

tesa SE: Our responsibility – Our commitment

2013 Report



A living tradition of responsibility



Ban Ki-moon, Secretary-General of the United Nations (UN Photo/Mark Garten)

Global Compact

January 31, 2001, at the World Economic Summit in Davos: The then-UN General Secretary, 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 General Secretary 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. Our membership 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 2013, we provide insight into the development of our activities and projects – with regard to the ten principles of the UN Global Compact and our 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.



2013 Progress Report

As a member of the United Nations Global Compact, we have undertaken to provide an annual report documenting the progress of our activities and measures. This serves the purpose of engaging in regular dialogue with our environment and documenting the projects in which we are implementing and reinforcing the ten principles of the Global Compact at our company. The 2013 Progress Report will give you an overview of our global commitment in the areas of human rights and labor standards, environmental protection, fighting corruption, and society. tesa traditionally pursues a sustainable approach that both ensures

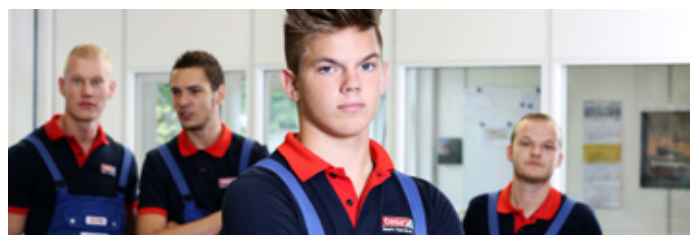
continuity as well as a constant improvement process. With more than 50 affiliates around the world, countless projects are involved in these efforts. For this reason, this report is limited to an exemplary selection of current activities and measures. Since 2008 we have been publishing an online version of the Progress Report. Apart from the fact that this format makes it more easily accessible, it also allows for regular updates. More information about the topics of products, the environment, employees and society can also be found in the "Responsibility" section of our website at: www.tesa.de/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 2013 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. We are constantly evolving from this high level. >> Page 11



Compliance and fair trade

Integrity and proper conduct

We pay strict attention to complying with laws and guidelines. A central coordination office bundles together all associated processes and activities. >> Page 17



Social commitment

A strategy with regional facets

Our social commitment is reflected in countless projects around the world. Corporate volunteering plays a key role in this. >> Page 18

Declaration of Support

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

Thomas Schlegel,
CEO of tesa SE



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.

By the new complex of buildings for Group headquarters and the directly connected research and technology center, tesa is currently making the biggest single investment in its history. Just half a year after laying the foundation stone, we were able to celebrate the topping-out ceremony in December 2013 with around 1,000 guests. We are proud that both deadlines and budgets have so far been adhered to in full and that we are therefore also fulfilling our economic responsibility. The name of the construction project alone, “One tesa,” illustrates a key goal that we are working towards with the new location: while we are currently split across several buildings, 850 employees are in future to be united under one roof. The new home will not only have a positive impact on business processes, flexibility and competitiveness; our strong tesa corporate culture will also be given sustainable impetus through the move.

How happy are our employees with tesa as a company? We received answers to this question in 2013 in a staff survey in the Hamburg headquarters carried out with the independent institute “Great Place to Work.” There were very good scores in many areas. Nevertheless, we want to improve even further. To promote open dialogue between employees and managers and to strengthen mutual trust, we are using a newly designed feedback interview since 2013. We have devoted ourselves to the topic of management through further measures. Among other things, the training concept for future managers was revised and a new process was launched for succession planning and talent management. We were also able to expand our range of offerings in the field of continuing education.

Through binding targets as well as both small and large measures, we have in recent years ensured that our production locations

throughout the world now have very high environmental standards. However, we not are about to leave it at that and instead continue to identify useful improvement potential. In 2013 we began with the launch of highly modern energy management systems. With their help, we can check and manage our energy consumption even better in future. In addition, we are concentrating increasingly on the overall lifecycle of our products – from obtaining the raw materials to subsequent disposal. For an optimal ecological footprint, we are integrating our suppliers and seeking the best possible solutions alongside them. Our environmentally friendly tesa ecoLogo® products, which we offer in the office area, as well as in building supply and DIY stores, are a good example of this. In 2013 this is once again reflected in the public domain: In the “Sustainability” category, the “Industrieverband Papier Büro Schreibwaren” (“Paper, Office and Stationery Industry Association”) elevated our new Mini Dispensers and Mini Roller Corrections onto the podium as “Product of the Year.”

We have continuously pursued our global activities for the benefit of society. Employees are also increasingly making personal commitments to the long-established partnerships. For example, they help to fill children with enthusiasm for the world of books in weekly reading sessions, they stimulate their creativity in joint crafting activities or they arouse their interest in technology. In reforestation projects in Lower Saxony's Elbe Valley Biosphere Reserve, people and the environment are the focus.

