



we do

tesa sustainability goals

Sustainability report 2023



Dear readers,

Helping to create a more sustainable future is our most important task – as an international company, a manufacturer of innovative adhesive solutions, a business partner, and an employer. We are fully committed to this goal with all of our expertise, relying on our science-based approach and the potential of our innovations.

To guide our sustainability initiatives, we follow international frameworks such as the UN Global Compact and Sustainable Development Goals. We have also set ambitious goals for ourselves, and we are proud and delighted to have been awarded the highest CDP score, A, this year for our climate protection efforts.

By 2030, we aim to achieve carbon-neutral production (Scope 1 and 2) and reduce our indirect emissions along the value chain by 20 percent compared to 2018. In all six tesa plants worldwide, we are investing in the latest technical standards and a more sustainable infrastructure. Since 2020, we have been purchasing electricity from renewable energy sources for all our locations worldwide. Currently, a solar park is being constructed at the tesa plant in Offenburg, which is expected to be operational by the end of 2024 and will then cover around 25 percent of the site's electricity needs. Additional solar parks in China, Italy, Germany, and the USA are already under construction or in preparation. For all these technical measures, we are investing 300 million euros in the coming years.

Our diverse workforce of 5,200 dedicated employees, including over 600 scientists, engineers, and product developers, operates around the globe, working daily to contribute to our goals with innovative products and processes. This report provides detailed insights into the momentum we are harnessing, in part in cooperation with our customers, to drive this transformation forward.

At our site in Sparta (USA), for instance, this year we completely switched our production to manufacturing adhesive tape without solvents. Embedded in a holistic concept with many other initiatives, this will enable us to reduce CO₂ emissions in production at the site

by 38 percent. As part of the strategy to regionalize production and optimize supply chains, tesa has also opened a new site in Haiphong, Vietnam. Our products are now reaching our customers in Southeast Asia even faster. In addition, 50 percent of the products manufactured in Haiphong are water-based adhesive tapes. The measures in Sparta and Haiphong are important milestones on our sustainability agenda, helping our customers achieve greater sustainability.

Developing and improving adhesive tape solutions with a focus on optimization for sustainability is another part of our mission. Each year, we invest 6 percent of our annual sales in developing new products and technologies. Last year, we launched approximately 40 new, more sustainable products. For our classic product tesa® 4965 Original, we were able to reduce CO₂ emissions by 40 percent with our biomass balance approach and by using 90 percent PCR material in the PET base, in preparation for the launch of tesa® 4965 Original Next Gen. We want to increase the share of bio-based or recycled raw materials across our product range to 70 percent by 2030.

With more than 125 years of expertise, we at tesa are working to manufacture adhesive tapes that are strong and long-lasting. New approaches we have developed aim to ensure that strong adhesive bonds can also be easily debonded as needed. With this new, promising technology of the future, tesa is setting significant trends in the market and laying crucial foundations for a successful circular economy by simplifying product repairs and recycling.

We also know that sustainability begins with responsible sourcing. To ensure that fair working conditions, human rights, and standards for environmental protection are upheld in the supply chain, we rely on certifications and aim for complete transparency within our supply chains, setting a good example ourselves. Last year, tesa was awarded the Gold Medal by EcoVadis, placing us among the top 2 percent of companies evaluated in our industry. We are also requiring our business

partners to fulfill their social, ecological, and economic responsibilities. Since 2020, we have asked our direct suppliers to carry out self-assessments through platforms such as EcoVadis. At least 80 percent of our raw material expenditures should go to suppliers who demonstrably share our standards – and we're well on our way at a current figure of 70 percent.

As CEO of tesa, I am proud that sustainability is deeply embedded in the core of our corporate strategy. We understand that our responsibility extends beyond manufacturing high-quality products, and we are continuously improving our manufacturing processes, procedures, and products to minimize our environmental footprint. The path to sustainability is an ongoing process – one we are pursuing with determination and commitment. In a constantly changing world, we remain committed to our pledge for sustainability – because we know that a sustainable business approach is not only a successful and viable strategy for the future but creates our legacy for generations to come.

Sincerely,



Norman Goldberg



Dr. Norman Goldberg, CEO tesa SE, on the relevance of sustainability.



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Read more about sustainability here



13
production sites
(production and processing centers)

active in more than
100
countries

around
5,200
employees worldwide

Site by site

Our adhesive solutions are manufactured in six different plants on three continents. Safety is the top priority in all plants, and sustainability, digitalization, and the latest technical standards are also emphasized driven forward.



**Sparta
– USA**



**Concagno
– Italy**



**Offenburg
– Germany**



**Hamburg
– Germany**



**Suzhou
– China**



**Haiphong
– Vietnam**



Fascinating details

More than **7,000** adhesive solutions

are already improving the work, products, and lives of our customers.

More than **125** years of experience

with innovative product solutions are contained in every tesa product.

130+ different adhesive tapes

are used in the production of electric cars – for example, in the bonding of battery packs.



More than **100** products

are introduced to the market by tesa every year.

Ratings and rankings confirm our clear commitment to sustainability



Find out more at <https://www.tesa.com/de-de/ueber-uns/nachhaltigkeit/sustainability-ratings-assessments>



Since 2014, **1.8 billion** smartphones

have been equipped with innovative adhesive technology developed by tesa that makes it possible to replace the battery.



600 engineers and developers

develop our tapes so they are in tune with the time, adapting them to the needs of our customers in all areas.



Sustainability goals 2030

Taking on more responsibility for the world around us is becoming increasingly important – for us as a company, for our employees, and for our business partners and customers. That is why we aim to make sustainability a priority at tesa and get to work with this crucial transformation of our business significantly faster and more urgently than previously envisaged.

tesa sustainability goals



reduce emissions
source responsibly
rethink materials
push circularity
support customers



1 Reduction of emissions

Tackling the global climate crisis and accelerating positive change are central elements of our commitment. Our mission to reduce global emissions includes upstream and downstream processes as well as our own production. Green energy is a key pillar of our commitment. Since 2020, we have sourced 100 percent of our purchased electricity from renewable energy sources. In addition to reducing fossil-based energy consumption, increasing energy efficiency also plays an important role. To achieve this goal, we are implementing technologies that are particularly efficient in conserving resources and energy.

Our major sustainability targets 2030

- Climate neutral production (Scope 1 and 2).
- Our indirect supply chain emissions will be reduced by at least 20 percent (Scope 3) versus base year 2018.



2 Responsible sourcing

We want to ensure that fair working conditions, human rights, and environmental protection are upheld along the supply chain. To this end, we plan to use certifications, get involved in associations, and assess suppliers. In the long term, we aim to achieve 100 percent responsible and sustainable sourcing for all of our raw materials.

Our major sustainability targets 2030

- We will target full transparency of our supply chains.
- At least 80 percent of our spend will go to suppliers that are aligned with our sustainability standards.



3 Use of recycled and bio-based materials

tesa has set itself the goal of significantly increasing product sustainability and is working on this every day. Over the next few years, for example, we will be developing many new products that make a sustainable contribution to our top product ranges in the automotive, electrical, and construction industries, as well as for our consumers in the office and home. In doing so, we are focusing on reducing non-recycled fossil plastics and will increasingly use recycled and bio-based materials.

Our major sustainability targets 2030

- 70 percent of the materials for our products and packaging will be recycled or bio-based.
- We will cut the use of virgin fossil plastics by half by 2030. In our packaging we want to achieve this already by 2025.



4 Circularity and reduction of waste

tesa will contribute to the circular economy and use resources as carefully as possible. First and foremost, this involves avoiding waste. Where that is not possible, we reduce it. Where waste is unavoidable, we seek to reuse or recycle it by various means. By 2025, we want to eliminate all landfill disposal of production-related waste.

tesa will further invest significantly in the further development of solvent-free and energy-efficient production technology and capacity. The facilities on which we currently coat with solvents are to be technically upgraded so that the solvents are fully recovered at the end of the process and thus remain in the cycle.

Our major sustainability targets 2030

- By 2030, we will provide more products with sustainable end-of-life solutions.
- We will invest in solvent-free processes and full recovery of solvents.



5 Enable sustainability at our customers and consumers

Achieving a higher level of sustainability is an important goal for many of our customers - just as it is for us. We are taking this path together with them and supporting them with innovative adhesive solutions. In addition to our own product sustainability, we are working to ensure that our customers enjoy ecological benefits through the use of our products; for example, tesa® Bond & Detach makes smartphone components recyclable and can be removed easily without leaving any residue. The aim is to make these contributions more visible in the future.

Our major sustainability targets 2030

- Innovative adhesive solutions will be available for our customers that contribute to sustainability of their processes and applications.
- We will make these positive contributions measurable.



Read more about our sustainability strategy and goals

Governance

We take our environmental and social responsibilities seriously. On the basis of this commitment, we seek to manage our company in line with sustainable principles. We rely on international standards such as the UN Global Compact and the UN Sustainable Development Goals as guidelines for aligning our business activities with key principles of sustainability.

Sustainability as a key element of corporate strategy

First and foremost, we see sustainability as an opportunity – the opportunity to think one step ahead, to continuously improve ourselves, and to take our ambitions to the next level again and again. Sustainability is embedded into our corporate strategy as a key element. We want to use all of our expertise and passion to develop products and adhesive solutions that are more sustainable.

Our sustainability strategy

Our comprehensive approach simultaneously allows us to create lasting value while also remaining financially robust as a company. We have developed a sustainability agenda of our own in line with the ten principles of the UN Global Compact (UNGC) and the UN Sustainable Development Goals (SDGs). This agenda reflects our commitment to a holistic understanding of sustainability and encompasses social, customer-related, product-related, and ecological aspects.

