

Sustainably creating added value

Unternehmensgruppe Theo Müller



2023

Sustainably creating added value

Dear Ladies and Gentlemen,

Since its beginnings in 1896, the Unternehmensgruppe Theo Müller has been a sustainable company in the original sense. From the very beginning, our goal has been to do business today in such a way that we will still be successful tomorrow. Efficiency, productivity, process optimisation, the right way of dealing with resources and recyclable materials as well as highly trained and motivated employees are central concepts and building blocks of our corporate success.

The pursuit of continuous improvement and the profitability of our actions is deeply rooted in our corporate DNA.

Under the umbrella the Unternehmensgruppe Theo Müller combines numerous very well-known and popular brands with Müller, Weihenstephan, Landliebe, Loose, Sachsenmilch and Homann.

Our ingredients such as whey powder or cheese can be found in the recipes of well-known manufacturers. As such, there is great interest on the part of consumers – and thus also among our partners from the food retail trade and the B2B sector – in how and under what conditions they are produced, packaged and distributed.

In this report, we transparently present our activities in the area of sustainability in the reporting period 2022 (and partly 2023).

Group Executive Board
Unternehmensgruppe Theo Müller

Where we stand

Our brands and locations define their own sustainability initiatives in coordination with the overarching UTM strategy. Below is an overview of the 2023 sustainability activities within the Unternehmensgruppe Theo Müller.

Corporate governance

Our common goal: to create a successful anchoring of sustainability initiatives in order to make the group of companies fit for the future and profitable in the long term.

Since its foundation in 1896, the Unternehmensgruppe Theo Müller has been 100 percent family-owned.

Our key figures*:

32,300
Employees

17
Production sites

8,800
Turnover in M €

Sustainability is not an abstract idea, but a tangible concern in our group of companies. We work continuously with technology, supply chain, milk purchasing, packaging development, sales and other departments to achieve sustainable value creation across the board.

Since 2017, UTM sites have been analysed in the Ecovadis rating platform. In 2023, Leppersdorf, Lintorf and Prague were awarded the silver medal.

Energy and CO₂

Environmental and energy management

- The Leppersdorf and Prague plants as well as Heilbronn and Schefflenz were certified according to the international environmental management standard ISO 14001 in 2022.
- From 2020 to 2022, we saved 52.5 million kilowatt-hours* of energy in the form of electricity and heat through energy-saving measures. This means a saving of 15,800 tonnes of CO₂.

Water and waste water

- In Leppersdorf, we save fresh water by recycling around six million litres of wastewater into fresh water every day.

Transport and logistics

- With the help of improved route management, more efficient capacity utilisation and the avoidance of empty runs, our transport companies are continuously optimising logistics and thus reducing the energy consumption of the vehicles.
- Fuel consumption values have been reduced by an average of 15 percent since 2015.

Carbon footprint

- We have taken the next step in reducing CO₂ emissions: In the first quarter of 2023, the Unternehmensgruppe Theo Müller committed to the Net Zero targets of the Science Based Targets Initiative (SBTi).

Our products

Sustainable agriculture

- We help our milk producers to reduce CO₂ equivalents. On the project ›Regenerative Agriculture‹ we work together with 20 farmers.
- Our raw milk in continental Europe comes from cows fed GMO-free.
- With the help of the ›Müller Advantage‹ initiative, Müller UK & Ireland wants to create incentives for milk producers to reduce their CO₂ emissions. The aim is to reduce supplier emissions by 30 percent by 2030.

Conscious nutrition

- We offer a vegan alternative to anyone who wants to supplement their diet with vegan products.

Packing

- Where possible and economically viable, we contribute by minimising packaging, optimising recyclability and using recycled materials.
- We have reduced the weights of our packaging through continuous and systematic optimisation of material performance. As a result, since 2000 we have reduced over 63,000 tonnes of plastic saved.

Quality and product safety

- An average of 9 audits per week took place in our factories in 2022.