Further information about the topic of responsibility at tesa can be found on our Responsibility page on the Internet: www.tesa.de/company/verantwortung.

Our sustainable business policy, in keeping with the UN Global Compact, will be continued by us in future without alteration.



Human rights and labor standards

The human factor for success

People – our own employees as well as customers and suppliers – are the foundation for the success of our business. For this reason, we believe it is just as important to respect and support international human rights as to have impeccable working standards. We have 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 content of the behaviors and rules associated with these measures were also an integral part of numerous employee training and qualification

measures in 2013. In the area of occupational health and safety we were once again able to continue the positive trend of previous years. Our reportable number of accidents is considerably lower than the industry average. The topic of compliance was also an item on our agenda once again. Among other things, during the current year under review we performed a risk analysis, offered regular training to refresh and enhance our employees' knowledge about issues pertaining to antitrust law and conducted a number of different 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 us to ensure our mandatory minimum standards around the world. >> Page 7



Employees

Continuing education and corporate culture

Our employees are the most important capital for securing the success of tesa. Our 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 2013. >> 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 us successful in the past. They also guide us now and will continue to do so in the future. The associated rules of conduct have been laid down in a globally binding Code of Conduct. As in previous years, we continued to reinforce the content in 2013 by using various communication and training measures.

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

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

1. Compliance with legal regulations

We conduct our business lawfully and strictly comply with the laws of the countries in which we operate.

2. Fair competition

We do not obtain any market advantages through unfair or illegal practices.

3. Protection of tesa assets

We are careful with the proprietary information, assets and resources of the company.

4. A socially acceptable working environment

We guarantee a socially acceptable, safe and motivating working environment. We strongly oppose child and forced labor, discrimination and the like. We also expect the same from our business partners.

5. Personal integrity

We encourage the highest possible degree of personal integrity and fairness in our employees, and avoid situations in which personal interests are or could be in conflict with those of our company.

6. Social commitment

We take our responsibility for future generations seriously and strive for sustainable development in all relevant areas – economical, ecological and social.



**Download the
“Code of Conduct”**

Purchasing Charter



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

Minimum standards in strategic purchasing

At tesa we are convinced that sustainable, responsible action must extend beyond the confines of the company itself. For this reason, our internal rules of conduct have long applied for our collaborations with suppliers around the world. In order to provide a standard framework for our 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 our terms and conditions of contract, suppliers make a binding commitment to act in accordance with the

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



Download the
"Purchasing Charter"

Employees



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

Quality and corporate culture

The commitment and expertise of our employees is the basis for the worldwide success of tesa SE. We promote trust between employees and management, encouraging every individual to show responsibility and initiative. Important components of our future-oriented HR policy include the targeted training of qualified employees, continuous further education and a very diverse range of offers to actively support the well-being of our employees.

A culture of feedback and dialogue

With support from the independent “Great Place to Work” (GpTW) initiative, in 2013 we conducted an employee survey at tesa’s headquarters in Hamburg. Under the motto of “tesa wants to know”, the questions addressed the topics of credibility, respect, fairness, pride and team spirit. Out of nearly 800 employees, 91 percent provided feedback on their satisfaction with the company. In the assessment, the GpTW experts attested to tesa’s particular strengths in the “Pride” category. Employees are very satisfied with the sense of team spirit and the possibility to act independently and develop their skills. Basic trust in management is also high. In order to further increase satisfaction, we will develop specific measures based on the potential areas for improvement revealed in the survey.

In the tesa regions of North America, Asia Pacific and Eastern Europe, employee feedback was also high. High participation and a strong sense of loyalty to the company also stood out as clear results in the regional surveys.

In order to further enhance the open dialogue between employees and managers, tesa introduced a redesigned employee development and feedback meeting in 2013. Before this new measure was introduced, 180 managers were trained to prepare for a constructive dialogue. Employees also eagerly took advantage of specially customized workshops and the option to clarify unresolved issues in advance. The new employee meeting 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.

Intensive management at tesa

Since 2013, tesa’s HR division has offered a special training concept specifically designed for junior management talent. Among other things, the training course entitled “Intensive management at tesa” 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.

Human resources planning and training

Succession planning and talent management are important tools in strategic human resources development. With the goal of establishing expertise at the international level in a timely and systematic manner, tesa incorporated both of these aspects into a process that was introduced around the world in 2013. Within



the context of succession planning for our key positions, we regularly review the status of potential candidates. This allows us to react to changes in a timely manner. Talent management lays an important foundation for the future since this measure allows us to regularly identify talented junior management candidates and to specifically develop them.

Since August 2013, four apprentices have been learning the machine and systems operator profession at the tesa plant in Hamburg. This new training program will give them good perspectives for the future. Operating state-of-the-art production equipment requires technical expertise and complex specialized knowledge that will be in demand for the long term. tesa will also benefit from this and is actively doing its part to counteract the shortage of specialized workers.