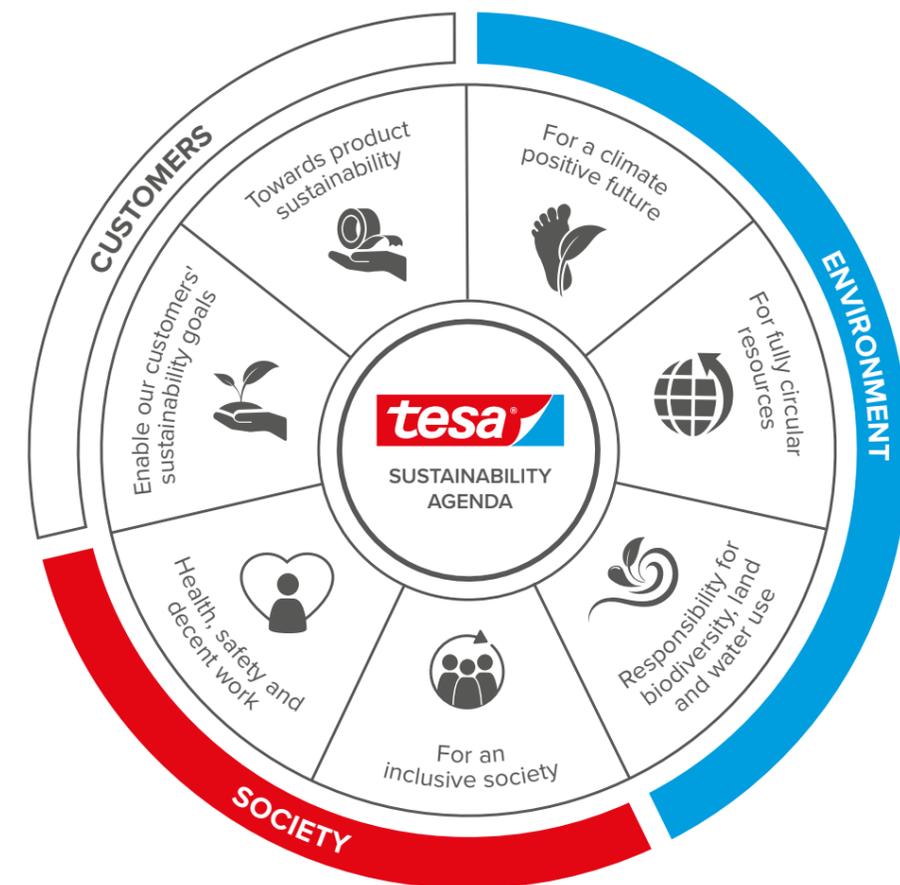
Targets are crucial to the sustainability strategy because they provide a clear framework for the company's actions and ensure that progress is measurable. Our sustainability strategy is centered around five strategic action areas that reflect our entire value chain and are based on long-term targets for 2030.

Sustainability management

Our Global Executive Committee is an expanded Executive Board committee consisting of Executive Board members and additional managers such as the Chief Sustainability Officer. The committee is responsible for key sustainability subjects including climate protection and meets regularly to discuss our sustainability ambitions and targets in context with other aspects of the company. The Chief Sustainability Officer also reports directly to the CEO. We also maintain constant dialog with our external stakeholders. Such discussions allow us to review our sustainability efforts on an ongoing basis and to incorporate current social and ecological trends into our strategic planning.



Fig. 1: tesa Sustainability Agenda



The sustainability agenda reflects our aspiration to understand sustainability comprehensively and thus includes topics that go beyond the strategic action areas.

Ratings and awards

Assessments by way of relevant ratings and rankings serve as an incentive for us to pursue constant improvement. CDP collects environmental data from companies at regular intervals on behalf of investors and now maintains the world's largest database of this type. CDP has recognized our efforts in the area of climate protection over the reporting year with the best possible score of A (2022 score: B). In the area of water, tesa received a score of B-. We are continuing to prioritize various measures to improve this rating (see Water, p. 24).

We also participated in the sustainability ratings of EcoVadis, the well-known rating platform for companies with global procurement chains, once again during the reporting year. For the first time, EcoVadis has awarded us a gold medal in recognition of our sustainability efforts. This places tesa among the top 2 percent of outstanding companies on a sectoral basis. This motivates us and strengthens us in our continuing efforts to incorporate sustainable practices and conscientious business methods into all areas of our company.

Compliance

Standards, statutory requirements, and internal policies are our key source of guidance for crucial areas of corporate management. We comply with these fundamental provisions in a reliable and faithful manner. This serves to create trust and makes tesa a credible partner for all stakeholders and interest groups.

Code of Conduct – basic values for responsible action

We want to take our social responsibilities into account and to help our employees, managers, and executive bodies to internalize the principles and values of our key business areas. Our Code of Conduct (CoC) has been developed in the interest of ensuring the fulfillment of our strict compliance requirements to the greatest possible extent. The CoC guides our approach to all business activities as an overarching value framework. In addition, our Corporate Compliance Management department

supports our corporate management with identifying compliance risks and preventing violations. Compliance risk assessments are conducted on a regular basis in order to pinpoint key compliance risk fields. Corporate Compliance Management advises our local compliance officers and helps them implement the measures derived from these assessments.

The following international standards and guidelines are binding for us:

- the United Nations' (UN) Universal Declaration of Human Rights
- the guidelines of the Organisation for Economic Co-operation and Development (OECD) for multinational enterprises
- the fundamental conventions of the International Labour Organization (ILO)

Our own Human Rights Policy Statement also applies. It applies on a company-wide basis and also addresses our supply chains (see Sourcing / supply chain, p. 38 et seq.). All employees undergo awareness training on matters of labor law such as child and forced labor and other human rights issues such as discrimination and harassment. We do so in the interest of ensuring that our employees have a high level of awareness of these subjects. As a matter of course, this also includes comprehensive knowledge of the purpose and function of our company-wide whistleblower system (see Compliance management system, p. 15). We employ further target group-specific training measures to anchor all compliance principles within the company. We routinely train several thousand employees worldwide on the Code of Conduct, corruption prevention, antitrust law, and data protection. In the 2023 fiscal year, tesa achieved an overall participation rate of 98 percent.



Learn more about the topic here



Compliance management system

Our Group-wide compliance management system (CMS) is based on established standards such as Audit Standard 980 of the Institute of Public Auditors in Germany (IDW), which sets out principles for proper auditing of compliance management systems (IDW PS 980). We pursue the central ideas of "avoidance and prevention," "recognition," and "reaction and improvement."

Avoidance and prevention: We have preventive measures in place to avoid improper conduct.

Recognition: We use risk assessments in order to identify and manage key compliance risks promptly on a Group-wide basis. Additional control mechanisms ensure that irregular activities are brought to light.

Reaction and improvement: We punish any violations of legislative or internal requirements as appropriate given the specific situation. We also continuously identify improvement measures for the entire CMS.

Our digital whistleblower system is available to all employees and managers as well as customers, suppliers, and other external stakeholders. The whistleblower system allows violations to be reported directly, confidentially, and anonymously if desired.

For further information about the areas of focus of our CMS, please consult the Compliance section of the non-financial disclosure we submit jointly with our parent company, Beiersdorf.



You can find more about our guidelines and standards here



Environment

We view climate change as one of the greatest challenges of our time. Climate change also presents risks and opportunities which have an impact on our business strategy and our actions as a company. These can include effects on commodity prices and material availabilities as well as those resulting from the introduction of new fiscal measures.

Climate protection and emissions

Our company is committed to limiting the rise in global average temperatures, and we have adopted the “Business Ambition for 1.5°C” voluntary long-term commitment with the aim of achieving a climate-neutral business model by 2050 at the latest. We are helping to protect the climate directly by lowering our energy consumption, using energy more efficiently, and utilizing more renewable energy. Under our environmental program, all tesa plants define updated measures each year in order to expand our contribution to climate protection.

of all ISO 14001-certified tesa sites. To facilitate the continuous organization and planning of our operational measures to protect the environment, we also employ energy management systems certified in accordance with internationally recognized standards which allow us to work more energy-efficiently and reduce our GHG emissions further. We use our internal planning and reporting structures to identify, assess, and monitor risks and measures to reduce GHG emissions. We review the effectiveness of our activities through monthly tracking of site-specific energy consumption.



You can find more information on how we reduce our emissions here

Environment and energy management systems

Energy consumption is an important control parameter for reducing our environmental impact. We optimize energy-intensive processes continuously by identifying energy-saving opportunities and thus reduce our CO₂ emissions and related costs. Corporate management regularly takes part in these processes by way of a management review. The environmental and energy experts at the respective locations bear operational responsibility.

We use ISO 14001-certified environmental management systems at seven sites. These sites are subject to regular internal audits as well as external environmental audits in the context of matrix certification.

Three production facilities and Group headquarters are also ISO 50001-certified. These account for 84 percent of the Scope 1 and 2 fossil fuel emissions



Climate goals

Climate protection is a key element of our sustainability strategy. Our management is responsible for monitoring climate-relevant decisions. This includes monitoring progress towards the attainment of climate goals and carrying out corresponding climate protection measures. Our climate goals formulated for the target year 2025 together with our parent company, Beiersdorf, have been confirmed by the Science Based Targets Initiative (SBTi). In addition, the two companies submitted a net-zero target to the SBTi for validation at the end of 2023.