Employees

Attractive employer

- The Unternehmensgruppe Theo Müller offers its employees attractive additional and social benefits as well as a wide range of discounts.
- With more than 200 trainees in 17 professions at our German locations, we are a strong and reliable training partner.
- In 2023 and thus for the fifth time in a row, the Unternehmensgruppe Theo Müller received the ›Fair Trainee Programme‹ award from the Trendence Institut GmbH.

Health and safety at work

- At some locations, we offer company sports programmes such as handball or yoga, health days and sports festivals.

Social engagement

- In the spirit of good neighbourliness, our companies are committed to local social and cultural issues.



Sustainably creating added value

Unternehmensgruppe Theo Müller



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Our company

Company profile

The Unternehmensgruppe Theo Müller – from a village dairy to a food corporation

It is safe to say that every German has one of our products on their table almost every day, whether a dairy product, fish delicatessen, dressing or as an ingredient that we supply for other segments of the food industry, such as cheese for pizza or lactose and whey proteins for baby food. We also shape the industry internationally – whether in Great Britain, Poland, the Czech Republic, Italy or Israel. Our products are number one in the market in numerous segments.

Strong, well-known brands that are popular with retailers and consumers, the desire to innovate and a forward-looking approach are what sets us apart.

Founded in 1896, the company is still 100 per cent family-owned today –

with all the advantages this entails: Investments are not geared to short-term profit, but to long-term returns. At the same time, decisions are made quickly. Employees have the freedom to shape their own lives – coupled with the expectation that they will use this freedom in a meaningful and effective way.

The Unternehmensgruppe Theo Müller is the largest private dairy in Germany. The holding company manages the business of its subsidiaries in continental Europe and Great Britain with independent, strong brands: Müller, Weihenstephan, Landliebe, Sachsenmilch and Käserei Loose.

Private labels and basic dairy products such as butter, UHT milk and milk and whey derivatives complete the portfolio.