Targeted continuing education

As in previous years, we once again expanded our range of continuing education opportunities and enhanced them in terms of quality. The “Sales Qualification Program” was fervently continued in 2013. Featuring great language diversity, this program offers 30 target group-specific training courses. In addition to basic qualifications for new employees, the program includes special formats that are specifically tailored to the needs of individual business areas. We rely on a combination of technical training and sales skills in this regard. During the current reporting year, some 1,235 employees from international sales as well as research and development took advantage of the training program.

We also developed and introduced an extensive training portfolio for our international buyers in 2013. In the customized modules of the “tesa Purchasing College”, participants learn the necessary expertise for international and cross-functional collaboration with global standards. The “curriculum” includes, among other things, strategic and organizational basic knowledge, purchasing

methods and tools, as well as knowledge in the areas of controlling, law and contracts.

Health and well-being

Health and well-being are important to tesa, which is also reflected throughout 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. The same is true for the health and sports offerings at other locations.

In 2013 the tesa plant in Hamburg implemented its first special health program under the direction of knowledgeable experts. Under the motto of “Healthy shift”, 32 employees who are exposed to additional stress due to their shift schedules were given interesting insights and valuable advice. For two days, various modules addressed topics such as nutrition, exercise, heart health and stress management.

In 2013 tesa introduced the “Company Integration Management” program for employees who have been absent for six weeks or more in a single year due to health issues. This measure, which is voluntary for participants, is intended to facilitate their return to everyday working life. To help them stay healthy for the long-term, factors that could have a negative impact on their health are also identified in the workplace. The goal is for those affected to see long-term, individual improvement.

Occupational health and safety



The health and safety of employees is a top priority at tesa. We focus on prevention through 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, this year we were once again able to further reduce the accident rate. With a global rate of 4.9 accidents per 1,000 employees, in the current year under review our number of reportable accidents was significantly less than the industry average of 15.1 percent according to the employers' liability insurance association. This shows that we are on the right track with our high safety standards, occupational health measures and training programs.

The Occupational Safety Guidelines, which are based on the international standard OHSAS 18001, apply for all tesa locations around the world. When it comes to safety, we regularly raise employee awareness of the issue worldwide – including 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. The distinctive factor is the combination of systematic hazard identification and risk assessment, employee responsibility and a continuous improvement process, which includes all parties involved. The most important analytical tool is the so-

called TOP principle, which covers the three categories of “technical”, “organizational” and “personal”. This allows hazards to be identified, categorized and evaluated, thus providing the basis for targeted solutions.

When developing new systems, we integrate the occupational health and safety department from the very beginning. This allows us to be certain that our high occupational health and safety measures are consistently promoted and implemented. Here the focus is also on the early identification and elimination of potential risks. Our safety standards are thus already incorporated into the drafting of specifications. During the construction and manufacturing process, we inquire about the implementation status in regular project meetings. At the end we review all the details at the manufacturer's site in a “Factory Acceptance Test”. Before the system is ultimately handed over to production, we once again check the safety-relevant functions and optimize them if necessary.

Environmental protection

Global initiatives

Leaving an intact environment for subsequent generations is one of tesa's stated corporate goals. This is why ongoing monitoring and possible improvement of certain key indicators such as energy consumption, CO₂ emissions, the use of solvents, VOC emissions and waste have long been an integral part of our environmental management. Our production plants are certified in accordance with the international environmental standard ISO 14001:2004. 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 developing our own production technologies to enable solvent-free production. In addition, we are increasingly pursuing our commitment at the product level: With the tesa ecoLogo® sub-brand we now offer a full range of eco-friendly products for the office sector, which we are continuing to expand. For over two years we have been active in the do-it-yourself sector with corresponding offerings.

Of course, we also abide by minimum standards and legal requirements in all areas in which we are involved. In order to cor-

rectly implement 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. In our globally binding environmental guidelines, our standards far exceed legal requirements. These guidelines dictate the standards for our actions to all employees and are meant to further raise environmental awareness. Resource-conserving production processes are just as important as environmentally-friendly products. To make sure that we live up to our commitment, we set specific environmental goals, which we consistently pursue. We monitor the environmental program by monitoring key indicators and performing regular audits. In these audits, we assess whether process procedures and regulations are being correctly adhered to and introduce correction measures as needed.