All of our offices and production facilities worldwide have already been sourcing 100 percent of our electricity from renewable energy sources since 2020. In the course of the 2023 reporting year, we have already attained and surpassed our original climate goal for 2025, a 30 percent reduction of Scope 1 and 2 emissions relative to 2018 in absolute terms, two years ahead of schedule with the reduction measuring 38% to date. This has inspired us to set our original targets even higher and to aim for a reduction of Scope 1 and 2 emissions by a further 20 percent by 2025, i.e. by a total of 50 percent. We intend to have fully climate-neutral production by 2030. We plan to reduce our Scope 3 emissions by 20 percent in absolute terms by 2030 relative to the 2018 baseline.

Reduction of emissions

We record, consolidate, and analyze our energy consumption and calculate our GHG emissions in accordance with the guidelines of the Greenhouse Gas Protocol (GHG Protocol). We employ the market-based method in this context. We review the effectiveness of our measures and identify potential savings for the future with the help of continuous data collection.

Between 2018 and 2023, we successfully reduced Scope 1 and 2 emissions by 38 percent in absolute terms. This represents a decrease by 15 percent relative to the previous year (see Climate goals, p. 10). Together with continuous energy conservation measures, the primary factors driving the reduction of emissions during the reporting year also included the transition to solvent-free technologies as well as economies of scale in the context of production. 2023 also saw our specific emissions per metric ton of end product decrease by 23 percent relative to the 2018 baseline.

Fig. 2: Total energy consumption in GWh

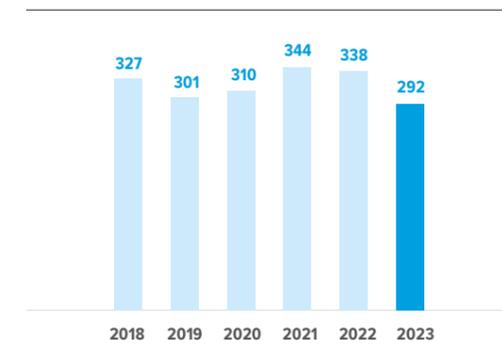
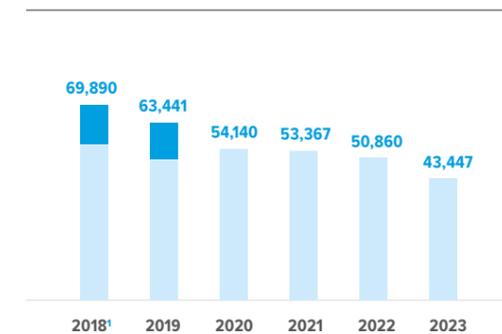


Fig. 3: Scope 1 and 2 CO₂ emissions in t CO₂e



1 2018 is the baseline year
2 Definitions according to the GHG Protocol Scope 2 standard; market-based method

Fig. 4: Scope 1 and 2 CO₂ emissions in t CO₂e

| | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|--------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Scope 1 emissions | 55,639 | 50,320 | 54,128 | 53,367 | 50,852 | 43,431 |
| Scope 2 emissions ¹ | 14,251 | 13,121 | 12 | 0 | 8 | 16 |
| Total | 69,890 | 63,441 | 54,140 | 53,367 | 50,860 | 43,447 |
| Biogenic Scope 1 emissions | - | - | - | 2,720 | 8,046 | 7,744 |

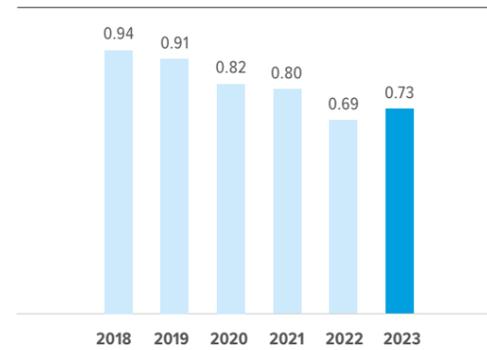
1 Definitions according to the GHG Protocol Scope 2 standard; market-based method

38%
less Scope 1 and Scope 2 emissions compared to 2018

- Scope 2²
- Scope 1

We also further expanded our CO₂ monitoring for Scope 3 emissions along the value chain during the reporting year. As a manufacturing company, there are various levers we can use to reduce emissions upstream in the supply chain. As the principal generator, we have identified the procured commodities and cases of energy consumption which are incurred through the manufacture of procured materials. tesa has initiated a wide range of projects and measures to prevent or reduce Scope 3 emissions along the supply chain. In this context, we are particularly focused on conserving materials in order to increase efficiency and on transitioning from fossil fuel-derived raw materials to recycled and bio-based alternatives. The optimization of transportation routes also plays a crucial role in this context. We expect our suppliers to transition to renewable energy sources in the future (see below: supply chain, p. 38 et seq.). Overall, Scope 3 emissions decreased by 15 percent from 2018 to 2023.

Fig. 5: Specific Scope 1 and Scope 2 CO₂ emissions per metric ton of end product
in t CO₂ e

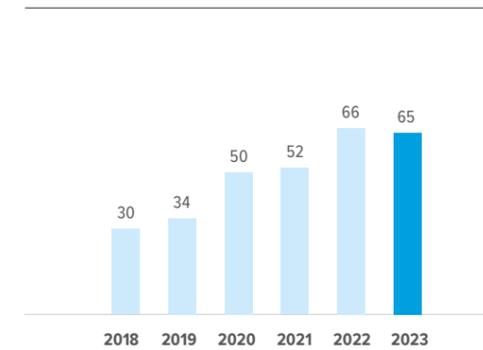


Reduction and prevention of Scope 3 emissions – projects and measures

| | |
|--------------------------------------|--|
| Transportation | We were able to reduce the share of air freight by over 60 percent in 2023, thus saving just under 8,900 t of CO ₂ . In the case of products that can only be transported within certain temperature ranges, suitable sea freight containers have been introduced as an alternative. |
| PCR material | We have launched a RollMasker with 100 percent post-consumer recycling (PCR) PE film for masking large areas in the context of automotive painting. This resulted in a reduction of CO ₂ emissions by 60 t CO ₂ in 2023. The RollMasker employs a combination of adhesive tape and recycled HDPE film that can be used for painting with wet-demasking processes or low oven temperatures. |
| Recycling instead of disposal | The process film tesa uses for the production of safety labels is now recycled rather than discarded. This has resulted in the conservation of 28 t of waste, or 31 t CO ₂ . |
| Use of recycled PET | We have increased the share of recycled PET to 80 percent for 5.6 million square meters of Fleece tape. This conversion has allowed us to save an estimated 920 t of CO ₂ in total. |
| Process optimization | We have successfully optimized the coating process for multiple products at our Hamburg plant. The new process reduces the CO ₂ footprint of end products by 25 percent, thus contributing towards more sustainable manufacturing practices. |

60%
reduction of air freight
compared to 2022

Fig. 6: Electricity from renewable sources¹
in %



¹ This includes the purchase of guarantees of origin for renewable electricity and internal production through sources such as photovoltaic systems and CHP plants operated with biogas.

Fig. 7: Scope 3 emissions
in t CO₂e

| | 2018 | 2022 | 2023 |
|---|---------|---------|---------|
| Purchased goods and services | 384,025 | 436,478 | 336,815 |
| Fuel- and energy-related activities | 13,581 | 12,665 | 12,573 |
| Transportation and distribution (upstream) | 46,338 | 48,686 | 33,560 |
| Waste | 5,495 | 3,733 | 3,401 |
| Business travel | 7,710 | 1,803 | 2,967 |
| Employee commuting | 3,972 | 2,646 | 2,756 |
| End-of-life treatment of sold products | 142,088 | 157,656 | 120,434 |
| Total | 603,209 | 663,667 | 512,506 |



Expansion of solar energy

We also continued to work on expanding electricity generation with solar energy in 2023. New photovoltaic plants have commenced operation at our sites in China and India. We are also equipping Group headquarters and our new plant in Vietnam with photovoltaic plants. The construction of our largest photovoltaic plant yet, featuring a maximum electrical output of 5.5 MWp, was approved for the tesa plant in Offenburg during the reporting year. The new plant is projected to begin generating power and advancing the decarbonization of the site further in the course of 2024. Further investments in solar energy are in preparation. We generated a total of roughly 1,700 MWh of renewable energy ourselves through the use of photovoltaic plants in 2023.



Increasing efficiency

Another strategic priority is to increase energy efficiency. This requires energy-saving and resource-conserving technologies. At the same time, a greater focus is being placed on the efficient generation of energy in-house by tesa itself.

At several of our production facilities, we operate combined cooling, heat and power (CCHP) or combined heat and power (CHP) plants. In these systems, we use not only the electricity generated, but also the heat that is produced for production processes or for heating. The energy consumption of the CHP plant at Group headquarters has been fully covered with biogas certificates since 2021. Our plants in Hamburg and Offenburg partially covered the operation of their CHP plants with biogas certificates during the reporting year. The biogas in question is generated in Denmark and supplied to the European gas grid. This allows us to continue benefiting from the high efficiency of the CHP and, with the use of methane instead of natural gas, from renewable, more climate-friendly energy sources.

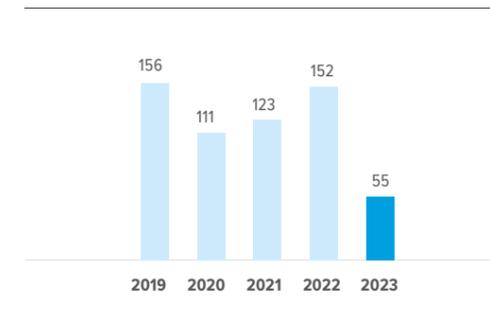
In 2023, we covered 65 percent of our overall electricity needs with power from renewable energy sources.