32,300
Employees



17
Production
sites



Export to
>70
countries



8,800
Turnover in M €



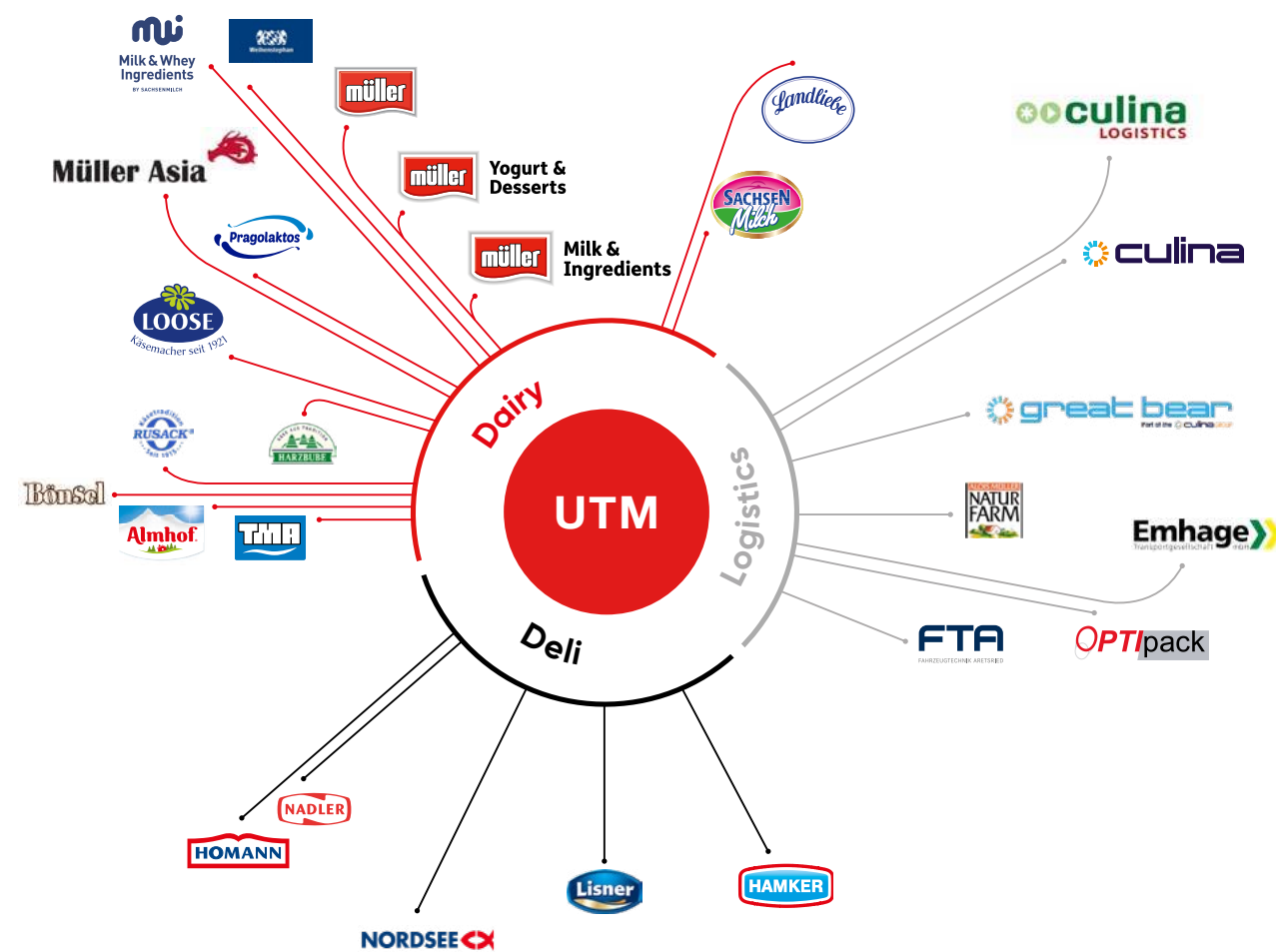
Our production sites

Germany:	Aretsried, Freising, Leppersdorf, Lintorf, Rogätz, Heilbronn, Schefflenz
Great Britain:	Bellshill, Bridgwater, Droitwich, Hanworth, Manchester, Market Drayton, Minsterley, Severnside, Telford
Poland:	Poznan, Charzyno
Czech Republic:	Prag

In addition to the milk-processing subsidiaries, the group also includes the packaging company Optipack, the company's own truck workshop FTA, the logistics company Culina and Müller Naturfarm, one of the largest fruit-processing companies in Germany. Convenience food activities are also

part of the group. The product range thus also includes wellknown brands in the sauces and fish specialities segment such as Homann, Lisner and Nadler. The products of the Unternehmensgruppe Theo Müller are manufactured in 19 factories in Germany, Great Britain, the Czech Republic and Poland. ■

Our brands



Production site Leppersdorf near Dresden

Leppersdorf as a showcase location

The factory in Leppersdorf near Dresden is one of the largest investment projects in the history of the Unternehmensgruppe Theo Müller. Since 1994, more than 1.5 billion euros have been invested in the construction and expansion of Europe's – perhaps the world's – most modern dairy. In the meantime, about 3,000 people are employed at this location.

From the milk supplied – around 1.6 billion kilograms annually – a wide variety of products are manufactured in a complex, partly fully automated plant. In five production areas, milk is processed into basic and fresh milk products, cheese and powder, thereby achieving one hundred percent utilisation of the raw material milk. ■

CSR reporting

Non-financial reporting

The task of the non-financial reporting obligation in the individual and consolidated financial statements is to raise the transparency of the social and environmental reporting of companies and groups in all sectors to a comparable high level.

The disclosure of this information is intended to increase consumer confidence in companies.

In 2022, we set up an organisation within the Unternehmensgruppe Theo Müller to enable seamless data collection. With the support of external consultants, we carried out a ›materiality analysis‹. In this context, around 80 managers from the entire group as well as their central management were interviewed.