Our responsible actions do not go unnoticed by third parties. In 2013, the Japanese automotive supplier Yazaki North America recognized tesa as the "Green Supplier of the Year" in the "Bulk & Raw Materials" category.



tesa environmental program

Corporate environmental protection

Defined areas and specific projects are the key to our 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 14



Resource conservation

The efficient use of raw materials

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

>> Page 15



Eco-friendly products

Consumers benefit from tesa

Sustainably produced goods like the tesa ecoLogo® range protect the climate. The winners? People all over the world. >> Page 16

The tesa environmental program



Specific areas of activity and clearly defined projects are the key to our 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. Over a period of ten years, the two cycles (2002-2006 and 2007-2012) of our internationally applicable environmental program ensured that all tesa locations now have very high environmental standards. The binding goals at the focus of this program included energy savings, significant reductions in the use of solvents, decreased CO₂ and VOC emissions, and minimizing waste. We were able to make the greatest strides thanks to state-of-the-art technologies and new, patented tesa processes. Altogether, a number of smaller measures also made a bit impact.

In the future we will continue to do everything in our power to maintain our high standards and to continue improving with reasonable measures. At the same time, we are increasingly concentrating on the entire life cycle of our products both now and in the future. From obtaining raw materials to later disposal after use, we are calculating the ecological footprint and consistently determining the best options for eco-friendlier alternatives. Another important aspect of our environmental commitment is energy consumption. Here we are focusing on introducing energy management systems that will enable ultra modern energy monitoring.

Goals achieved between 2002 – 2013

Energy consumption	- 24 percent
CO₂ emissions in Europe	- 17 percent
Use of solvents	- 31 percent
Waste	- 68 percent
VOC emissions	- 88 percent

Highlights, key figures and successes of the tesa environmental program

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

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

In **2006**, five years after launching its environmental program, tesa saw positive results from successfully reducing the amount of energy and solvents consumed. A second environmental program was passed for the period between 2007 and 2012 – with a focus on reduced emissions of volatile organic compounds, also known as VOC emissions.

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

In **2009** tesa reported significant advances in the emission of volatile organic substances. VOC emissions were down 50 percent compared to 2001. One year later the figure 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 breakthrough at the plant in Hamburg. The globally unique and patented ACX technology enabled the eco-friendly production of double-sided acrylic adhesive tapes for high-strength permanent adhesive bonds.

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

Climate protection



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

Small things can make a big difference

In addition to eco-friendly production processes and other measures that we use to keep up with the latest technology, raising the awareness of our employees is also part of our commitment. Not only are they familiar with ongoing operations, at the same time they also help us to 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 2013. Among other things, the plant saved around 500,000 kilowatt-hours of energy by putting large systems into standby mode. Replacing inefficient, old equipment also helped to save another 200,000 kilowatt-hours. In addition, the tesa plant in Offenburg will be investing in efficient, eco-friendly power generation based on cogeneration in the years to come.

As part of the international tesa environmental management system, our production sites have implemented successful energy saving projects for many years. Our German plants began implementing an energy management system (EMS) in 2013. The development of an online system for monitoring our energy data was initiated in the first step of this process. The certification of the EMS in accordance with DIN EN ISO 50001 is planned for the tesa plants in Hamburg and Offenburg by 2015 at the latest.

Together with the parent company Beiersdorf, tesa enacted a “Green Car Policy” in 2013. The intention of these measures is to reduce the CO₂ emissions for the entire fleet from an average of 161 grams of CO₂ per kilometer to 140 grams per kilometer. The gradual transition, which extends from vehicles for field sales staff to vehicles for board members, will ensure that company vehicles emit over 300 tons less CO₂ in Germany alone. Individual affiliate companies have already begun to convert their fleets; others will follow.

Resource conservation



We handle raw materials and resources efficiently. Environmentally friendly technologies and good waste management are important to us.

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 we will be focusing more on the entire life cycles of our products – from obtaining raw materials to the materials used, production and transport to disposal after they are used. With the help of the so-called life cycle analysis method, we will determine the parameters that affect the footprint of our 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 2013. The consistent reorientation towards eco-friendly production technologies also showed the greatest effects last year. Especially notable in this context is the globally unique production plant for the environmentally friendly manufacture of acrylic double-sided adhesive tape at the tesa plant in Hamburg. The technology that goes by the name of ACX is notable for the extremely efficient extraction of emissions, among other things. This has led to the following environmentally relevant reductions in comparison with conventional processes:

Use of organic solvents:	approx. -55 percent
Disposal of organic solvents:	approx. -89 percent
Process water requirements:	approx. -100 percent

Waste management

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

Targeted individual measures once again showed positive effects in 2013. At our production site in Offenburg, a total of 25 projects for reducing waste were on the agenda in the current year under review. Three examples:

- We adjusted the measurements for materials processed together in the same step according to length in all of the systems – for example, the blank backing and lamination films. This has allowed us to significantly reduce interruptions caused by changing materials, thus resulting in less waste.
- If a length of a roll of blank material is approaching its end, employees can now detect this based on newly introduced markings. Thanks to the meter information indicating the remaining length, the time at which the roll must be changed can now be precisely controlled. Residual materials, which previously remained in the unwinder, are now close to zero. We developed this measure in collaboration with suppliers.
- A new tank for adhesives improved the adhesive supply in a coating system. Whereas a lot of unused residue remained in the industrial plastic containers previously used, the new tank considerably reduces waste, thus allowing valuable resources to be conserved.

