

**Beiersdorf**

# CLIMATE TRANSITION PLAN

OUR PATHWAY TO NET ZERO

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## CEO Statement

It is the year 2024 and the fight against climate change is at a turning point. Will commitments turn into action? Will we succeed in redefining conventional value chains? Will we be able to transform entire industries?

Beiersdorf is here to declare that we are ready, willing, and able to take ambitious climate action. A declaration befitting of a world leader in its industries.

Our Group's Climate Transition Plan is the most long-term and comprehensive roadmap in the company's history. It lays out the program of how we will transform ourselves and become future-ready by cutting our emissions towards Net Zero in 2045. Across both business segments: Consumer and tesa. Across all brands. Across all regions. Across all functional levels. What is guiding us along this journey are three key convictions:

- Climate Action must be grounded in the science to limit global warming to 1.5°C. Therefore, we are proud to be one of the first companies in our industry to have a Net Zero target approved by the Science Based Targets initiative.
- Climate Action must be a business priority to make it reality. At Beiersdorf, our strategic ambition to lead in climate care and reinvent our iconic products is firmly anchored in our "Win With Care" strategy and lived as a priority by our teams every day.
- Climate Action must be transparent. That is why we are honored to be recognized with CDP's Triple A rating affirming our strong environmental efforts and corporate transparency.

Our Climate Transition Plan is more than a report. It is an invitation to all our partners along the value chain to join us in taking climate action. We are looking forward to shaping a climate caring future together.

**VINCENT WARNERY**  
CEO

on behalf of the  
Executive Committee

← ABCD Garden Of Creativity — Think Tank — Meeting Point  
Under Construction — Power Station — In The Clouds

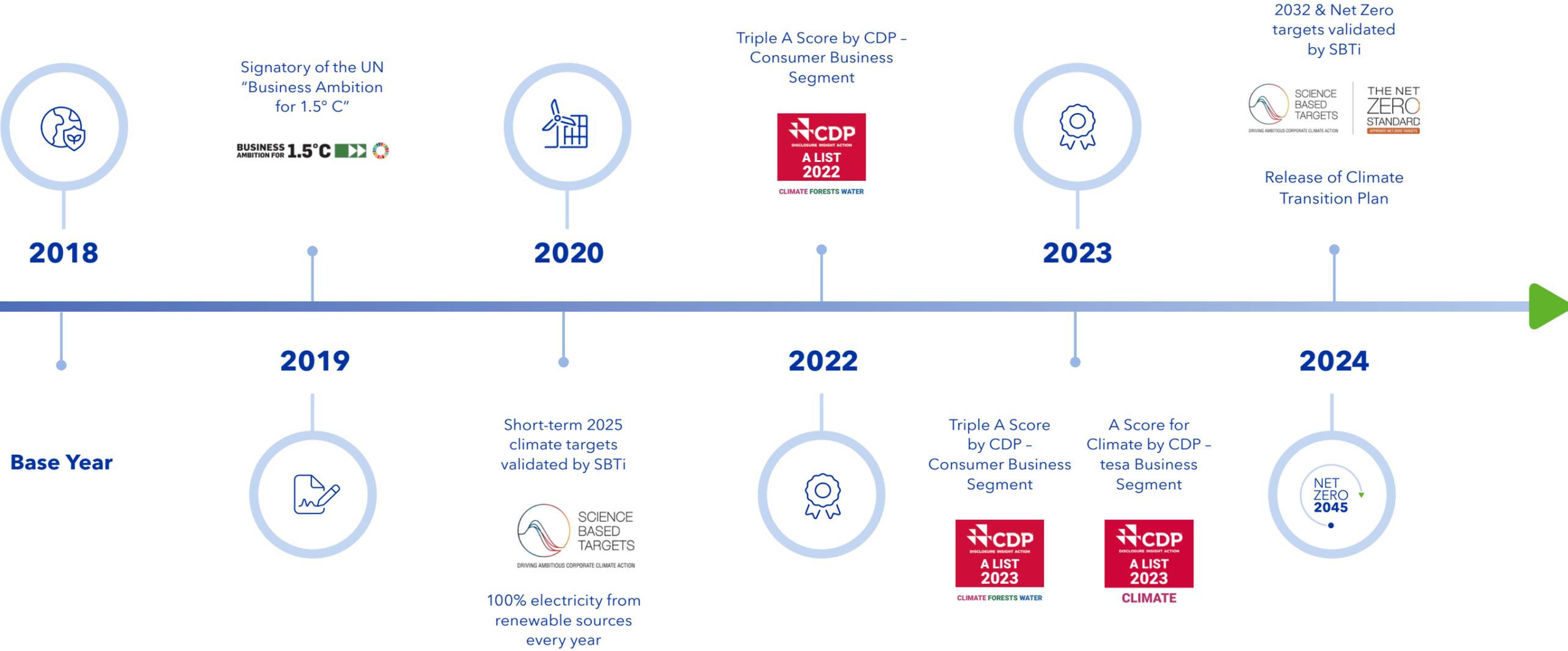
Digital Playground → E →



Beiersdorf Executive Committee

# Our Climate Milestones

Bolstered by a growing public consciousness regarding the urgency of addressing climate change, coupled with ongoing refinement of international standards governing target setting, emission tracking, and reporting, we have designated 2018 as the base year for our GHG reduction targets. Since then, we have made significant progress.



# Emission Reduction Roadmap



Our Climate Transition Plan serves as our roadmap for achieving our mid-term GHG reduction targets and setting us on the path to Net Zero by 2045. We have identified the key actions to initiate our decarbonization journey based on our assessment of technical and market readiness. Each of these actions will require sustained commitment and effort until we achieve Net Zero.