■

Due Dilligence Directive (CSDD)

The Supply Chain Due Diligence Act came into force on 1 January 2023. The law regulates corporate responsibility for the observance of human rights in global supply chains. We are obliged to observe human rights and environmental due diligence obligations in an appropriate manner with the aim of preventing human rights or environmental risks, minimising them or ending the violation of human rights or environmental obligations.

A risk management system has been set up at UTM, a policy statement has been drawn up, a complaints procedure has been established and a process organisation has been set up. The procedures are described in the intranet and on the internet site of the group and corresponding documents are made available.

[Due Diligence | Home](#) 

UTM sites receive silver medal in the sustainability assessment of Ecovadis

Since 2017, UTM locations in continental Europe have been analysed in the Ecovadis¹ rating platform. In 2023, Leppersdorf, Lintorf and Prague were awarded the silver medal. Leppersdorf achieved 63 out of 100 points, compared to 2022 this corresponds to an improvement of eight points. Compared to other evaluated companies in the dairy in-

dustry, the Sachsenmilch is among the best 15 percent of the companies evaluated. In fact, the ›sustainable procurement‹ area improved from 40 to 80 points!

Our central purchasing department now has almost 500 of our suppliers assessed in Ecovadis, thus minimising CSR risks. ■



¹ Ecovadis is the largest provider of corporate sustainability ratings with a global network of more than 85,000+ rated companies.

Energy and CO₂

Environmental issues within the Unternehmensgruppe Theo Müller take into account energy and material consumption, emission reduction, waste management and wastewater reduction, as well as production processes, transport and energy efficiency, logistics or the behaviour of employees.

Environmental and energy management

Our energy management is directly linked to business management. A central energy management officer develops energy action plans with the energy managers at site level and defines measures for implementation.

This includes the systematic improvement of energy use and consumption, the transparency of all energy flows in the company, continuous process optimisation and the achievement of CO₂ savings. We not only regularly train our energy management team, but also continuously seek dialogue with our employees to university institutions and interest groups, train our employees and invest in new technologies.

The fuel supply for the two gas turbines is natural gas and biogas produced on site. The highly efficient combined heat and power generation system achieves an efficiency of more than 80 per cent in terms of fuel use compared to conventional condensing power plants through the combined generation of electricity and heat. Normal Power plants achieve an efficiency of about 43 per cent in relation to the fuel used.

Gas and steam power plant in Leppersdorf

In the summer of 2014, the company's own combined cycle power plant (combined gas and steam turbine process) went into service, providing almost 100 per cent of the heat in the form of steam and electricity for the Leppersdorf site. This investment project cost around 60 million euros.

Furthermore, the high flexibility of the power plant contributes to the stability of the electricity grid, which is becoming increasingly important due to the steadily rising share of electricity from renewable energies.

The power plant has a total electrical output of more than 34 megawatts, which could cover the annual demand of more than 60,000 private households. ■

ISO 14001 certification

The Leppersdorf and Prague plants as well as Heilbronn and Schefflenz were successfully certified according to the international environmental management standard ISO 14001 for the first time in 2022.



Storage space for the future in Aretsried

A new high-bay warehouse was commissioned at the Aretsried site at the end of 2021. Approximately 22,500 storage locations were created in the hot and cold areas, and the dairy and Optipack warehouses were combined at a single location. Nine storage and retrieval machines supply about 8,950 storage locations in the cold storage area and about 13,550 in the warm storage area. An electric overhead conveyor provides

the production connection for supply and disposal of incoming and outgoing goods. At the same time, a new cooling tunnel is being built at the site to expand the existing cooling facilities, including the connection to the new warehouse. The construction measure will significantly reduce the energy requirement per pallet space through more efficient cooling technology and better insulation, by an estimated 35 percent. In addition, transfer trips to the external warehouse will be eliminated, resulting in savings of around 100,000 truck kilometres per year. ■