VOCs

Our production processes also result in solvent emissions, i.e. emissions of volatile organic compounds (VOCs). Under certain conditions, these can have a negative impact on the formation of ground-level ozone. As such, we aim to reduce VOC emissions to a minimum. To this end, we use regenerative thermal oxidation systems for thermal exhaust gas purification as well as adsorption and waste air purification plants with solvent recovery. Our global VOC emissions in 2023 measured 55 metric tons.

Fig. 8: VOC emissions
in t



You can find further information about our solar park in Offenburg here

Waste

We attach great importance to the efficient use of resources. Measures for greater resource efficiency are an integral part of our environmental protection activities as a company. It is not yet possible to eliminate all waste during production. However, we are committed to reducing it effectively. In the spirit of the circular economy, we also want to use materials that can remain in circulation or can otherwise be recycled upon reaching the end of their useful lives.

Reduce, reuse, recycle

"Reduce, reuse, recycle" is the tenet at the heart of our waste and raw materials management. Avoiding and reducing waste has the highest priority. In addition, we continuously identify various options for recycling. Waste is disposed of only when this is unavoidable. We have set our plants the strategic goal of eliminating all landfill disposal of production waste ("zero waste to landfill") by 2025. We have already achieved this goal at six of our seven plants.

In order to use materials efficiently and recycle them wherever possible, our plants work to minimize production-related losses of raw materials. This applies just as much to adhesive manufacturing as it does to coating and cutting. One of our planned measures is to upgrade the technology in systems that require the use of solvents by 2030 such that solvents can be fully recovered at the end of the process and thus remain in circulation.

Thanks to ongoing improvements to machinery and production processes, we are reducing our waste volumes. We have successfully optimized the coating process for multiple products at our Hamburg plant. This has resulted in annual savings of two million square meters (roughly 127 metric tons) of PET process liner. The recycling process introduced for release liners at the Hamburg site in 2022, for example, also facilitated the reuse of roughly nine metric tons of backing material there during the reporting year.

Waste generated during the production process is collected separately into various waste categories according to the site in question and recycled to the greatest extent possible. The waste is then aggregated under the overarching categories of "non-hazardous"/"hazardous" and "for disposal"/"for recycling."

In the final accounting, the total volume of waste generated by our plants decreased by 14 percent relative to 2022. 87 percent of waste was recycled during the reporting year (previous year: 88 percent).

Fig. 9: Waste volumes by type and disposal method
in 1,000 t

| | 2020 | 2021 | 2022 | 2023 |
|----------------------------------|-------------|-------------|-------------|-------------|
| Disposal of hazardous waste | 0.6 | 1.0 | 1.3 | 1.3 |
| Disposal of non-hazardous waste | 1.2 | 1.1 | 1.2 | 1.0 |
| Recycling of hazardous waste | 5.9 | 6.4 | 6.0 | 4.2 |
| Recycling of non-hazardous waste | 9.7 | 11.5 | 12.4 | 11.5 |
| Total | 17.4 | 20.0 | 20.8 | 17.9 |

Packaging recycling

Our goal in the industrial sector is to eliminate all packaging and packaging components that are not absolutely necessary without compromising the quality, performance, or protection of our products. In the packaging we use, we take care to ensure that the materials used are recyclable. We label all product packaging according to its content in the interest of ensuring proper disposal where necessary.

Involvement of our employees

It is also important to us to raise awareness among our employees about how to prevent unnecessary waste and how to recycle correctly and to actively involve them in our efforts to continuously reduce energy and resource consumption. Various ongoing initiatives such as the "Big Ideas Instead of Waste" campaign in Offenburg and the new end-wall reuse project in Suzhou demonstrate that our efforts in this context have succeeded.

Big Ideas Instead of Waste

We continued the successful "Big Ideas Instead of Waste" campaign at the tesa plant in Offenburg in 2023. Employees from production, process development, and technology are participating in the campaign. Project meetings, in which the concrete feasibility of proposed improvements is determined and best practice solutions are discussed, are held on a regular basis. The project also encompasses communication measures serving to raise employee awareness about the subject matter and the value of their individual contributions. In 2023, a total of 20 projects in the area of resource efficiency were implemented at tesa's Offenburg plant. The six largest projects collectively saved over 200,000 m² of waste. We also saved roughly 265,000 euros through projects implemented during the reporting period.

Circular economy – pilot project at tesa plant in Suzhou

Along with major structural considerations and projects, we also invest in the impact of individual ideas. In 2023, we created a cycle for the reuse of the plastic end-walls of the large cardboard boxes we use for roll transport. Roughly 25,000 end-walls were collected from the first two major customers participating and returned to us over the course of the year, with the result that undamaged polystyrene end-walls (roughly 95 percent of returns) could be reused at the plant.



25,000
end-walls collected and reused



Water

“Conserve resources and act responsibly and appreciatively”: We also follow this maxim in the way we deal with water, a precious, and in some regions scarce, resource. This includes protecting water sources from pollution by our production activities. The associated responsibility is also reflected in our comprehensive corporate guidelines on environmental protection.

Risk minimization

We disclose information on our water management in the context of CDP (see Ratings and awards, p. 14). During the reporting year, we received a score of B- (previous year: C) in the area of Water security. We are striving to improve this rating. We would like to reduce risks to water sources that result from our production as effectively as possible. The World Resources Institute (WRI) has created the Aqueduct Water Risk Atlas, a data tool that we use to perform an annual risk assessment on all of our production facilities and our headquarters. We take preventive measures against any conceivable accidents. For example, liquids that pose a threat to water are only ever emptied, refilled, or stored in areas that are equipped with appropriate collection facilities. If water-endangering substances leak, emergency plans come into effect that define the precise course of action to take. All measures are regularly reviewed through external ISO 14001 audits.



Water volumes and sources

We are using water as an auxiliary material more frequently, including in the production of adhesives, in cooling processes, and for steam generation. The overall share of water-based products in our portfolio has increased over the last several years. As such, we are pursuing the goal of using water as sparingly as possible with all the more urgency. We have adopted a number of measures to this end. We collect water-related data on aspects such as water consumption and wastewater volumes at all production facilities on an annual basis.

Fig. 10: Water data in m³ **2023**

| | |
|------------------------------|---------|
| Water withdrawal | 471,000 |
| Well water | 194,000 |
| Water from municipal sources | 277,000 |
| Water consumption | 85,000 |

The water we use is primarily obtained from the local drinking water supply and from groundwater. Water is reused multiple times in our cooling systems. We implement appropriate measures to effectively return used water to the water cycle at our sites. Our wastewater is differentiated into sewage and rainwater, and concentration levels are monitored continuously. Wastewater is also examined for prescribed parameters by an external laboratory each month. Our plant in Vietnam has a rainwater treatment system. The treated water is used to irrigate plants on the factory grounds.

Global Sustainability Week

For the second time, a Global Sustainability Week was held for tesa employees in November 2023. Over the course of three days, there were many opportunities to experience, participate, and ask questions. The events, consisting of presentations, information stands, and tours, took place around the tesa globe, either on site or virtually. During a panel discussion, tesa's top management team faced not only critical questions from the moderator, but also from the audience around the world.



People

People deserve appreciation and respect. This belief is a fixed element of our corporate culture. Honesty, trust, tolerance, and integrity towards our employees and within our workforce are our highest priority. We are committed to supporting diversity and equal opportunity.

Employee concerns

For a company such as tesa that prioritizes innovation and competitiveness, employees are the key to success. They contribute new ideas, drive changes, and shape our corporate culture. Their skills and commitment are indispensable for the development of new products and solutions that set us apart from the competition. Through continuous professional development and education opportunities, we aim to promote the talents of our employees and thus lay the foundations for sustainable success as a

company. Our goal is to recruit and retain dedicated employees.

Since the success of our company is highly dependent on the skills of our employees, our HR strategy is designed to create an attractive working environment that recognizes individual performance and actively embraces the potential of a diverse workforce. We want to ensure the long-term satisfaction of employees who show a great deal of potential. In the interest of creating the best possible work environment for achieving these aims, we are expressly committed to maintaining a culture that values diversity and equal opportunity. The People Values describe our corporate culture in our day-to-day activities and are integrated into annual employee performance appraisals and feedback discussions. We encourage all employees to participate in shaping our values and embodying them in practice.

Family-friendliness and health

Our flex-time model and options to work at home allow employees to structure their working hours in ways that are flexible and family-friendly. We have also established a parent-child office at tesa headquarters. Employees at our corporate headquarters can also take advantage of opportunities including a cleaning service, regular visits to market stands stocked with regional fruit and vegetables, and various mobility concepts. A charging station is available for electric cars and bikes, and there is also a parking point for bicycles under Hamburg's "Stadtrad" bike-sharing initiative. We encourage employees to use their own bicycles through a leasing program.



Our workspaces are designed to be ergonomic and modern, e.g. with adjustable sit/stand desks and lighting and ventilation solutions. Our health management unit also provides employees at our headquarters in Norderstedt with offers such as personal ergonomic consultations, colon cancer screening appointments, a fitness studio, and massages that can be booked individually. These offers also include care from the company medical service and psychosocial counseling options

Continuing education and employee retention

We encourage employees to pursue professional development through various offerings and create opportunities to take on responsibility. All employees complete our basic training modules at regular intervals. An employee meeting is held with each individual employee once per year. These meetings help us to integrate personal and professional concerns and to effectively tailor employees' professional development to their individual needs. A portal for injobs advertised internally and externally provides employees with the opportunity to apply for jobs in different countries and functional areas. In addition to professional development programs for all employees, we also offer basic qualification courses for new hires. Employees also have numerous opportunities to pursue professional development through in-person seminars on overarching subjects such as compliance, occupational safety, the environment, sales, management, and leadership. Our digital learning hub contains further courses on subjects such as providing active feedback, self-learning, and more. Since 2021, all of our employees have also had access to sustainability training on our global learning platform. The mandatory training was relaunched in 2023. More than 3,500 employees completed the training in the reporting year. Offers from LinkedIn Learning are available as a supplement to our own programs.