Recycled Packaging



Switch to Renewable Energy



Improve Energy Efficiency



Ingredients from Sustainable Sources



Transport Modes Shift



Increase Share of Plant Feedstock



Product Format Shift



Refill & Concentrated Formulas



Zero Emission Car Fleet & Transport



Supplier & Industry Collaboration & Decarbonization



Ingredients from Upcycled Sources



Ingredients from Biotechnology



Carbon Capture & Utilization



2018

2025

2032

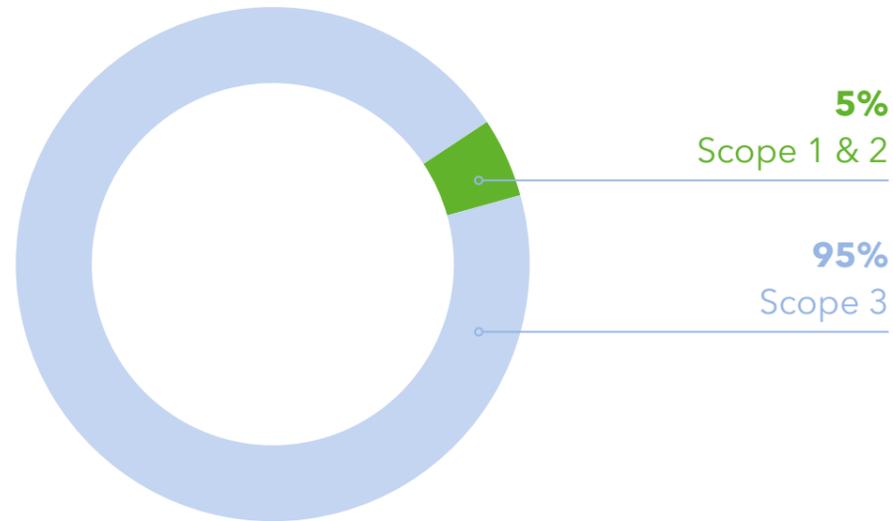
2045

# Beiersdorf Group's GHG Emissions in 2018

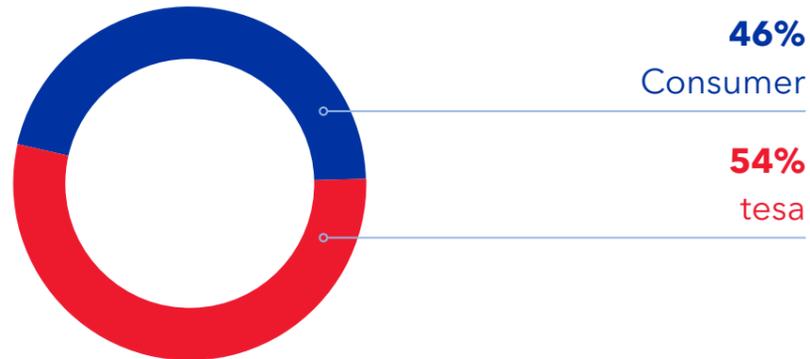
SCOPE 1, 2 & 3

Measuring our emissions forms the basis of our Climate Transition Plan, as understanding our impact is essential for taking effective action.

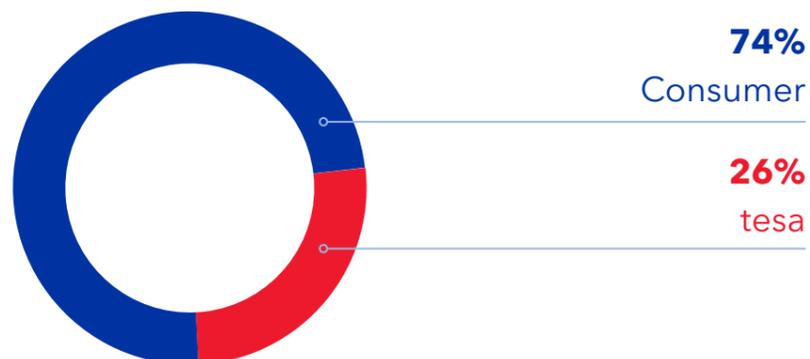
Group GHG inventory by Scope



Scope 1 & 2 emissions by business segment



Scope 3 emissions by business segment



## SCOPE 1



Direct emissions from sources owned or controlled by us.

## SCOPE 2



Indirect emissions from purchased energy such as electricity.

## SCOPE 3



Indirect emissions up and down the value chain: From emissions caused by purchased raw materials to those caused by end of life.

# Beiersdorf Group's GHG Emissions in 2018

WITHIN 2032 & NET ZERO TARGET BOUNDARY

## Scope 1 & 2



## Scope 3

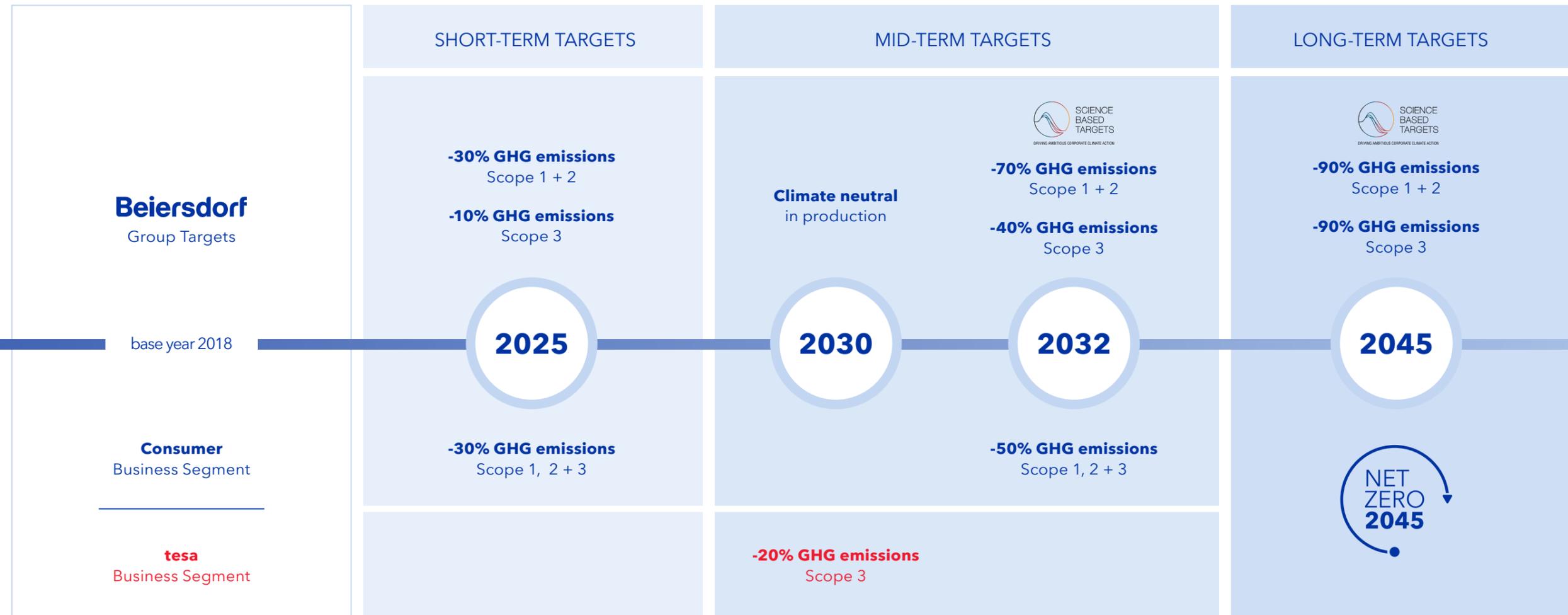


5%



\* Fuel- and energy-related activities, waste generated in operations, business travel, employee commuting

# Our Climate Targets



Beiersdorf has set ambitious climate targets in acknowledgment of the disastrous consequences of climate change on our planet and society as well as of the risks that climate change poses to its business. Our Group-level targets for 2025, 2032, and 2045, have been validated by the Science Based Targets initiative (SBTi). The SBTi has confirmed that our climate targets are in line with the 1.5-degree scenario of the Paris Climate Agreement. The Consumer and tesa Business Segments

have set separate climate targets, which correspond to their distinct business contexts and contribute to the overall Beiersdorf Group climate targets.

All Beiersdorf's emissions reduction targets are in absolute terms, regardless of business growth. We continually report on our progress in reaching our 2032 and 2045 targets in our [Annual Reports](#).