Construction of the high-bay warehouse in Aretsried

Energy conversion in the Freising e-storage facility

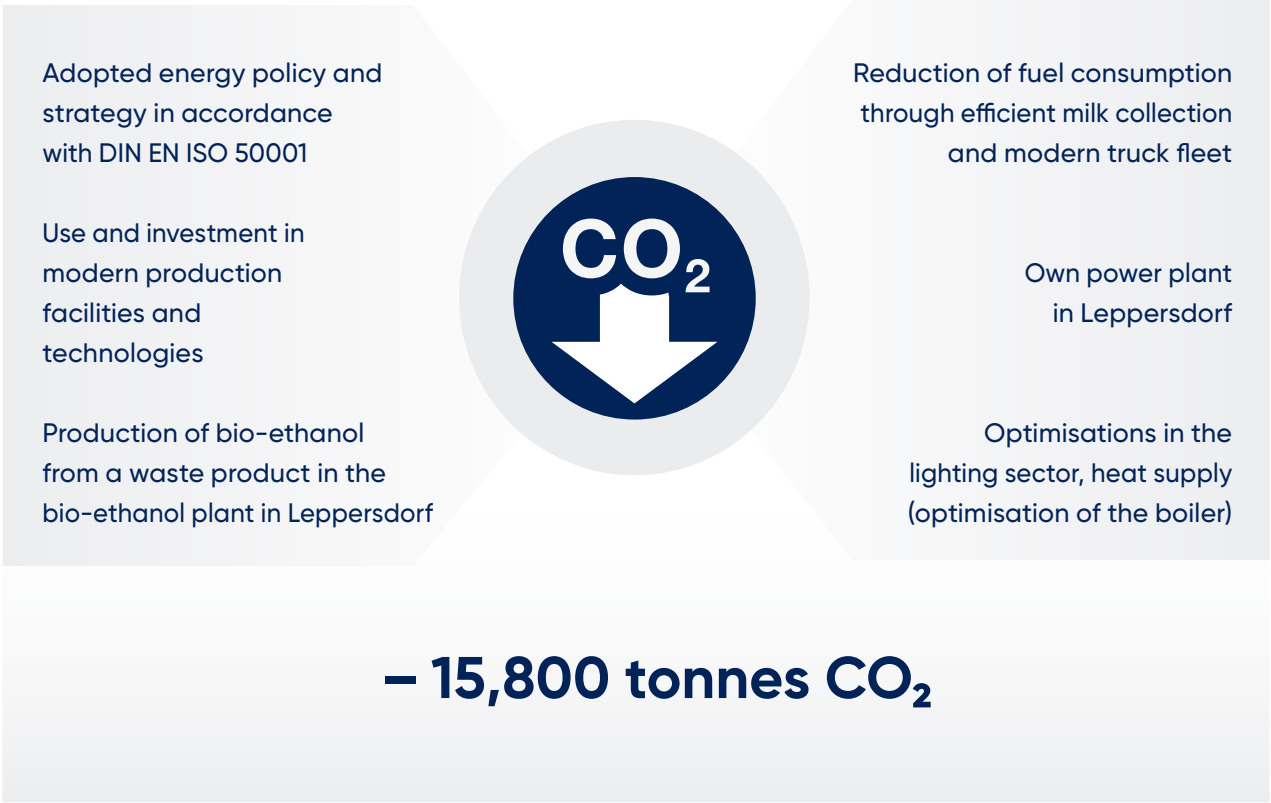
Thermal energy is required for the production of dairy products at the Freising site. Since 2016, this has been 'conserved' in an energy storage system and can thus be used for other production and support processes (e.g. butter churn, boiler house, heating). The steam and gas consumption of the production could be reduced by almost six percent through this measure. With a gas volume of 49,100,000 kilowatt hours, this corresponds to a saving of approximately 2,946,000 kilowatt hours of gas energy and a reduction of 595 tonnes of CO₂ in 2022. ■



From 2020 to 2022, we saved 52.5 million kilowatt hours* of energy in the form of electricity and heat through energy-saving measures. This means a saving of 15,800 tonnes of CO₂.*

*Related to Leppersdorf, Aretsried and Freising as well as the companies Homann and Optipack.