Training and youth talent promotion

Competition for skilled employees is fierce, particularly in scientific and technical areas, and the effects of digitalization and internationalization are also bringing about a rapid transformation in work requirements and working methods. We need highly qualified, dedicated, and performance-oriented employees, which is why we are continuously



People Values

Our teamwork values

Focus on the customers

Be close to our customers so that we can anticipate and meet their needs.

Set the pace

Be self-driven and proactive.

Team up

Be open-minded and strive for success as one team.

Achieve goals

Be willing at all times to improve your performance and achieve the best possible results.

Challenge yourself

Be committed and open to change and challenge yourself.

Act responsibly

Be fair and honest and act responsibly at all times.



developing our training and professional education programs in the interest of meeting these challenges as effectively as possible. By consistently promoting youth talent, we aim to provide promising young hires with targeted professional development and to build loyalty to the company.

The tesa Group offers independent training programs at its production sites in Hamburg-Hausbruch and Offenburg. The key focus areas in this context are in technical fields. In addition to courses offered for training as chemical technicians, electronics technicians for operational technology, industrial mechanics, machinery operators, system operators, and mechatronics technicians, there are also options for commercial vocational training as well as cooperative university education in the areas of plastics and elastomer engineering, electrical engineering, and IT for system integration.

On September 1, 2023, twelve cooperative university students (five master's students and seven bachelor's students) commenced a new training program in the areas of industrial engineering, data science, business administration, green technologies, and electrical engineering at tesa SE's corporate headquarters in Norderstedt. In addition, four new trainees have started their training as lab chemists. In 2024, tesa SE plans to set up another such training program. Our goal is to retain our trainees as full-time employees. The retention rates for 2023 were 54 percent for Hamburg-Hausbruch and 100 percent for Offenburg.

Promising interns and student employees with outstanding performance have the opportunity to join our "tesa Talents" network. This allows us to maintain contact with, and create additional opportunities for, potential young hires. Our talent network consisted of 53 young professionals during the reporting year.

Diversity and equal opportunity

Different perspectives help us to understand the needs of our customers better and simultaneously serve to enhance tesa's innovative spirit. As such, our human resources departments and managers worldwide are committed to preventing discrimination in any form. We are dedicated to promoting diversity and equal opportunity in all company matters. This also includes making greater efforts to ensure equal opportunity for all genders at all levels of the company. The targets we have set for ourselves at tesa SE are 30 percent women at the first level below the Executive Board and 35 percent women at the second level by mid-2027.

In the context of hiring, we also prioritize the recruitment of people with different cultural backgrounds. Between December 2020 and December 2023, the proportion of employees with a nationality other than German rose by 5.4 percentage points to 10.8 percent. We want to strengthen this trend, and are pursuing this aim through measures such as advertising all roles not covered by collective bargaining agreements exclusively in English.

We also support programs aimed at integrating disadvantaged groups. In Norderstedt, we work with the company Elbe Nord, which trains and employs people with disabilities.



Occupational health and safety

As an international company with around 5,200 employees, we bear responsibility for the welfare of employees and contractors. Our aim is for them to benefit from the highest health and safety standards. We are pursuing the goal of reducing the number of workplace accidents to zero. We seek to prevent work-related illnesses and strain through effective measures. This concern pertains to both physical and psychological strain.

We assess if and how we can make our company workplaces even safer and more conducive to good health on a regular basis. In this context, we rely on prevention and targeted occupational health and safety measures. We raise our employees' awareness of possible risks – for their own protection and for that of their colleagues.

Occupational safety management

Our internal management system in the area of occupational safety is based on the relevant statutory provisions as well as our Group-wide occupational safety policy ("tesa Policy on Occupational Safety and Health"), adopted in 2022, which centers on six key topics: crisis and emergency management,

health care, risk assessment and analysis, accident prevention, fire and explosion prevention, and plant safety. The occupational safety policy is expanded through further internal preventive measures and specific operating instructions. All employees are required to be informed about safety risks and potential hazards through measures such as corresponding training. In this way, we aim to promote correct and responsible behavior and thus to prevent accidents and hazards to health.

The occupational safety policy also applies equally to subcontractors who handle tasks at our production sites. Corporate management works with the occupational safety unit in the context of occupational safety committees and the annual management review to assess the accidents that occurred in the course of a given year and initiate corresponding measures to further improve employee safety and reduce occupational hazards to health.

Our occupational safety management activities are focused on our ISO 14001-certified production facilities, as the risks of accidents and adverse health effects are greater there than at our office locations. We have defined a demanding roadmap in our sustainability agenda: By 2025, we intend for all tesa sites that already have an ISO 14001-certified



Read more about our certifications here

environmental management system to also obtain ISO 45001 occupational safety certification. The headquarters of tesa SE in Norderstedt and tesa Manufacturing Hamburg successfully completed the initial certification in 2023. This means that six of our seven sites are now certified under DIN ISO 45001.

Cooperation across locations: Global Operations Safety Manager

In the interest of promoting international exchange between the safety specialists at our sites, we have established the new Global Operations Safety Manager executive position. Key occupational health and safety risks are discussed, joint projects are initiated, successes and experiences are shared, and standards are defined in annual meetings held by the Global Operational Safety team. This procedure contributes to the continuous improvement of accident prevention measures at tesa.

Documentation of workplace accidents

We use the accident frequency rate (AFR) to document all work accidents that result in at least one lost day. In 2023, the AFR of documented accidents with at least three lost days was 1.2 per million hours worked across all sites (2022: 2.1). This was significantly below the German industry average (BG RCI, the statutory accident insurance and prevention institution for the raw materials and chemicals industries) of 11.6 (2022).

Personal protective equipment

As a matter of course, tesa provides suitable personal protective equipment to all employees who require it. In order to ensure that individual circumstances are fully taken into account, items of equipment are selected jointly with the employees in question.

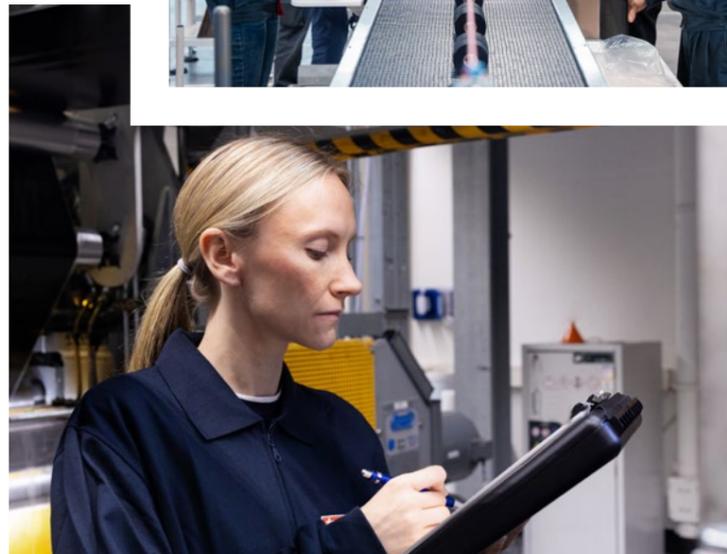


Fig. 11: Occupational safety figures

| | 2020 | 2021 | 2022 | 2023 |
|---|------|------|------|------|
| Work accidents ≥ 1 day (number) | 18 | 21 | 20 | 15 |
| Accident frequency rate ≥ 1 day (number / 1 million working hours) | 3.6 | 4.1 | 3.6 | 2.7 |
| Work accidents > 3 days (number) | 9 | 6 | 12 | 7 |
| Accident frequency rate > 3 days (number / 1 million working hours) | 1.8 | 1.2 | 2.1 | 1.2 |

Preventive measures

All employees are required to take part in basic occupational health and safety training. Safety training for external service providers is also conducted at all sites on a regular basis.

Systematic and ad hoc risk assessments serve as the basis for the selection and configuration of work resources, work processes, and workspaces such that technical and organizational flaws are prevented and employees can work in a manner which protects their health and safety. Ad hoc assessments are typically called for in cases such as the introduction of new or modified machinery, working facilities, or processes, since these can have an influence on the health and safety of our employees. We combat such risks through systematic safety measures such as safety-focused acceptance processes before the commissioning of new machinery and/or regular inspections.

Fire safety

In 2023, we continued to focus on fire safety and carried out evacuation and fire-extinguishing training at our plants. In a fire-extinguishing drill at tesa headquarters, participants learned about fire prevention and what to do in the event of a fire under the guidance of a specialist.

Occupational health and safety day

We carried out an occupational safety and health day at the tesa Manufacturing Hamburg site in 2023. All employees had the opportunity to learn about subjects such as personal protective equipment, noise exposure, and securing pinch points in machinery.

Any new machines and systems purchased must satisfy provisions including our requirements pertaining to noise emissions. Noise levels are regularly measured in the various operational areas of the plants. The use of some monomers in the polymerization process may result in unpleasant odors that can cause stress. The countermeasures we employ include examples such as the use of special attachments for air filter systems.

Handling hazardous substances and accident risks

The handling of hazardous substances is also regulated in detail. The occupational safety unit works with the Corporate Regulatory Affairs unit and the responsible personnel from research & development and production to create a corresponding structure for tesa-specific processes on the handling, labeling, storage, and transport of hazardous substances. Equipment and workspaces are inspected for safety and sources of emissions at regular intervals. At many locations, preventive health exams can be carried out directly on-site by the company medical service.