## Target Boundary

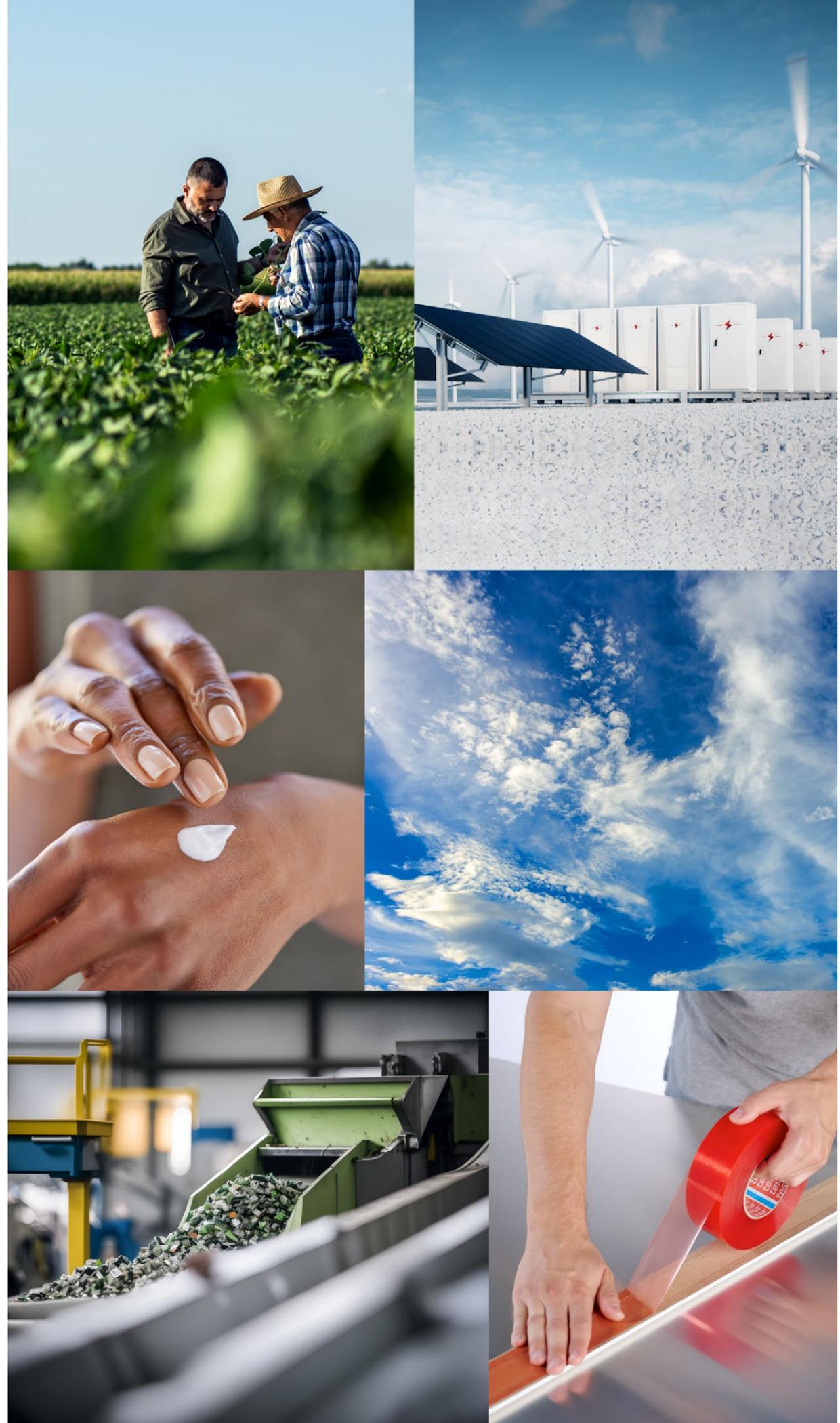
The following Scope 3 categories are included in our 2032 and Net Zero targets which in total covers 90% of Beiersdorf Group's base year Scope 3 GHG emissions:

- Purchased goods & services: raw & packaging materials, third-party manufacturing, media, co-packing and POS material
- Fuel- and energy-related activities
- Upstream transportation and distribution
- Waste generated in operations
- Business travel
- Employee commuting
- End of Life

The target boundary for the Consumer Business Segment in 2025 differs from the aforementioned targets. Purchased goods and services (raw materials, packaging, third-party manufacturing), upstream transportation and distribution, and business travel emissions are included in the target boundary which sums up to 70% of the base year Scope 3 emissions of the Consumer Business Segment.

# Key Actions of our Roadmap

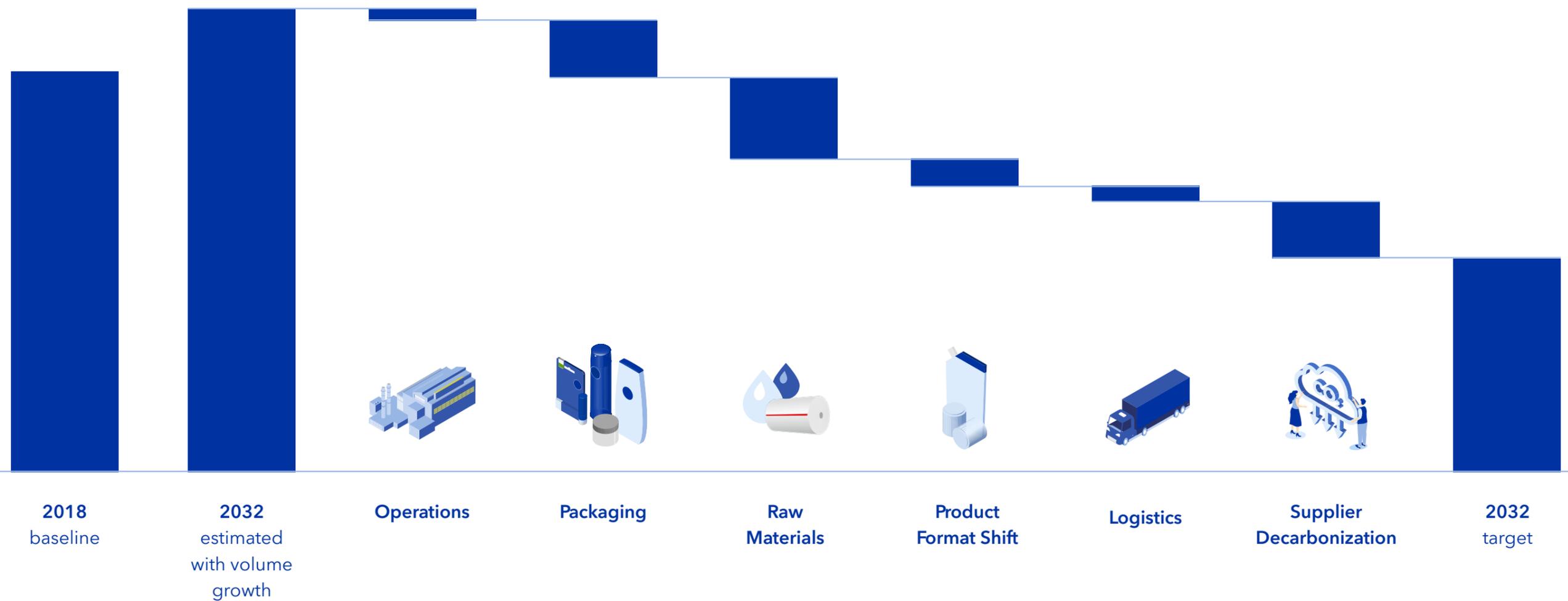
Our roadmap outlines the path to our 2032 targets. Our action plan encompasses our entire value chain and reflects cross-functional strategies to reduce emissions. The focus is on our direct operations, packaging, raw materials, product format transformation and logistics along with stakeholder engagement, emphasizing suppliers, customers, and consumers.