Environmental protection

Most of these 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. Other locations have also adopted the issue of waste reduction in their target agreements and are now very successful with this system.

An end to wasted paper

Conserving resources not only plays a role in production. Unnecessary waste is also frequently found in offices. Among other efforts, tesa illustrated this in 2013 with the IT campaign “I was a

printer”. Employees could exchange the printer at their workstation for a houseplant. In the future employees can pick up their printouts from modern multifunctional printing stations at central locations on each office floor. Getting rid of workstation printers is also in the interest of climate protection. Not only does this conserve energy, but it also means that fewer fine dust particles are released into the air from using laser printers. By the end of the year, the export division also digitized its filing system and now archives its documents using an automatic, paperless process. Before there were some days when as many as 500 sheets of paper were printed.

Commitment at the product level



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

Consumers benefit from tesa

For quite some time, tesa has been consistently transferring its environmental commitment at the product level. We offer consumers eco-friendly solutions, including the tesa ecoLogo® range, which we continue to expand on a regular basis. Solvent-free adhesives and the use of primarily organically derived or recycled materials and packaging are the main environmental advantages. In 2013 tesa received high marks for the tesa ecoLogo® adhesive roller from the renowned German Öko-Test magazine: The independent experts rated the product as “Very good”.

In 2013 the family of office products was expanded to include two practical everyday helpers: the tesafilm Mini Dispenser ecoLogo® and the tesa Mini Correction Roller ecoLogo® are available in several appealing colors. Both products, whose cases are made of 100 percent recycled plastic, were introduced

to the industry at the leading trade fair Paperworld in January 2013. The jury for the “Product of the Year 2013” competition also recognized the combination of environmental advantages and an appealing design with a double win. The German Industry Association for Paper, Office Supplies and Stationary (PBS-Industrie) proclaimed the products the winners in the “Sustainability” category. This year we are also planning to further expand the tesa ecoLogo® range. At the turn of 2013/14 we will add the ecoLogo® SMART Dispenser and ecoLogo® multi-purpose glue to the product range.

We 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.

Integrity and proper conduct

Compliance

tesa traditionally stands for trust. This includes virtues that guarantee free markets and fair competition as well as protecting people and the environment. The tesa group firmly rejects any form of corruption as well as any illegal or immoral behavior. In order to be able to consistently ensure this worldwide, we actively protect our company and our employees from possible risks. In 2013 we once again actively addressed the issue of compliance and our 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. We also continued to reinforce the content of our anti-corruption guidelines and implemented communication measures in our internal media. The aim is to raise awareness by providing precise 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 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 our activities have focused on antitrust law, which promotes a free economy and prevents clearly restrictive practices. To do this, we successfully introduced our “tesa Anti-trust Compliance Program” throughout the company. It serves to raise awareness on issues relating to antitrust law and enable the

implementation of a worldwide functional antitrust law compliance system for the entire tesa Group. Besides providing relevant information on antitrust law and educating about possible violations, we set up internal communication structures and a network of competent attorneys. We will continue to actively pursue this issue in the future. After successfully wrapping up global basic training workshops for all decision makers and employees with potentially critical contacts with regard to antitrust law in recent years, in 2013 we provided Antitrust Refresher Training courses to reinforce this knowledge. This measure was implemented in all German and international companies of the tesa Group as an e-Learning course. Special antitrust training courses were also developed and conducted with content customized for specific target groups and divisions.

We also offer a permanent topic-related platform on the tesa intranet. This page allows employees worldwide to find out about conduct that complies with antitrust law in their day-to-day business dealings and helps them find competent advisors. To raise awareness even better, we also inform our staff about relevant developments and decisions made by the antitrust authorities via the News portal on the tesa intranet.

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

Social commitment

A strategy with regional facets

In 2013 the intensive social commitment of tesa SE and its affiliates was also evident 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 year under review, we again helped children and young people with donations, sponsorships and active support. In the interest of making a long-term impact, we have already been involved in most of the projects for many years. In addition to promoting creativity, education and environmental

protection, we foster neighborhood support and put special emphasis on the voluntary activities of tesa staff.

In the 2013 global “Survey on Social Commitment” we asked colleagues to give their opinions on previous projects. We also asked for comments, suggestions and wishes for the future. The results are being incorporated into the current revision of our Corporate Giving Strategy, which is set to be adopted in 2014.