CO₂ savings 2020-2022 due to technological progress:



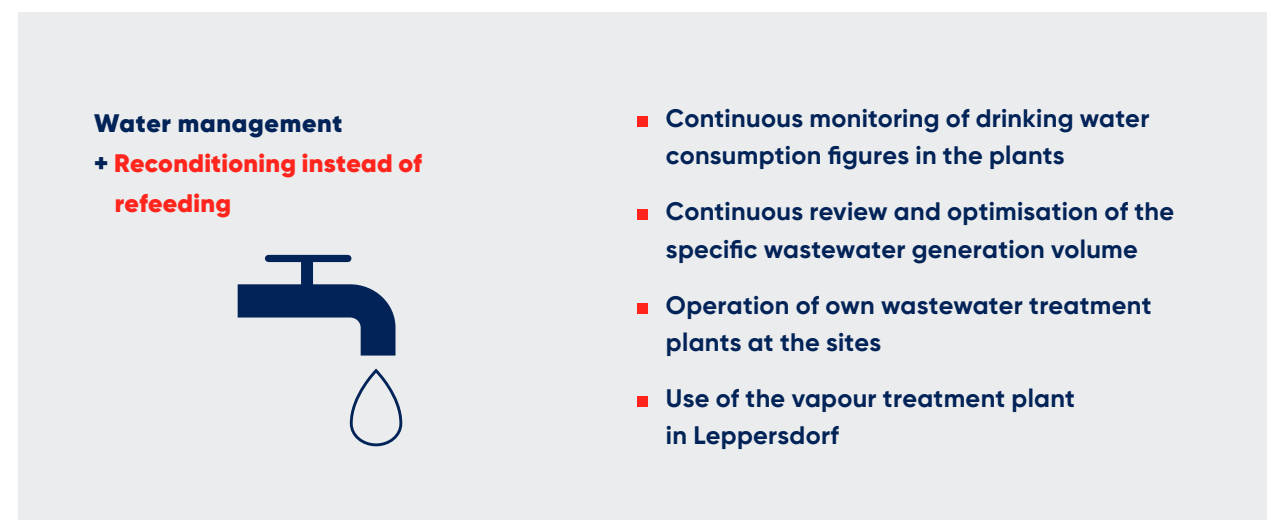
Water and waste water

Through technical solutions, such as the reuse of process water, intelligent production planning and well thought-out engineering, our production sites contribute to reducing water consumption.

Bioethanol plant Leppersdorf

Our bioethanol plant in Leppersdorf has been in operation since 2007. We produce ten million litres of the environmentally friendly fuel additive bio-ethanol (biofuel) annually from the whey co-product molasses, making us a pioneer in Germany. This innovative process means that the fuel no longer has to be produced from biomass and therefore no agricultural land has to be used.

The production process for bioethanol is simple and efficient: the co-product molasses is produced during the manufacture of cheese. Until now, this was used as a feed additive or disposed of. Now the molasses is fermented into alcohol by adding yeast and separated from water and minerals in a distillation plant. This produces 99.8 percent pure bio-ethanol, which can be used as an additive to fuel without further treatment. ■