## Beiersdorf Group Emissions Reduction Pathway

Our decarbonization pathway is grounded in our current understanding of technological advancements and changes in consumer behavior. While we recognize the uncertainties inherent in our assumptions, we believe the key actions identified will enable us to achieve our 2032 targets.

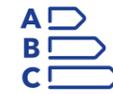
### GHG Emissions



## Direct Operations

Our goal is to ensure that all our production facilities are climate neutral by 2030. To achieve this, we established a project team in 2020 to break down the company's climate targets by production site, analyze energy consumption, and derive the necessary measures.

Our approach to reduce Scope 1 & 2 emissions in direct operations is based on six pillars:



Improving energy efficiency, for example, with operational improvements, the exchange of inefficient equipment, smart control systems or LED illumination with daylight dimming, and motion detectors



Switching our heat and steam production from natural gas to alternative green energy sources



Switching from the purchase of Renewable Electricity Certificates (RECs) to the direct purchase of green electricity, wherever possible, and increasing the share of high-quality Power Purchasing Agreements (PPAs)



Applying green building standards to all new construction and expansion projects, for example, to the Leadership in Energy and Environmental Design (LEED) gold standard



Maximizing our own renewable electricity production, for example, with photovoltaic systems and wind turbines



Transitioning our car fleet, forklifts and trucks to low or zero emission vehicles



### Climate neutral Production in Leipzig | Germany

We achieved this status by purchasing green electricity and biomethane instead of natural gas, and by operating our forklifts electrically.

Our vision is to transform our Leipzig factory into our first "Energy Plus Factory," a name we have adopted from so-called energy plus buildings. This means that our Leipzig factory will soon produce more kWh of green electricity per year than the energy it uses. To achieve this vision, a 4.6 MWp photovoltaic plant is currently being installed. Subsequently, our own wind turbines will be included into the energy balance and the heat and steam generation systems will be further electrified.

#### Other features include:

- LEED gold standard (approval pending)
- Rainwater collection
- Alcohol recovery unit
- Green roofs
- Solar panels
- Heat pump utilization for hot water generation

# 4Rs

REDUCE  
REUSE  
RECYCLE  
REPLACE

In packaging, we follow the principles of the 4Rs – reduce, reuse, recycle, replace – to design packaging for a lower carbon footprint.

## Packaging

Most of our Scope 3 emissions are directly connected to the components used in our products, including both the ingredients and packaging materials. A program led by our Research & Development team has developed a roadmap to decarbonize our product portfolio for our 2032 and long-term Net Zero targets.

### Our Targets



## REDUCE LIGHTWEIGHT PACKAGING

The first measure is the reduction of all types of packaging materials. This includes removing all unnecessary packaging materials and lightweighting the packaging design.



## REUSE REFILLABLE PACKAGING

The second pivotal measure is the increase in reusable and refillable packaging. The more often consumers choose to refill, the stronger the reduction effect. Consequently, we consistently redesign our packaging to extend its lifespan and provide consumers with more options for refillable packaging sets. Building on market trends and educating consumers is a key priority of our roadmap.



## RECYCLE RECYCLED CONTENT & DESIGN FOR RECYCLING

The third measure involves introducing recycled packaging materials, which include mechanically, chemically, and advanced recycling technologies. These materials have a lower carbon footprint compared to fossil-based virgin materials.

This applies to our major packaging materials including plastics and aluminum. We foresee that the demand for recycled materials is growing; in the long run, the share of chemically recycled packaging materials will surpass mechanically recycled ones.

To foster a circular economy and meet the increasing demand for recycled packaging materials, it is every manufacturer's responsibility to design recyclable products. Our aim, therefore, is to improve packaging design to increase its recyclability.

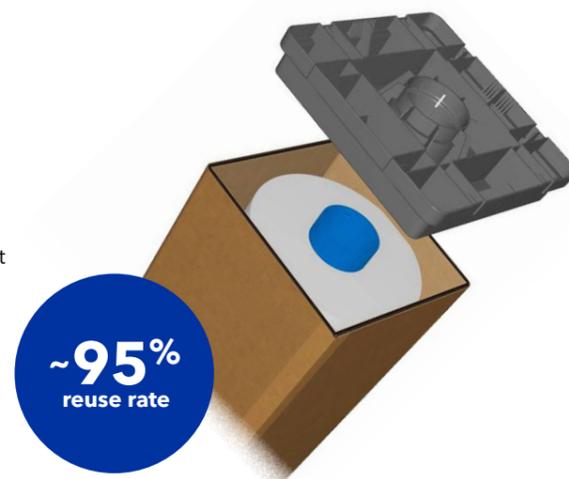
## REPLACE LESS CARBON-INTENSIVE MATERIALS

The fourth measure is the replacement of existing materials with more sustainable packaging solutions or materials.

Plastic packaging will be produced using recycled plastics, incorporating materials from renewable sources such as plant residue or by-products from other industries to support our plastic decarbonization efforts. For aluminum packaging, we rely not only on recycled aluminum but also on aluminum produced with alternative technologies which significantly reduce the emissions from the production process.

## REUSE REUSE CYCLE IN TRANSPORT

A reuse cycle was established for the plastic end-walls of the large cardboard boxes used in roll transport. Approximately 25,000 end-walls were collected from the initial two major participating customers and returned throughout the year. As a result, about 95% of the returned undamaged polystyrene end-walls were reused at the plant.



## Raw Materials

A large share of our emissions is attributable to the extraction and procurement of the raw materials that make up the formulas of our products. Our goal is to progressively make our product formulas more climate-friendly while maintaining the high quality.

### Our Targets



## Renewable Feedstock & Alternative Production Technologies

Using the same raw materials with alternative feedstocks or different production technologies will ensure minimal impact on formulation, production, and consumer perception. Solutions to reduce the footprint of raw materials include responsibly sourced materials with no or low land use change impact, plant-based materials, or materials from side streams. CCU (Carbon Capture and Utilization)-based materials will not be available at scale by 2032; however, they remain a promising lever for achieving Net Zero. Alternative production processes that reduce energy consumption and eliminate process emissions also represent a major lever.

### RECYCLED & BIO-BASED MATERIALS

tesa® 4965 Original Next Gen is a transparent, double-sided industrial mounting tape, produced with a biomass balanced adhesive and a 90% PCR PET backing which leads to a reduction in GHG emissions of -40% compared to tesa® 4965 Original.



### Reformulation

Replacing fossil and animal-based ingredients with renewable ones will potentially require a reformulation of our products, as the replacements may demonstrate different characteristics. Likewise, our formulation will need to adapt to changing packaging that entails more recycled content and more sustainable design.

## Successful long-distance deployment of an e-truck with ROSSMANN and Contargo

After first testing e-trucks for short distances, in 2024, long-haul deployments of e-trucks were put into operation in Germany.