Commitment to the environment

Supporting biodiversity

We are in partnership with the UNESCO Lower Saxonian Elbe River Biosphere Reserve to ensure targeted reforestation.

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Fostering creativity

Multifaceted commitment

Children's creativity is promoted through the MENTOR e. V. initiative based in Hamburg, Germany, arts and craft activities in Japan as well as other projects.

>> Page 20



Promoting educational opportunities

Improving future prospects

Educating children and young people is part of our Corporate Giving Strategy. >> Page 21



Local aid

Bringing joy

tesa employees provide direct support in their local environments, including in France, Columbia and Germany.

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Commitment to the environment



We are in partnership with the UNESCO Lower Saxonian Elbe River Biosphere Reserve to ensure targeted reforestation.

For the past two years tesa has been committed to supporting the UNESCO Lower Saxony Elbe River Biosphere Reserve as part of a long-term partnership. Thanks to financial support and our volunteers, we have been able to make an important contribution towards climate protection and biodiversity. Following several planting campaigns, around 2,500 “tesa oaks” now grow in the region located just 100 kilometers southeast of Hamburg. These new saplings will provide a new stock of trees to replace the old oaks that characterize this landscape.

In 2013, tesa’s funding mainly went into two measures: In the Stapeler Rens region the Biosphere Reserve’s full-time employees began restoring areas that are no longer being used for forestry to their original condition. The long-term goal is to create a “primeval forest” here. A second project created shallow bodies of water, which are an important habitat particularly for cranes and black storks.

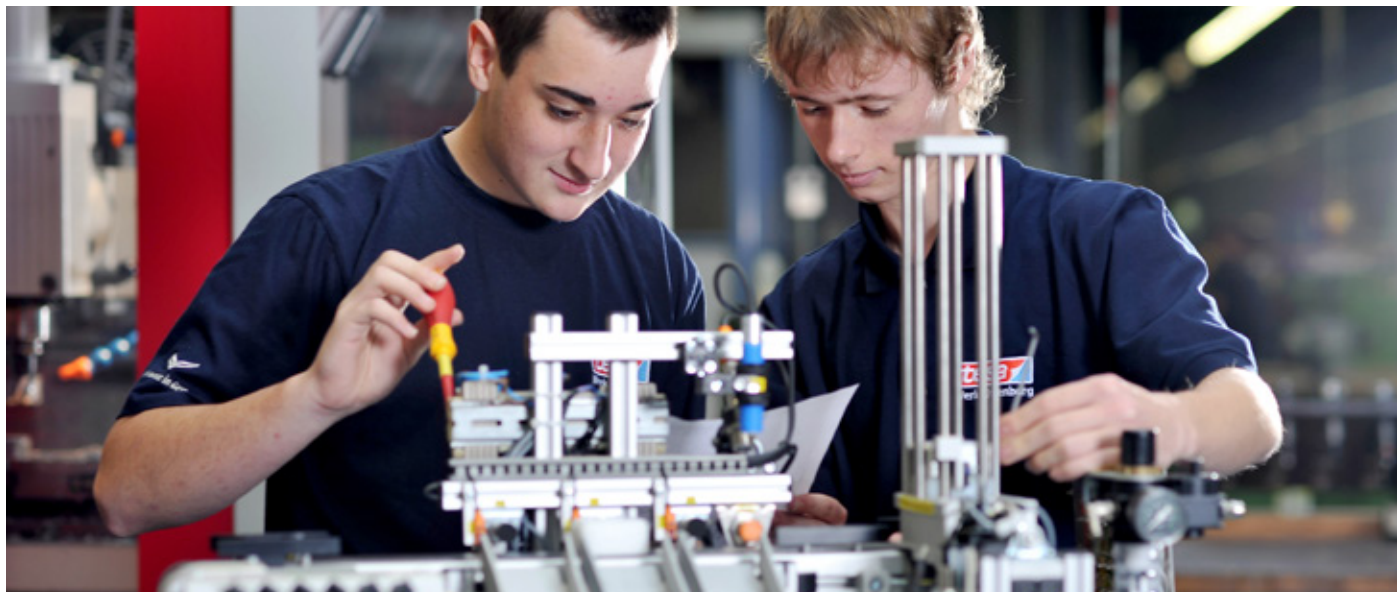
We began our commitment to the UNESCO Lower Saxony Elbe River Biosphere Reserve in 2011 to mark the 75th anniversary of the tesa brand. The land restoration project to establish new



hardwood stocks not only has a positive impact on the greenhouse effect and biodiversity; at the same time, these measures also improve the relationship between mankind and nature. In the spring of 2014 tesa employees can experience this once again with more planting activities planned in the Dannenberger Marsh and an alluvial forest along the Röhnitz River.