Biogas plant Leppersdorf

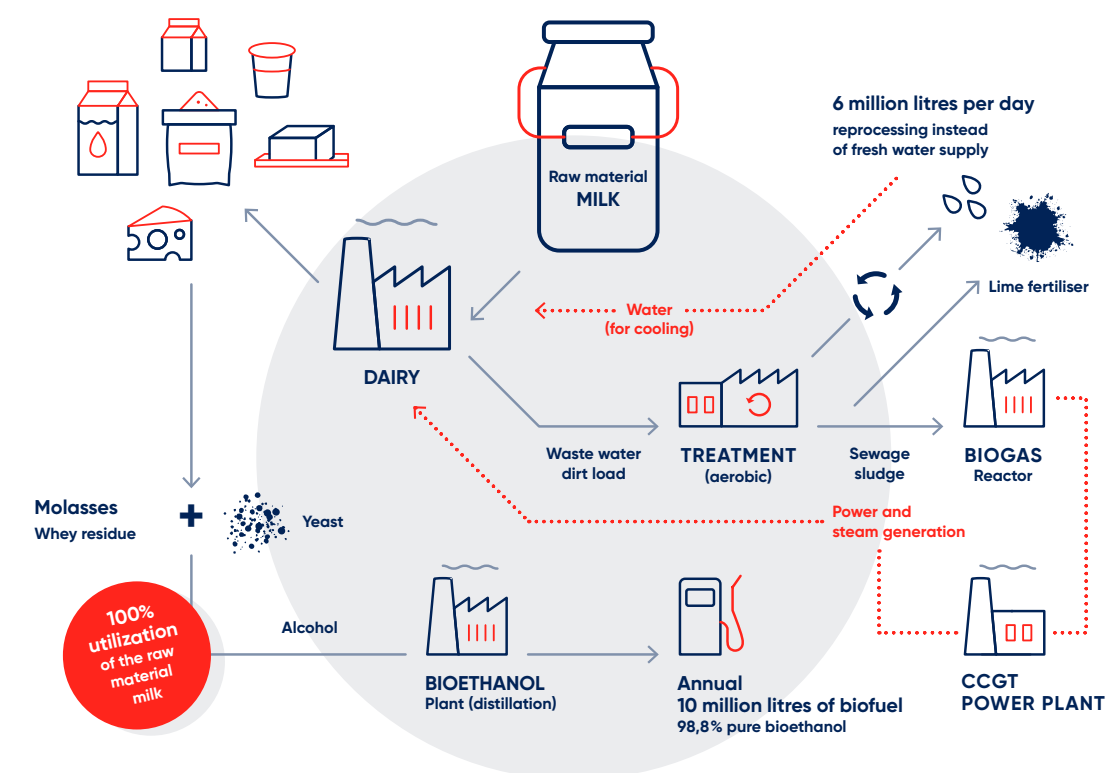
At the waste water treatment plant in Leppersdorf, waste water treatment processes are carried out in the absence of air.

The advantages of this anaerobic technology include lower primary energy consumption, lower CO₂ quantities and reduced sewage sludge, which is also easier to dewater. The process also produces biogas, which is fed in its entirety to the gas and steam power plant. The biogas produced functions in part as a natural gas substitute and thus achieves CO₂ savings. ■

Water treatment plants Leppersdorf

In Leppersdorf, parts of the waste water are treated for further use in the plant, e.g. at the evaporative condensers. This saves fresh water, as around 6 million litres of water are recycled every day instead of fresh water being supplied from outside.

In addition, a permanent monitoring of the drinking water consumption figures is carried out, as well as a constant review and optimisation of the specific waste water volume by several working groups at the site. ■



Schematic representation of the circuit in Leppersdorf

Careful use of resources: Bridgwater

As one of the most efficient dairy operations in the UK, Müller Milk & Ingredients recycles waste water at two of its largest processing plants. The Bridgwater dairy, which opened in 2008, treats waste water so that it exceeds the quality prescribed in the guidelines for bathing water and can thus be discharged into the local river. In early 2011, an additional reverse osmosis plant was installed, which means that around 300,000 litres of water per day can be treated to drinking water quality at the site and thus reused.

Following an expansion project of the reverse osmosis plant, it now covers more than 50 percent of the water needs of the dairy, which has an annual production of around 500 million litres of

drinking milk. Reverse osmosis technology uses a membrane that removes 99 percent of the content of residual COD, dissolved salts and bacteria from the treated water. This produces water in a quality that is at least equal to that of tap water. With its low-pressure membranes and high-performance pumps, this system is one of the most energy-efficient on the market. The treated water serves numerous purposes in the dairy – from cleaning the filling lines to pasteurising the milk. This is not only highly efficient, but also significantly reduces the need for tap water from the local supply. In the meantime, a similar system has been put into operation at the dairy in Droitwich Spa.