**Route:** The e-truck makes a round trip from the ROSSMANN central warehouse in Landsberg to our new production plant in Leipzig and then to our central warehouse in Hamburg. In total, the e-truck covers an impressive 800 kilometers with intermediate loads on each of its three round trips per week.

**Empty mileage:** With less than 5% empty runs, we are extremely efficient.

Together with our retailer, Dirk ROSSMANN GmbH, and the logistic partner, Contargo, we are breaking new ground and demonstrating that e-trucks can be used successfully not only in local transport, but also over longer distances.



## Logistics



Finished goods transportation is the third-largest source of emissions in our Scope 3 category. We rely on the following measures to reduce our logistics impact:

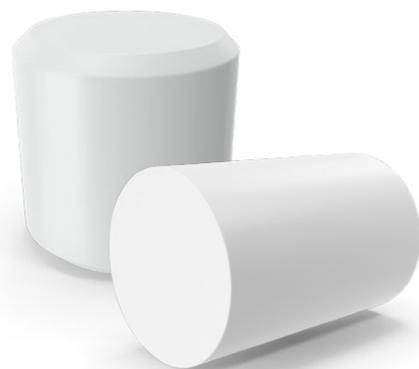
- Avoiding air freight and switching to less energy-intensive transport modes.
- Replacing fossil fuels with biofuels in the short term.
- Investigating ways of using alternative forms of energy, such as electricity and gas, to power trucks.
- Collaborating with customers and suppliers to identify opportunities for load optimization.
- Collaborating with logistics providers to understand and implement new transportation technologies and educate truck drivers on efficient driving.
- Using renewable electricity in our third-party warehouses.

## Product Format Transformation

The race to Net Zero requires a fundamental change to the way we do business and offer our products. As part of our strategy to reach Net Zero, we concentrated on our key product categories driving emissions. We identified two levers to reduce their footprints: switch to concentrated formula and format switches.

### Concentrated Formula

Reducing or minimizing the water content in product formulas could reduce the transportation emissions and even more significantly reduce packaging emissions. Changing from a liquid formula to a solid one could lower the packaging intensity and lead to a reduction of plastic usage and carbon footprint.



**SOLIDS** / Reduction of liquid formula

### Format Switches

Although products can fulfill the same purpose, their carbon footprint differs significantly depending on their product format. For example, deodorant aerosols, sticks, and roll-ons all bring the same benefit to the consumer. Their carbon footprint, however, varies to a large extent: aerosols require aluminum packaging and contain large amounts of propellants, which are conventionally made from petrochemicals. In comparison to sticks and roll-ons, deodorants with propellants cause much higher emissions. Working together with our value chain partners to explore different formats while ensuring consumer benefits will bring us closer to our long-term Net Zero target.



## Supplier Engagement

We engage in dialogue with our suppliers through various measures to create a more sustainable, shared future. For Net Zero, decarbonization in the value chain relies on cooperation with our suppliers of raw materials, packaging, logistics, media, and third-party manufacturing.

We have been and will be focusing on the following aspects of engagement with our suppliers, which constitute a meaningful share of our Scope 3 emissions:

- Disclose GHG inventory
- Set science-based emissions reduction short-term and long-term targets
- Use renewable energy
- Share knowledge and capacity building in Net Zero
- Exchange product carbon footprint data
- Collaborate on innovation and technology development

Some suppliers are already advanced in their Net Zero journey, some have yet to embark on the journey. We tailor our approach in engaging with

suppliers depending on their maturity in climate management and the significance of the supplier to our GHG inventory, materials, or services that we source. For raw material and packaging suppliers that are mature in, or even more advanced than us in achieving Net Zero, the focus of the engagement is on collaboration opportunities to scale up low-carbon technologies and pioneer in product carbon footprint data exchange. For less mature suppliers in decarbonization, we start with knowledge sharing and capacity building. We are exploring approaches to integrate sustainability into our procurement life-cycle processes. For example, since 2021, logistics suppliers participating in our tendering processes need

to share their GHG emissions, climate targets, and measures to reduce emissions. These criteria are part of our evaluation framework. With the experience gained with logistics suppliers, we foresee rolling out the practice in more procurement categories. Through a pioneering partnership, Beiersdorf and the Swiss packaging specialist, Nussbaum are producing aerosol cans made entirely from recycled aluminum. Following a year of development, we began, in 2021, to produce innovative aerosol packaging entirely out of used beverage cans. So began a new chapter in the concept of a circular economy, with the first rollout of Beiersdorf products in aerosol cans made from 100% post-consumer recycled aluminum.

## Customer Engagement

Just as we engage with our suppliers, so do our retail customers put a lot of effort in engaging with sustainability topics.

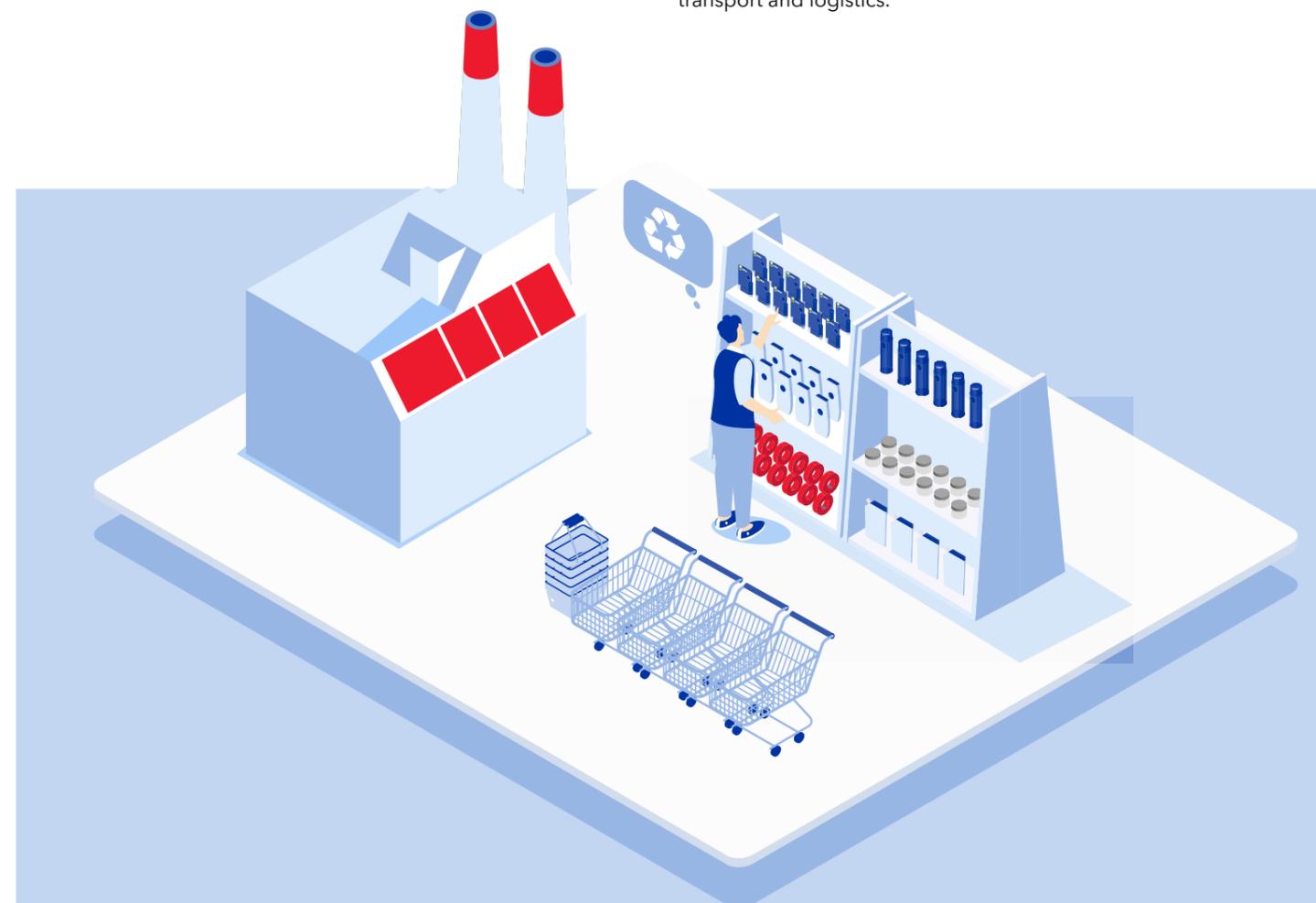
In the Consumer Business Segment, we are always keen to participate in retailers' own sustainability supplier engagement events, programs, campaigns, and platforms. By promoting our sustainable assortment, we help to increase consumer awareness, whereby consumers are better informed and better able to make sustainable product choices. We are very pleased to see increased attention to climate topics from the side of retailers, and to provide them with our latest sustainability data through either their own or third-party platforms.

