Beiersdorf

ENVIRONMENTAL POLICY





Our Responsibility for the Environment

As a globally active company with over 170 affiliates and more than 21,000 employees, Beiersdorf has a great responsibility towards everyone it employs, as well as to society and the environment. In an age characterized by huge environmental challenges such as the acceleration of global warming and the decline in natural resources, playing our part in combating climate change and limiting global warming is a top priority for us. This is why we continually optimize our business and production processes, with the constant goal of minimizing the impact of our activities on the environment.



Within our Sustainability Agenda <u>CARE BEYOND SKIN</u>, in the <u>ENVIRONMENT</u> area we have defined the focus fields "<u>Climate Caring Future</u>", "<u>Fully Circular Resources</u>", "<u>Sustainable Land Use</u>" and "<u>Regenerative Water Environments</u>". We want to ensure that we focus our sustainability engagement exactly where we as a company have the greatest leverage and can make a major difference. Our environmental commitments are informed by our continuous exchange with stakeholders, allowing us to gather diverse perspectives and insights on environmental impacts. The Environmental Policy is an integral part of our Sustainability Agenda and forms the foundation for our environmental management. It is regularly checked by our Corporate Sustainability function and developed further, to take account of relevant changes including latest scientific findings and refinement of international standards.

This policy applies to all Beiersdorf operations globally, encompassing all stages of the value chain from raw material sourcing to product end-of-life, unless other specified in the respective thematic topics.

Climate Change



Beiersdorf contributes to the global effort to limit global warming to 1.5°C in line with the Paris Climate Agreement. We have set ourselves ambitious climate targets to reduce our Scope 1, 2 and 3 emissions along the entire value chain. Until 2045, we want to achieve Net Zero emissions. This target, as well as our short- and mid-term climate targets, have been validated by the Science Based Targets initiative (SBTi). Amongst further measures we are driving the use of 100% renewable energies, raising our energy efficiency, and building capacity among suppliers to reduce absolute CO2e emissions. We transform our product portfolio, moving away from fossil-based ingredients wherever possible and commercially viable. We recognize the need for collective action to achieve Net Zero. This is why we are committed to actively engage with stakeholders, including suppliers and business partners, regulators, industry groups, scientific associations, NGOs, and consumers.

In addition to establishing science-based Net Zero targets, Beiersdorf is committed engage stakeholders and build capacity on environmental issues. Please see section on engaging partners through the value chain.



Water

As a skin care company both we and our consumers use water in a wide variety of ways. In view of this we continually work towards reducing our water consumption in production and throughout our value chain. Where wastewater is unavoidable, we apply modern, highly effective processes to treat it to ensure that our water discharge meets stringent quality standards and adheres to local discharge regulations. We carry out water risk analyses at all our production sites to mitigate identified water risks in a contextual way, especially in areas of high water risk and water scarcity. We are committed to using renewable water sources and implementing advanced recycling and reuse technologies to ensure sustainable water use, where viable. We aim to develop and promote products that are designed to minimize water use during production and consumer use phases.



Biodiversity and Ecosystems



We recognize the critical importance of biodiversity for maintaining healthy ecosystems, supporting climate stability, providing resources for future generations as well as the raw materials, or feedstocks, that we use to produce our products. Beiersdorf is committed to promoting biodiversity, protecting ecosystems, and ensuring sustainable land use. We prioritize the sustainable sourcing of raw materials, ensuring that our suppliers adhere to environmentally responsible practices that reduce deforestation and protect natural habitats.

Pollution

Our approach to tackling pollution is aimed at reducing emissions and ensuring the environmental safety of our products and processes. We regularly monitor and analyze the composition of our emissions to air, water, soil, wastewater, and noise emissions from our production centers. Our goal is to reduce and/or manage these emissions through continuous improvements and innovations and to avoid the occurrence of incidents. We are dedicated to substituting and minimizing the use of substances of concern in our products and processes. All ingredients undergo rigorous testing during our product development processes to ensure their compatibility with both human health and the environment. We evaluate raw materials based on their biodegradability per Annex XIII of the European REACH Regulation and are phasing out non-biodegradable polymers in key regions. Our commitment extends to phasing out microplastics as defined by the United Nations Environment Programme. Additionally, we are reducing the use of silicones and increasing the use of raw materials from non-fossil, renewable resources to make our procurement more sustainable and mitigate environmental impact throughout our value chain.







Resource Use and Circular Economy

Beiersdorf is committed to advancing resource efficiency and embracing circular economy principles to minimize waste and environmental impact. Our approach focuses on optimizing the lifecycle of our products and packaging to support sustainability and reduce our ecological footprint. We adhere to the 4 Rs - reduce, reuse, recycle, and replace - to enhance the sustainability of our packaging and resource use, in line with the Ellen MacArthur Foundation's circular economy guidelines. This involves:



- Reducing unnecessary packaging and optimizing design to use fewer materials,
- Reusing packaging through innovative solutions that support multiple uses,
- Recycling materials and incorporating recycled content in our packaging to close the wloop on resource use,
- Replacing traditional materials with sustainable alternatives.

Our waste management practices focus on reducing waste generation and promoting recycling and safe disposal methods.

Responsible Sourcing



We aim to promote the sustainable cultivation as well as the responsible and transparent sourcing of raw materials and packaging materials. We are committed to increase the share of renewable materials that come from sustainable, deforestation-free, and conversion-free sources for the main raw materials that we purchase. Our definition of responsible sourcing is a supply chain that:

- Complies with international, national, and local laws and regulations,
- Respects human rights for all persons and groups along the supply chain,
- Does not contribute to deforestation and conversion of natural ecosystems,
- Mitigates and minimizes climate impacts,
- And contributes to continuous and positive improvements in key sourcing areas.

In our <u>Responsible Sourcing Policy</u> we lay out detailed principles about our Responsible Sourcing program.

Compliance

We are committed to comply with the relevant environmental laws towards our business. Furthermore, we fulfill all corresponding international standards as well as the requirements of the industry initiatives to which we are a signatory. We work to these high standards right across our global organization.





Engaging Partners through the Value Chain

We recognize the need for engaging our value chain to mitigate environmental and social impacts. This is why we are committed to actively engage with stakeholders, including suppliers and business partners, regulators, industry groups, scientific associations, NGOs, and consumers.

Through our <u>Code of Conduct for our Business Partners</u>, our business partner must comply with all applicable laws and local regulations concerning environmental impacts and protection, e.g., but not limited to energy, Greenhouse Gas (GHG) emissions, waste and water.

The Business Partner should aim to continuously reduce any kind of negative environmental impact of products and services and to source in a responsible and sustainable manner. Causing harmful soil change, water pollution, air pollution, harmful noise emission or excessive water consumption that impacts natural bases for food, denies local access to clean drinking water or sanitary facilities or harms the health of a person must be avoided. Environmental awareness and training within the company must be actively promoted.

The Business Partner shall be willing to enter into dialogue with Beiersdorf regarding the joint advancement of sustainability performance and sharing of non-confidential environmental impact data if available. Partners are obliged to ensure that their subcontractors and suppliers along the supply chain also meet these requirements.





Monitoring, Review and Transparency



Beiersdorf is committed to continuously improving its environmental performance by integrating innovative practices and responding to new sustainability challenges. We conduct annual reviews and regular monitoring of each policy area. Data collection and analysis through internal systems support continuous improvement and alignment with evolving regulations and stakeholder expectations. We are committed to transparency in our environmental reporting. We disclose our environmental performance through our Annual Reporting, our Corporate Website and through third-party platforms and benchmarks, ensuring our stakeholders have access to reliable and accurate data.

September 2024