Fostering creativity



Everyone has the aptitude to be creative. We encourage this through various projects – with children, young people and ourselves.

tesa Technology Talent

In 2013 a day of action at the tesa plant in Offenburg made it clear that technology and creativity go hand in hand. In the “tesa Technology Talent” competition, twelve boys and four girls picked a challenging task and had 60 minutes to build miniature vehicles out of various materials, which then had to roll down a ramp as far as possible. This type of competition initiated at the tesa plant in Offenburg is the only one of its kind in Germany. The directors of the respective schools nominate all of the young people based on their excellent achievements in the natural sciences. The playful task followed by insight into how adhesive tape is produced not only makes the young people more excited about technology, it also gives them information about apprenticeships and training opportunities at tesa. The tesa plant in Offenburg currently offers dual training programs in electronic engineering/production engineering, mechatronics engineering, industrial mechanics and chemical technology.

Creative apprentices

In 2013 the apprentices at the tesa plant in Offenburg let their creativity run wild as part of a team workshop. The 25 young trainees from three different class years volunteered to beautify the parents’ house at the Children’s Cancer Hospital in Freiburg. At the end of the day, the creative result included various sports designs in the fitness room and three cheerful dolphins on a wall in the creative room. The tesa plant in Offenburg paid for all of the materials. After they finished painting, all of the apprentices took advantage of the opportunity to take a tour of the hospital and learn more about bone marrow transplants.

Reading makes you smart and happy

For many years we have championed the cause of supporting children’s reading skills. To give children a boost in their education and later professional lives, we cooperate with the Hamburg-based initiative “Mentor – die Leselernhelfer Hamburg”. The registered charity relies on voluntary mentors who convey the joy of reading to children and young people between the ages of eight and sixteen in a fun way. In addition to the tesa volunteers already committed to the project, in 2013 we were again able to recruit new colleagues for the regular “jour fixe”. For one hour each week, the volunteers take their reading mentees on a journey into a fantastic world of stories, thus making books more accessible to them. In addition to providing “Reading Mentors” we also donated 5,000 euros to the organization during the year under review.

Arts and crafts with Childline

In September 2013, tesa tape in Tokyo opened its doors for two days of arts and crafts for around 250 children. Together with tesa volunteers, the girls and boys decorated paper bags with Halloween designs. Before the actual start, employees from the company made 200 rings by hand, which were sold during the



Social commitment

event. Proceeds from the sale of the rings benefited the children's aid organization "Childline", which also helped to organize the event. Founded in Great Britain in 1980, the organization is now active in many countries and offers 24-hour advisory services for children and young adults who have experienced or anticipate experiencing particular fears or threats. Childline works together with children to find solutions to problems such as abuse, bullying, parents getting divorced, pregnancy and similar issues.



Colors galore for children's homes in Poland

Under the motto of "Let's bring color to children's lives" the "Polish Association of Soccer Fans" launched a campaign in 2013 to gradually renovate urban children's homes. The Polish tesa affiliate supported the good idea of transforming the children's homes into a sea of color by donating products for the

renovations. The campaign originally started in Poznań under the name "Kolorujemy". Since then, more and more football clubs have gotten involved and taken the idea to other cities, including Kraków, Częstochówka and Gdańsk.

Promoting educational opportunities



Education is the key to getting a good start to a career. This is why we support children and young people as well as scientific and technical trainees.

Opportunities for children of migrant workers

For the seventh time in a row, the tesa plant in Suzhou/China awarded the "Sunshine Scholarship and Education Assistance Award" to recognize students for their special accomplishments. The scholarships specifically support children from the families of migrant workers who otherwise would have little chance of receiving continuous schooling. 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. At the "Sunshine School" in Suzhou, children from these families are given the necessary education to improve their lives in the future. tesa employees provide direct and personal assistance by awarding scholarships, acting as "teaching assistants", providing collaborative learning, and organizing charity bazaars and various recreational activities.

The "Chancen für Kinder" ("Opportunities for Children") foundation

tesa has supported the "Chancen für Kinder" ("Opportunities for Children") foundation for many years. The institution's primary goal is to make it possible for children in developing and emerging countries to lead a happy and carefree life and to break the vicious cycle of poverty. tesa provides funding to support two projects in particular: The "quarry children" of Yeleswaram in Southern India receive schooling and medical care thanks tesa's regular sponsorship of a class. Otherwise, these children would have to slave away in the quarry for meager wages like their parents and siblings. Funding also goes to support the "Escuela Popular des Artes" in Achupallas/Chile. This music school for Chilean street children does valuable social work and received 10,000 euros from tesa in 2013.