Our employees in relevant functions are equipped with comprehensive knowledge about the Beiersdorf Sustainability Agenda, targets, progress, and concrete examples of sustainability measures to engage competently with business partners and retail customers.

Beiersdorf engages in strategic sustainability exchanges at the highest levels. The discussions taking place at these levels enable synergies and action on a larger scale.

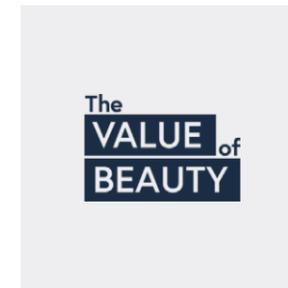
Our retailer engagement activities allow us to create a more sustainable supply chain while also meeting the needs and expectations of consumers in an increasingly environmentally conscious marketplace.

In the tesa Business Segment, we work jointly with our trade partners in enabling sustainability for consumers, both with more sustainable products and optimized packaging. Moreover, we collaborate closely with retail customers to reduce emissions with a specific focus on Scope 3. Not only do we engage in industry initiatives and task forces but we also steer pilot projects together with our trade partners, for instance to optimize transport and logistics.



# Advocacy & Industry Collaboration

We recognize the need for collective action, given the complexity of transforming our business to Net Zero. This is why Beiersdorf actively engages with its stakeholders, including industry groups, scientific associations, NGOs, regulators, consumers, and other types of businesses to advocate for achieving the goals of the Paris Climate Agreement.



## The Value of Beauty Alliance

In 2024, Beiersdorf and five other European companies from the beauty and personal care industry founded The Value of Beauty Alliance. The common goal and idea behind the new alliance is to create a fundamental understanding among policymakers of the importance of the beauty and personal care industry at an economic, societal, and cultural level. The Alliance highlights the role of the industry in driving forward sustainability and climate action on a European level, for example, through sustainable raw material sourcing, product development, production, transport, and consumption as well as research and innovation.



## EcoBeautyScore Consortium

In collaboration with over 70 cosmetic and personal care corporations and associations, Beiersdorf aims to empower consumers to make more sustainable choices when selecting cosmetic and skin care products. We seek to establish a clear, globally applicable standard that promotes the sustainable consumption of cosmetic and skin care products. The consortium establishes and advocates for a uniform and transparent scoring system, which informs consumers about the environmental impacts of products and enables them to quickly compare the sustainability of different products.



## WWF Climate Business Network

The WWF Climate Business Network is a climate leadership platform that supports businesses on their path to align with a 1.5°C world and achieve Net Zero emissions by no later than 2050. The Network encourages and supports companies at different stages of their climate change mitigation journey, demonstrating that climate ambition and action is a vital part of a successful company. As a member of the Network, Beiersdorf takes ambitious steps toward GHG emissions reductions in company operations, energy use, and prioritized parts of the value chain. This also involves positively influencing the supply chain, customers, and policymakers and actively engaging, sharing, and collaborating in the WWF Climate Business Network.



**Consumer Goods Forum (CGF)**

The CGF is the only organization that brings consumer goods retailers and manufacturers together globally to collaborate alongside other key stakeholders to secure consumer trust and drive positive change. The mission of its environmental sustainability work is to position the consumer goods industry as a leader in tackling climate change, reducing waste, and improving environmental stewardship in global supply chains. The CGF works with governments, NGOs, and other key stakeholders to drive progress toward broader international goals, such as the UN Sustainable Development Goals, and seeks to create partnerships that drive positive change.



**Cosmetics Europe**

Cosmetics Europe is the European trade association of the cosmetics and personal care industry. For more than 60 years, Cosmetics Europe has been the authoritative voice of the cosmetics and personal care industry in Europe. Our industry is closely regulated at the European level, and for decades we have worked closely with policymakers to ensure that European regulation is as appropriate and effective as possible. Consequently, our understanding of regulatory processes and how they impact our industry is unrivaled. Membership in Cosmetics Europe allows associations and companies to truly help shape the regulatory and policy landscape within which our industry operates.



**Afera**

Afera, the European adhesive tape industry network, unites stakeholders along the value chain of the European tape industry to ensure and increase the relevance of the tape industry in the world of tomorrow. As a nonprofit organization, Afera provides a platform for tape trade expertise to enhance the product, the business, and the future of the adhesive tape market in Europe. tesa is a member of Afera and is participating in several workstreams, for example, on the topic of product carbon footprint and recycling.



**The Ellen MacArthur Foundation (EMF)**

The EMF promotes and advocates for the creation of a worldwide circular economy. Beiersdorf is a signatory to the EMF New Plastics Economy Global Commitment. Once a year we report to the EMF on our progress toward a circular economy. Our achievements are published annually in the New Plastics Economy Global Commitment Progress Report that is endorsed by the UN Environmental Programme. To tackle the global crisis of plastic pollution, the EMF and the WWF launched the Business Coalition for a Global Plastics Treaty in 2022. Beiersdorf has joined the coalition as a supporter. The common goal is an ambitious, effective, and legally binding UN treaty that will end plastic pollution.



**Industrieverband Klebstoffe e.V.**

tesa is a member of the Industrieverband Klebstoffe e.V. (The German Adhesives Association). The association sees itself as a professional and expert representative of the interests of the adhesives industry in Germany, and thus serves as a common platform for adhesive-producing companies. Within the association, tesa holds a seat on the advisory board for sustainability.



## Financial Planning

Our Climate Transition Plan is aimed at enhancing our business resilience and generating savings and business opportunities in the long run. However, it also necessitates investments in operational expenditures (OpEx) and capital expenditures (CapEx). Assessing these investments and integrating them into our business planning are thus crucial components of our Climate Transition Plan.

