecting 300 euros. tesa France then doubled the donation to a total of 1,000 euros using the proceeds from the sale of scrapped computers.

### **Poland. Donation and active help**

In 2011, the Polish affiliate was among the active benefactors of a school for deaf and partially deaf children named after the Polish composer and music writer Józef Sikorski. Their commitment focused on the financing of a safe playground. In future, eco-friendly and durable wooden elements, slides and rope bridges, a merry-go-round and several rocking horses on springs will help the children to develop. But tesa in Poland is doing even more for deaf and partially deaf children: Among other things by sponsoring a cross-country run organized by the Polish school association in 2011.

The center for deaf children in Poznań also gratefully received funding for books and films for its library and film club. In addition, tesa also bought comfy, bright bean bags for lessons and reading classes. The affiliate intends to continue its commitment in 2012.

### **Germany. Help for children with kidney disease**

The tesa Converting Center Hamburg has been helping children and young people with kidney disease for the past four years. In addition to financial assistance, the focus is on giving the children memorable experiences that will brighten up their lives. In the summer of 2011, the tesa Converting Center and the parents’ association of the “Nierenselbsthilfe Hamburg e.V.” (a Hamburg-based association for those suffering from kidney disease) and the KfH Nierenzentrum dialysis center hosted the traditional summer party. Under the motto “Living like the Vikings”, 30 children and young people jointly discovered games dating back to the early Middle Ages. The tesa staff took care of bodily needs and also set up a theme-based craft table where the kids could make runic necklaces and leather pouches. Just under half a year later, the tesa Converting Center invited the children to a traditional Christmas baking session. A total of 45 eager bakers – among them 20 girls and boys – transformed the factory canteen into a bakery and had one thing above all else: loads of fun!

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