Product sustainability

With innovative product solutions, we aim to offer our customers technological progress paired with the opportunity to make an active contribution towards greater sustainability. To this end, we are increasingly using recycled and bio-based materials in our products and packaging. Our goal is for 70 percent of the materials in our products and packaging to originate from recycled or bio-based sources by 2030. At the end of 2023, we already had a share of 24 percent. We also want to cut the use of non-recycled fossil plastics by half by 2030 (end of 2023: -16 percent).

The use of bio-based commodities and the reuse of materials serve to reduce the need for new resources, and can thus make a significant contribution towards greater sustainability.

Project sustainability assessment

In 2020, we established a tool in the form of our “project sustainability assessment” which allows us to promptly assess projects in the area of product and technology development in regard to their contribution towards greater sustainability. All new development projects must undergo the assessment. We use the results to manage our development portfolio in a more targeted manner. As of the end of 2023, 25 percent of ongoing development projects were making a measurable contribution towards the fulfillment of tesa’s sustainability targets. During the reporting year, we launched a total of 40 products that could make a substantial contribution towards greater sustainability on the market.



New labels

Many of our customers are pursuing greater sustainability for their own products and services. As such, they want to be able to choose between different options in the supply chain and opt for more sustainable solutions. We are just as focused on the needs and expectations of our customers as we are on our own sustainability targets. With this in mind, we have created a label for our more sustainable products for industrial customers. This helps to identify products with more sustainable characteristics within our portfolio. The logo is used to mark all products in our portfolio which fulfill clearly defined criteria, in the interest of staying a step ahead in terms of sustainability without compromising quality.

24%
of our product and packaging materials are recycled or bio-based



You can find more information about product sustainability here

Focus on customer needs

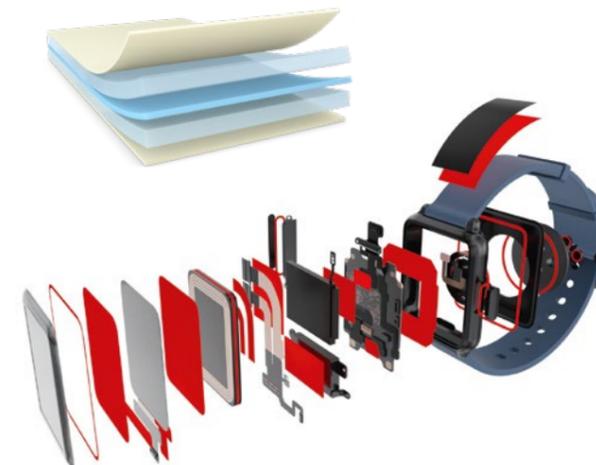
Every product – including those that offer sustainability advantages – needs a buyer looking for exactly those qualities which the product offers. By aligning our products with the needs of our customers, we contribute towards helping them achieve their own sustainability goals.



Examples from the Industry and Consumer divisions

A crystal-clear commitment to sustainability – tesa[®] Eco & Crystal now with 90 percent recycled PET backing

From now on, the well-known tesa[®] will be more sustainable and will be joined by the new “tesa[®] Eco & Crystal” line. The backing is made from 90 percent recycled PET, the adhesive mass from water-based acrylate, and the roll core from 100 percent industrially generated residues from plastic processing. The 90 percent PCR-PET (post-consumer recycled PET) content in the backing material of the new tesa[®] Eco & Crystal has been externally certified by UL-Solutions to the UL ECV 2809-2 standard. The certificate for the INGEDE Method 12 is also available. The product can therefore be disposed of with packaging in paper waste without risk to the paper recycling process.



Industry: Bio-based and PCR elements in the Electronics segment

In the Electronics segment, we launched eight new products in 2023 which expand the range of more sustainable products, including double-sided film tapes, masking tapes, and electrically conductive adhesive tapes, and cover a broad palette of applications for consumer electronics. The new double-sided PET tesa[®] 6887x range, for example, employs 75 percent bio-based acrylic adhesive and 100 percent post-consumer recycled (PCR) PET backings and cover films. Thanks to our innovative solutions, the tesa[®] 6887x range not only guarantees secure and reliable adhesion in various devices, but also contributes towards our customers’ sustainability agendas.

Consumer: tesa ecoLogo®

Since 2010, we have offered products including adhesive rollers, adhesive films, packing tape, glue sticks, and correction rollers manufactured primarily from recycled or bio-based materials under our tesa ecoLogo® sub-brand. The packaging used for these products is also largely recycled. This product range is also manufactured entirely without solvents. New products are added to the tesa ecoLogo range on an ongoing basis. The new tesa-film® Eco & Crystal joined the product line during the reporting year. This product is our first to use a backing film that consists of 90 percent post-consumer recycled (PCR) PET material and is certified accordingly under the UL 2809 Environmental Claim Validation Procedure (ECVP). The roll core also consists of 100 percent recycled plastic.



The entire life cycle at a glance

We take the end of the product's useful life into account even at the earliest stages of development, and we invest in research and development on this subject. One focus area in this context is removable adhesives which allow attached parts to be repaired or reused. Our adhesive solutions can thus enable products to be repaired or reused. In this way, we help customers to minimize their own waste volumes and reduce greenhouse gas emissions.

We also intensively analyze the CO₂ footprint our products leave. To this end, we have continuously expanded our databases in which all significant raw materials and packaging materials are linked with primary and secondary emissions factors over the

course of the reporting period. We are also working on the further standardization and validation of our methodology. Partners we are cooperating with in this context include the European Adhesive Tape Association (AFERA), which is supporting an industry-wide harmonized calculation of product CO₂ footprints.

We are also in dialog with our suppliers in this context in the interest of improving the accuracy of our calculations with the help of the most comprehensive primary data possible. The data we collect in this way is used for internal management and accounting purposes as well as for customer information. Life cycle analyses for various products were carried out and, in some cases, externally validated over the course of the reporting year. We successfully had CO₂ savings independently confirmed for two products, for example. These were the reusable adhesive tesa® Twinlock sleeves for flexo printing processes and the improved double-sided tesa® 4965 adhesive tape.

We identified and quantified specific sources of emissions among our suppliers during the reporting period in the interest of improving our own emissions balance sheet through appropriate measures in a targeted manner (see Reduction of emissions, p. 17).

Certifications

tesa has adopted the goal of increasing the share of bio-based/recycled materials to 70 percent by 2030 (end of 2023: 24 percent). Reliable guarantees of origin with high-quality certifications play a crucial role in this context. Since 2019, we have sourced materials from responsible, sustainable forestry enterprises. This is what the FSC® seal represents. This label is awarded by the independent Forest Stewardship Council® and is the best-known symbol of responsible procurement of wood and paper worldwide. In the area of packaging, tesa aims to have at least 80 percent of products certified accordingly. We are also continuously launching new FSC®-certified products on the market.



FSC® certificates are also awarded at the level of entire **locations**. tesa SE has been FSC®-certified since 2019, as have our plants in Suzhou (China), Concagno (Italy), Offenburg, and Hamburg (Germany). Our plant in Vietnam joined the list during the reporting year. The first seven European sales organizations were also certified. We will continue pursuing certifications for more sites in the future.

The **ISCC-certified biomass balance** sheet is helping to increasingly replace fossil fuel-based raw materials with bio-based ones, to conserve CO₂ emissions, and to advance the sustainable transformation of our manufacturing activities. We have converted the adhesive for **tesa® 4965 Original Next Gen** to mass-balanced raw materials. Together with the conversion to recycled backing film, this has resulted in CO₂ savings of 40 percent relative to the previous.

2023 saw the Hamburg plant become our first site to be certified under the ISCC PLUS ("International Sustainability and Carbon Certification") standard. ISCC PLUS offers a framework for ensuring the sustainability, traceability, and responsible procurement of biomass and bio-based raw materials along the supply chain and provides transparent guidelines for companies using the mass balance approach. The tesa plant in which tesa® 4965 Original Next Gen is manufactured is certified under ISCC PLUS in order to ensure that tesa can apply the mass balance approach correctly and transparently and that sufficiently biomass-balanced adhesive components are used along the supply chain. We route partially bio-based raw materials, e.g. from agricultural waste, into the previously fully fossil fuel-based production process.

Optimized packaging

We want to make packaging more sustainable – beyond the extent of typical optimizations. In the case of fiber-based packaging materials such as paper and cardboard, our goal is to reach an FSC® certification rate of 80 percent by 2025. We are also aiming to use 50 percent less non-recycled fossil fuel-based plastic in our packaging by 2025 (relative to 2018). We achieved further progress towards these targets during the reporting year. At our Offenburg plant, for example, we have replaced 50 percent of the polyethylene (PE) shrink film used with equivalent PCR material. At our Hamburg and Offenburg plants, PE roll packaging bags and film tubes have consisted of 80 percent and 40 percent PCR material, respectively, since 2023.



Learn more about tesa® 4965 Original Next Gen here

tesa® 4965 Original Next Gen





Product safety

Our goal is to manufacture and distribute products that satisfy the highest quality and safety requirements and conform to the diverse expectations of stakeholders. All tesa production facilities have certified management systems in line with quality requirements, standards and regulations recognized worldwide. In addition to the applicable laws and regulations, we adhere to the requirements of our internal Product Safety Guidelines. These describe mandatory measures enabling us to further increase the safety of our products.

safety data sheet) for each product which contains safety-related information on aspects such as materials and substances, proper storage and handling, and recommendations for disposal.