Social commitment

Active promotion of junior management talent

tesa SE remained an active supporter of the Northern Institute of Technology (NIT) in Hamburg in 2013. 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. tesa has also continued and expanded its cooperation with other key universities. The activities primarily pursue two goals: On the one hand, tesa strives to contribute to the promotion of scientific and technical talent in the long term. On the other hand, tesa's involvement provides an opportunity offering young academics an

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

A taste of working life

In Hamburg we give our employees' children between the ages of 10 and 15 an exciting and fun taste of working life at the “tesa Zukunftstag” (“tesa future day”). In 2013, 25 boys and girls participated once again and got the opportunity to discover, try things out, ask a lot of questions and get ideas for their later careers by visiting labs, offices and production sites. The “tesa Zukunftstag” enjoys an outstanding response each year. In 2014, tesa will be opening its doors to its employees' children once again.

Local aid



Our Corporate Giving strategy leaves plenty of room for regional facets. We provide direct, neighborhood support through numerous projects.

“Race of Heros” for a good cause

In 2013, tesa France renewed its partnership with the MVE Foundation (Fondation Mouvement pour les Villages d’Enfants) for another year. This charitable organization runs villages in which children and young people from difficult family situations can find a new home. Employees are involved in this commitment: for the traditional “Race of Heros” (Course des Héros), they collected 3,000 euros in donations during the current year under review. All athletes first have to earn their entry fee and ask friends for financial support. You only qualify as a hero and are admitted to the six-kilometer run by raising at least 300 euros. With a voluntary donation of one percent of sales of tesa products with the “Le Rouleau du Coeur” (Role of the Heart) label, tesa France has also involved its retail partners in its commitment to the MVE Foundation since May 2013.

Sponsorships in Columbia

Since 2007 our affiliate in Columbia has been supporting a number of social projects and initiatives in and around the metropolis of Cali in the southwestern part of the country. This involvement focuses on the “Fundamor” organization, which takes care of children whose parents have died of AIDS. Fundamor helps underage boys and girls, who usually have an immunodeficiency or are HIV-positive, to get a better start in life by providing them with a good education. The organization also promotes their health and well-being by making it possible for the children to grow up in a warm, friendly environment. tesa tape Colombia has three sponsored children in the institution and keeps in close contact with them. This personal cooperation benefits everyone – Fundamor and the children as well as tesa employees.

A focus on self-help

In the current year under review, tesa supported a child protec-



tion project in the slums of the Columbian capital of Bogotá. The recipient of this aid was the local “Laudes Infantis” foundation, which runs community homes with educational and support offerings for young adults and families, nurseries and day care centers, playgrounds as well as a public dining room in three poor districts. All of the facilities are managed by residents, since “Laudes Infantis” is based on two principles: help to help yourself as well as service and service in return. Via the “Ninos de la Tierra” initiative, which began in 2002 following a guest performance in Bogotá by Hamburg’s Thalia Theater, tesa donated 5,000 euros to the foundation’s work in 2013.

The main thing is smiling

Smiling connects people, which is why the affiliate in the Netherlands supports the work of the “Smiles” foundation. At regular intervals, the initiative organizes activities for children with physical, mental and other disabilities. The most important goal is for people to smile together. In 2013, tesa employees got involved as part of a big soccer day in Amsterdam and supported a mixed group of deaf and hearing children. Apart from the fun that brought everyone together, the special effect for tesa employees was that they learned a lot from the children and now use some of these communication skills in their everyday work.

Help for children with kidney disease

The tesa Converting Center Hamburg has been helping children and young people with kidney disease at the Children’s Kidney Center at the University Hospital in Hamburg-Eppendorf for several years. In addition to financial assistance, the focus is on volunteering and shared experiences. The annual summer festival for patients, their siblings and parents has become a popular tradition. In 2013, the program also included arts and crafts and a big picnic. A number of different projects were also financed in cooperation with the Lilli Korb Foundation, including a part-time position for a psychologist, the purchase of teaching materials and the joint production of calendars. Another well-loved custom is baking before Christmas at the cafeteria in the tesa Converting

Center. While the young patients bake with their siblings, their parents take advantage of the opportunity to share experiences with one another.

Straightforward aid for typhoon victims

tesa’s regional headquarters in Singapore rapidly provided aid following the devastating typhoon in the Philippines. A donation of 50,000 euros was given to the International Red Cross to provide targeted assistance. tesa employees in the region also initiated their own dollar-for-dollar donation program. tesa doubled the amount collected for a total of 5,000 euros. Those tesa employees and their families who were directly impacted by the typhoon also received straightforward assistance from their colleagues – in the form of clothing or other everyday necessities. tesa employees from other countries also provided personal assistance. One colleague from the tesa Labtec (Germany) affiliate volunteered as a pharmacist for the organization “Pharmacists without borders” and worked in the disaster area for two weeks. Her employer donated 5,000 euros and also paid for her flight. Furthermore, tesa donated some 500 rolls of packaging tape for various organizations. These organizations used the tape to seal boxes for shipping aid supplies.

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