## Transparency on Financial Impacts

To ensure that the impact of Beiersdorf's Climate Transition Plan is reflected in its financial planning, it is important to understand the most effective strategic levers and measures of Beiersdorf's GHG inventory.

The majority of Beiersdorf's emissions occur in the Scope 3 category and pertain directly to the components used in our skincare products, both ingredients and packaging materials. Replacing conventional materials with low-carbon alternatives not only directly impacts OpEx but also requires intensified collaboration with suppliers, for example, through longer-term uptake agreements. Many changes on the product level also require CapEx into production equipment able to efficiently process sustainably improved formulations and packaging, or even entirely new product formats. Within its operations, Beiersdorf also addresses the remaining Scope 1 & 2 emissions through action plans tailored to the individual production sites. These investments focus on the electrification of Scope 1 emissions sources as well as on the switch from fossil to renewable energy sources.

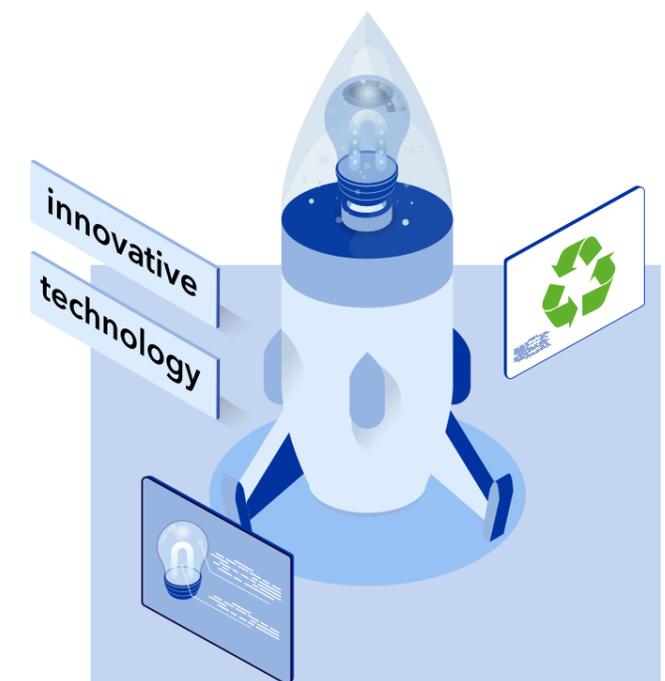
## Roadmap & Financial Planning

Beiersdorf's climate strategy and targets are fully integrated into its financial planning. Centrally orchestrated by the finance department, any investments that are part of Beiersdorf's climate action are evaluated cross-functionally and prioritized based on their impact on Beiersdorf's GHG inventory.

Once the most impactful levers are identified, the focus of their phasing in is on generating maximum synergies and efficiencies. For CapEx, existing supply chain investment cycles are considered as well as individual factors on a product-site level. Therefore, investments are not linear, but made per site or production line. Similarly, product improvements are implemented in waves. These can be focused on single assortments within one brand or on technologies and formats across brand. This way, development resources can be bundled and emissions reduction can be maximized.

## Investments for Transformation beyond our Boundaries

Beyond our own value chain, we are committed as an investor and strategic partner to the aim of advancing the development of innovative, more sustainable technologies and solutions. Our investments in the venture capital funds Emerald and Revent demonstrate this part of our strategy; these strategic partnerships give us valuable access to the start-up ecosystem and new, innovation partners. For example, Beiersdorf has acquired a stake in the Swiss start-up DePoly, a company that develops energy-efficient and selective chemical recycling technologies for currently non-recyclable plastics and polyester waste streams.



# Climate Governance

## Governance Structure

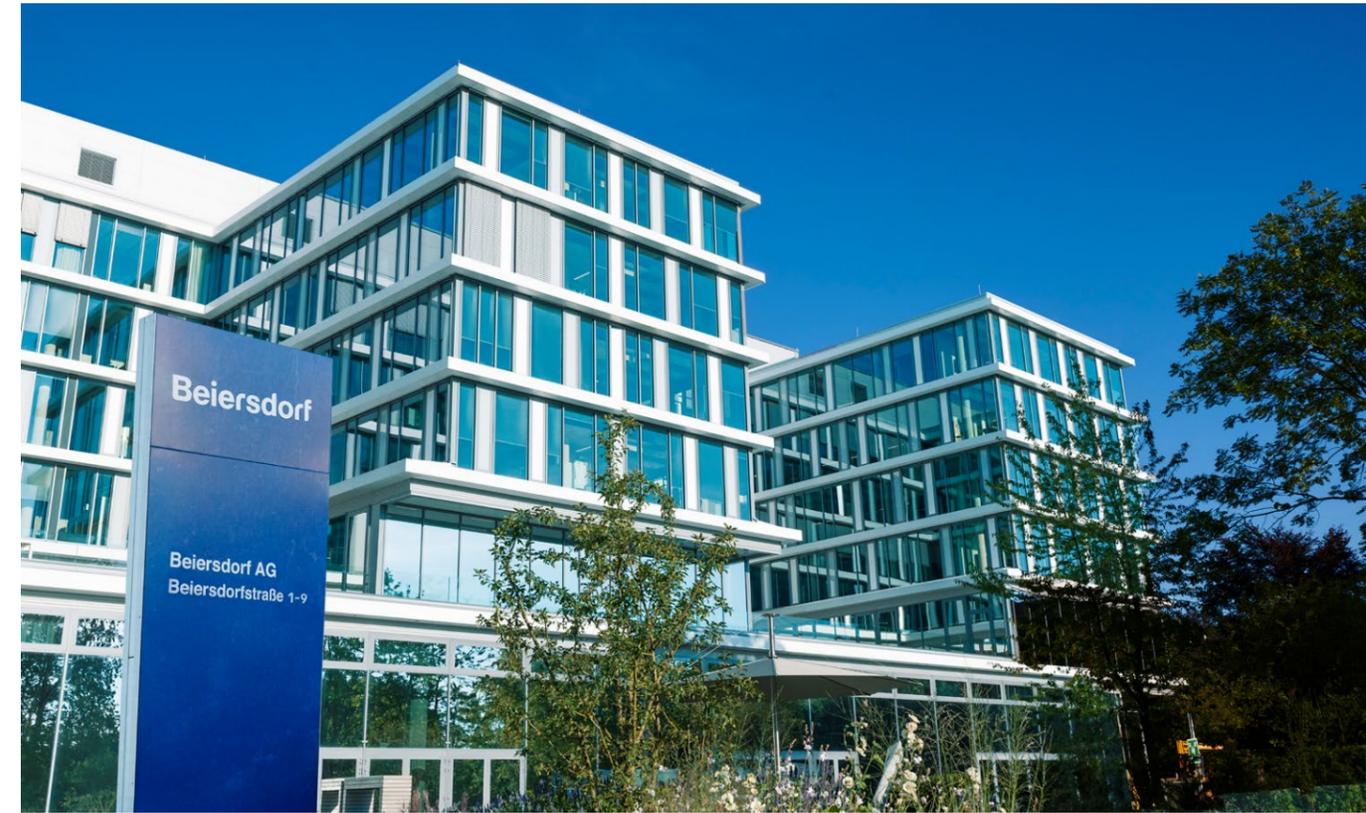
Making sure that our Climate Transition Plan is integrated into our daily business is crucial for efficiently achieving our goals. That is why our governance structure permits every function and level to undertake climate action within its area of expertise, and includes essential steering committees to ensure coordination toward shared objectives and priorities.