Product Safety Officer

Product safety management is an essential component of quality management at tesa and is co-directed by corporate management. Each of our plants worldwide has a Product Safety & Conformity Representative (PSCR) who reports to the corporate officer responsible for product safety (Corporate PSCR). All PSCRs must undergo accredited external training. PSCRs are typically also the quality officers of their plants. Our Corporate Regulatory Affairs department is responsible for assessing the materials and substances used in our products. As a general rule, there is an information sheet (e.g. a



Risk assessments

The prevention of product defects is a key priority for us. For this reason, the Product Development and Production departments conduct risk assessments or failure mode and effects analyses (FMEA) for every new project. This helps them to identify potential defects in design, production, or even product instructions, e.g. inaccurate instruction manuals, during the product development process. Once products are already on the market, our business units continue to monitor them. If these units determine that an additional risk analysis and evaluation or additional or new measures are required, they initiate the necessary steps to ensure the health and safety of our customers and employees.

Audits

Under the auspices of our quality management system, our sites are subject to internal and external audits for conformity with ISO 9001 and IATF 16949. Our Quality Management department and product safety officers are responsible for our internal audits. Audits are carried out regularly as well as on an ad hoc basis. They assess product development and production, as well as further areas where necessary. In the year under review, the production facilities of the tesa Group were once again successfully audited in line with globally recognized quality requirements and standards. In particular, IATF 16949 certification assesses the conformity of all products, processes, systems, and services, as well as product safety.



Supply chain

We prioritize long-term relationships with business partners who share our principles for sustainable and responsible business management and adhere to them in a verifiable manner. As an international company, we procure raw materials, products, and services through global supply chains. By working closely with actors within these supply chains, we seek to establish trusting long-term partnerships with fixed suppliers. Our goal in doing so is to ensure high product quality, security of supply, and joint development towards compatible sustainability targets.



Human rights

If minimum social standards are not observed, then the safety, health, and well-being of employees is jeopardized. The same applies in regard to people in the value chain. In addition to significant reputational losses, the entry of the German Supply Chain Due Diligence Act (LkSG) into force means that companies may also face fines for human rights violations. In addition to the legal requirements of human rights due diligence obligations, our own high standards also contribute towards ensuring that we conscientiously reevaluate the risk of violations of the observance of human rights among our employees and in our supply chain on an annual basis. A cross-functional task force of employees from our Procurement, Compliance, Legal, and Sustainability units is preparing our internal processes for additional requirements under the new law, and we are adopting precautionary measures to ensure that all human rights measures are taken into account.

Our own “Human Rights Policy Statement” constitutes a voluntary commitment and a pledge to adhere to the principles of the “United Nations Global Compact” (UNGC) and other frameworks pertaining to our own business activities and cooperation with business partners such as the UN’s “Universal Declaration of Human Rights”, the conventions of the International Labour Organization (ILO), and the “OECD Guidelines for Multinational Companies”, as well as other country-specific regulations and official requirements.

As a responsible company, tesa rejects any form of human rights violations; any reported violations are dealt with immediately. We reserve the right to terminate business relationships in the event of serious violations.

70%
of our spend goes to suppliers who have undergone a sustainability assessment.



Here you can learn more about responsible sourcing

General requirements and dealing with violations

We require our business partners to fulfill our standards and to pass them on to their upstream supply chains. This pertains to both the required product quality and to transparent, fair, and responsible business practices. In the event that we identify violations of our standards, we proceed as follows: First, we prepare mandatory corrective measures for the parties in question. If we are then unable to identify any improvements, we reserve the right to temporarily or permanently terminate business relationships. In this way, we would like to ensure that our business partners fulfill their social, ecological, and economic responsibilities.

The provisions underpinning our global purchasing processes are set out in our Purchasing Compliance Guidelines (PCG), which form part of the Group-wide Compliance Manual and contain binding rules of conduct for tesa as a purchasing company. We re-evaluate these guidelines on an ongoing basis. From 2024 onwards, the guidelines will apply to all tesa sites worldwide as the “Global Procurement Policy.”

Suppliers who deliver directly to us are required to sign the Code of Conduct for Suppliers (CoCfS), which sets out fundamental rules and obligations in the area of human rights, labor standards, environmental protection, and corruption prevention. In view of the new German Supply Chain Act (LkSG), we expanded the CoCfS during the reporting year and attributed even greater relevance to the topic of human rights. The new CoCfS has been in effect since April 2023. Our buyers are trained on the Purchasing Compliance Guidelines, the Code of Conduct for Suppliers, antitrust compliance, and sustainability.

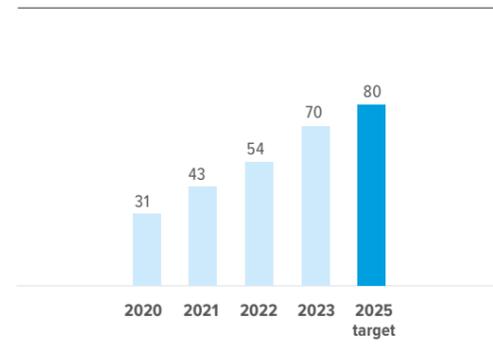


Transparency in the supply chain

We aim to incrementally improve the transparency and sustainability of the supply chain. Since 2020, we have been inviting direct suppliers to undergo a self-assessment via EcoVadis. This allows them to demonstrate the extent to which they adhere to human rights, fair working conditions, and environmental aspects and responsibly produce and procure their products, raw materials, and services. As of the end of 2023, EcoVadis self-disclosure information was available for 70% (2022: 54%) of our direct purchasing volume. We intend to gradually increase this share over the years ahead: Our goal is to have self-disclosure information available for a total of 80% of our direct purchasing volume by 2025. During the reporting year, we took another step towards this target by establishing a two-stage screening process in line with the EcoVadis Scorecard, a rating tool for assessing the sustainability of suppliers. Roughly 8,200 suppliers have already been screened. In the upstream first step, our Procurement and Sustainability departments annually assess whether a more in-depth risk analysis of a supplier is necessary. Together with country- and industry-specific risks, our annual purchasing volume also plays a role in the corresponding classification of risk on a scale from “very low” to “very high.”

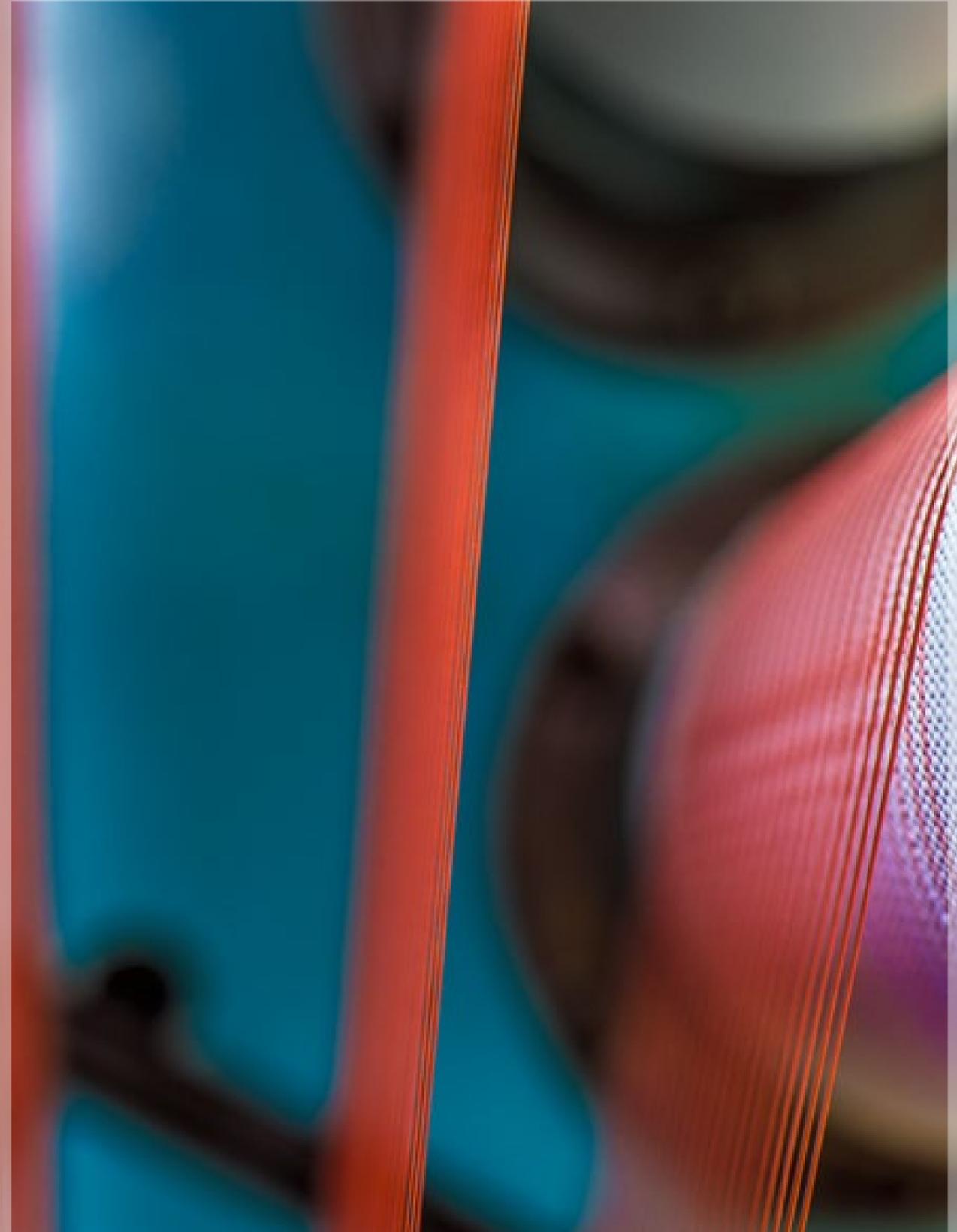
We also regularly invite our buyers and suppliers to undergo online training offered by EcoVadis on various aspects of sustainability. In the event that suppliers exhibit risks according to our two-stage evaluation, we initiate risk minimization measures. Suppliers exhibiting a particularly high degree of risk are subject to audits under the SMETA 4-pillar protocol. Our goal is to ensure that 80 percent of our total purchasing volume is directed solely to suppliers who have an EcoVadis rating of at least 45 points and meet our requirements for responsible supply chains overall by 2030.