Climate action is a key topic in the sustainability strategies of the Consumer and tesa Business Segments. Related activities and progress are regularly tracked in dedicated committees: the Sustainability Council in the Consumer Business Segment and the General Executive Committee at tesa Business Segment. The focus of their work is on further developing strategies, monitoring the progress made toward achieving our climate targets, and driving forward the implementation of climate protection measures.

Beiersdorf's global sustainability commitments are directly reported to the Chief Executive Officer, who is regularly updated with progress reports regarding the achievement of our climate targets as well as the key initiatives to reduce our emissions. This enables further discussion on the Executive Board level. Subsequently, each board member is responsible for driving such key initiatives within their respective functions.

The entire board is responsible for the implementation of our sustainability agenda. This policy is reflected in incentive programs established to connect business performance with climate goals. Members of the Executive Board are eligible each fiscal year for a short- and long-term variable bonus tied to the performance of the Consumer Business Segment, including criteria directly linked to our emissions reduction targets or the use of renewable raw materials.

To embed our Climate Transition Plan into the whole organization, collaboration across all functions and levels is needed. To that end, we educate and enable our employees to turn our action plan into reality. An example is our Net Zero Ambassador program, which enables employees in relevant functions to act as independent promoters of our Net Zero strategy and instruct how it can be implemented within each function.



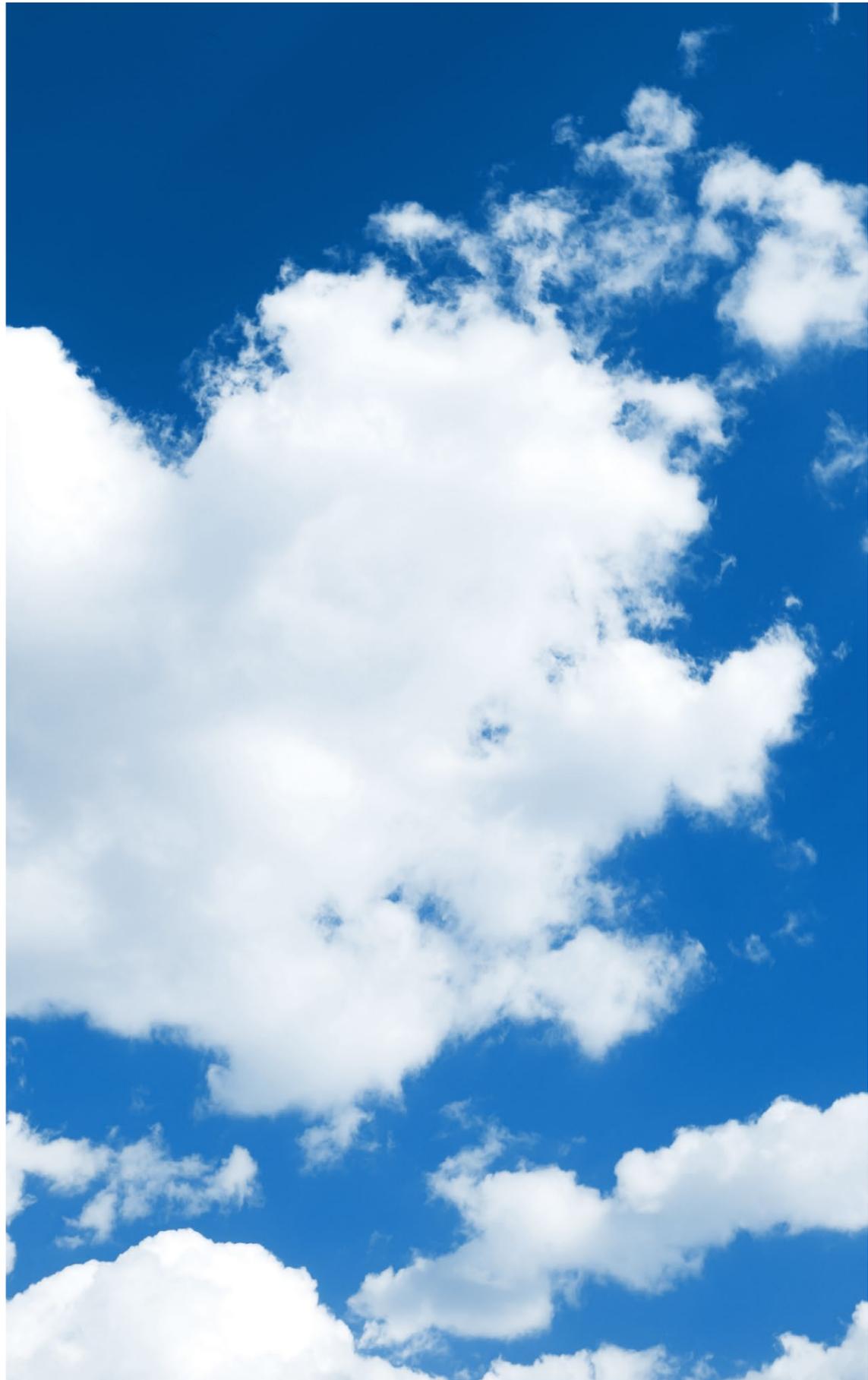
## Risk & Opportunity Management

As a company that operates on a global scale, we are aware that understanding the multifaceted risks related to climate change is essential for ensuring business resilience, sustainability, and long-term competitiveness. As part of our Group-wide integrated management system, we regularly evaluate which climate-related risks are relevant to Beiersdorf and where the need to actively manage is needed.

We document and manage these risks—for example, the effects on raw material prices and material availability or the introduction of new fiscal instruments—as well as the corresponding risk mitigation measures via our integrated risk management system. These insights are shared with and confirmed by our Corporate Risk Board, which is a key body advising the Executive Board on risk management matters.

We also conduct regular assessments of climate scenarios in alignment with the recommendations outlined by the Task Force on Climate-related Financial Disclosures (TCFD). These analyses explore the resilience of the Beiersdorf's strategy and identify the gaps and prevalent risks, taking into consideration different climate-related scenarios such as Net Zero or "business as usual."

In doing so, we distinguish between transition and physical climate risks that are likely to impact our business in these different scenarios. The results of our scenario analysis are integrated into our group-wide risk management process to enable the development of effective response strategies.



## **Beyond Value Chain Mitigation & Neutralization**

Despite the significant emissions reductions projected by 2045, some residual emissions will persist in the future. To counterbalance this and in line with the SBTi's Corporate Net Zero Standard, Beiersdorf aims to neutralize the remaining emissions through high-quality permanent carbon removal solutions further to reaching our Net Zero target of reducing our emissions in 2045 by 90%.

Reducing GHG emissions within our value chain is the primary priority within our Net Zero strategy. As an additional building block, we are looking into investments beyond our value chain to accelerate the transition toward a Net Zero future.

In today's world, which is characterized by too little progress in the fight against climate change, such measures can buy valuable time by funding important projects. Through these actions we aim to speed up the necessary transformation and mitigate climate-related risks.

**Beiersdorf**