Fig. 12: Coverage direct spend through EcoVadis in %



Risk assessment

All of our suppliers undergo scheduled annual screening. We also conduct event-driven audits, for example when onboarding new suppliers. Country- and industry-specific risks are identified in this context. Purchasing volume is a factor in the classification of risks into six categories on a scale from "very low" to "very high." Factors such as strategic relevance also play a role, such as when dealing with a supplier of an important raw material or a single-source supplier.

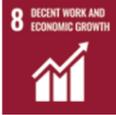


Sustainable Development Goals Index



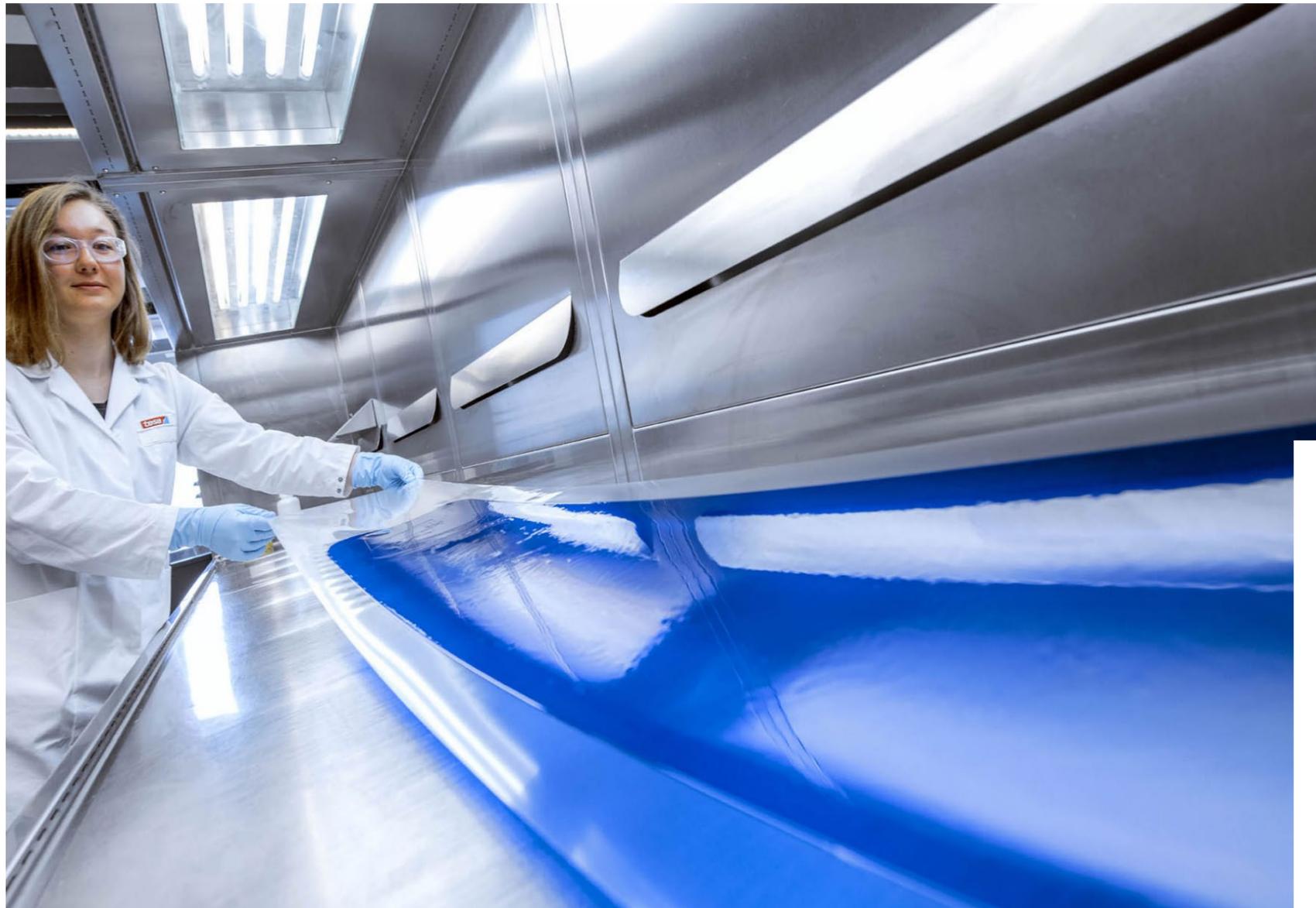
You can learn more about our guidelines and standards here

We contribute to the following SDGs and their corresponding targets:

| SDG | SDG targets | Our contribution | In this report |
|--|--|--|----------------------|
|  | 5.5: Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision making in political, economic, and public life | At tesa, all employees have the same opportunities - regardless of gender, age, origin, sexual orientation or religion. tesa is also committed to gender equality within the workforce and in management positions. By mid-2027, 30 percent of the first management level and 35 percent of the second level are to be filled by women. | Page 28 |
|  | 7.2: By 2030, increase substantially the share of renewable energy in the global energy mix | Since the end of 2020, renewable energy sources provide 100 percent of the electricity purchased for all tesa sites worldwide. We are supporting the development of renewable energy by purchasing green electricity. In the future, we want to rely more on the use of renewable fuel sources, such as biogas for our CHP systems. | Pages 16–20 |
| | 7.3: By 2030, double the global rate of improvement in energy efficiency | The production facilities in Hamburg, Offenburg and Italy as well as our headquarters are certified according to ISO 50001 for energy efficiency. The introduction of the energy management systems paved the way for further increasing the energy efficiency of our facilities. Another strategic approach for tesa is the use of energy and resource-saving technologies. This includes the efficient generation of our own energy through cogeneration and photovoltaic systems. | Page 16 |
|  | 8.4: Improve progressively, through 2030, global resource efficiency in consumption and production and endeavor to decouple economic growth from environmental degradation, in accordance with the ten-year framework of programs on sustainable consumption and production, with developed countries taking the lead | Our products should be as harmless as possible to the environment over their entire lifecycle. During development and manufacturing we take care to ensure resource efficiency and to avoid production waste as much as possible. Measures to this end are an integral part of our environmental protection activities as a company. 70 percent of the materials for our products and packaging should be made from recycled or bio-based materials by 2030. Reducing and avoiding packaging material also helps to minimize waste and thus negative effects on the environment. For example, we will halve the use of non-recycled fossil-based plastic in our packaging by 2025. | Pages 22–23 32–35 |
| | 8.8: Protect labor rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment | As a responsible employer, we see it as our duty to protect our employees from risks and hazards in the exercise of their activities. With a wide range of measures, we contribute to preventing accidents and occupational illnesses. We have created a supplier program to increase transparency in our supply chain. We ask direct suppliers to share their sustainability performance with us. | Pages 29–31 |

| SDG | SDG targets | Our contribution | In this report |
|---|---|--|----------------|
|  | 12.2: By 2030, achieve the sustainable management and efficient use of natural resources | tesa develops eco-friendly, solvent-free production methods, and uses bio-based and recycled raw materials wherever possible and sensible. We take care to ensure resource efficiency and avoid production waste from the early stages of developing our products and the methods used to produce them. By using raw materials with FSC® certification, tesa also supports sustainable and responsible forest management. Many of our products are therefore already FSC® certified (FSC® C148769). | Pages 22 34 |
| | 12.4: By 2030, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water, and soil in order to minimize their adverse impacts on human health and the environment | There is no way to eliminate all waste when producing goods. Our waste and raw materials management activities are geared toward using materials efficiently and recycling wherever possible. Therefore, we constantly work on minimizing production-related losses in the raw materials we use. tesa recycles almost all non-hazardous waste and hazardous waste containing solvents. By 2025, no production waste is to be disposed of in landfills (zero waste to landfill). | Pages 22–24 |
|  | 13.1: Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries | We have set ourselves the target of reducing our Scope 1 and Scope 2 emissions by 30% in absolute terms by 2025 compared to 2018. We have already achieved this target in 2023. We want to achieve climate-neutral production by 2030. This goal is in line with the state of science (Science Based Targets initiative) to limit global warming to 1.5 degrees Celsius. Scope 3 emissions are to fall by 20 percent in absolute terms by 2030 compared to 2018. We are aiming to achieve a completely climate-neutral business model by 2050 at the latest. | Pages 7–19 |
|  | 15.1: By 2020, ensure the conservation, restoration, and sustainable use of terrestrial and inland freshwater ecosystems and their services, in particular forests, wetlands, mountains, and drylands, in line with obligations under international agreements | We aim to use water responsibly. Our primary concerns are using water efficiently and protecting it against contamination. Every year, we keep track at our production facilities of water data such as water consumption and effluent quantities and also perform a regular water risk assessment. We also report the results through CDP. | Page 24 |
|  | 16.5: Substantially reduce corruption and bribery in all their forms | We reject any form of corruption, bribery, or other forms of unlawful conduct. Corruption prevention is one of tesa's Core Compliance Fields and plays a central role in the Compliance Management System. | Pages 14–15 |

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