Since then, over 500,000 litres of water have been returned to the cycle every day. Together, these two plants account for around 60 percent of the total water consumption of the British production plants of the Unternehmensgruppe Theo Müller. ■



Transport and logistic

Culina Germany/Emhage

With the help of improved route guidance, more efficient utilisation and avoidance of empty runs, our transport companies Culina DE and Emhage are continuously optimising logistics and thus reducing the energy consumption of their vehicles. At Fahrzeugtechnik Aretsried GmbH (FTA), which operates workshops specialising in commercial vehicles, our colleagues are also continuously improving processes for sustainable development.

Since 2015, fuel consumption values have been reduced by a good 14 percent at Culina DE and by almost 16 percent at Emhage:

Culina Logistics GmbH



29,66 | 28,68 | 25,38

Ø consumption/100 km
in litres 2015 | 2019 | 2022

Emhage Transportgesellschaft mbH



30,05 | 29,52 | 25,28

Ø consumption/100 km
in litres 2015 | 2019 | 2022

Since 2022, both transport companies Culina DE and Emhage have been certified according to ISO 50001:2018 – Energy Management.

In the group of companies, 20 percent of the fleet of passenger cars is already equipped with alternative drives (full current/hybrid). They are managed centrally by FTA. Outside the Aretsried and Leppersdorf plants, new company-owned filling stations are being planned by FTA. In line with this, the tablets in the trucks will serve the drivers as digital delivery notes in the future. The goal is paperless haulage. Overall, the expansion of the charging infrastructure for e-vehicles at the German locations is progressing. The first installations have already been made in Lintorf and Freising, and the Aretsried location will follow this year.

A new building is planned for FTA in Leppersdorf. The integration of a new washing facility with water treatment plant and electric charging points for commercial vehicles and cars are planned. The new building will meet the most modern standards and will be powered 100 % without fossil fuels, but with energy from heat pumps and photovoltaics. The groundbreaking ceremony took place in mid-September 2023. Since January 2023, Culina and Emhage have had a new website with a separate sustainability section.

Sustainability | Culina [↗](#)

Sustainability | Emhage [↗](#)

One of the UK's largest electric junkets

With 500 environmentally friendly delivery vehicles, Milk & More is one of the largest operators of electric vehicles in the UK. ■

Molketausch Milk & Whey Ingredients

A significant reduction in transport routes and thus a reduction in CO₂ emissions was achieved by a project of our business unit ›Milk & Whey Ingredients by Sachsenmilch‹ in Leppersdorf with a whey processor.

For the transport of the raw material whey, since 2019 we have been sharing a jointly used route network for the whey transport, plan the routes in

consultation, thereby bundling routes and resources and reducing CO₂ emissions. In total, the cooperation will result in up to

10,400
Kilometres saved

Ideally, this corresponds to 3,536 litres of diesel (with a consumption of 34 l/100 km).



Lactose bagging in the Dry Mix plant 'Whey V' at the Leppersdorf site

Carbon footprint

In 2023, we have taken the next step in the area of reducing CO₂ emissions: In the first quarter of 2023, the Unternehmensgruppe Theo Müller committed to the Net Zero targets of the Science Based Targets Initiative (SBTi).

The Science Based Target Initiative is a science-based method for determining and reducing CO₂ emissions. It defines best practices for emissions reductions and netzero targets in line with climate science to ensure that global warming is limited to well below 2°C. The basis for calculating science-based reduction targets and the reduction measures to be identified from them are the climate balances, also called Corporate Carbon Footprint (CCF).

We collect the carbon footprint data for the entire Unternehmensgruppe Theo Müller in accordance with the ›GHG Protocol Corporate Accounting and Reporting Standard‹. Based on this comprehensive climate assessment, we have already identified initial reduction opportunities and developed reduction measures in specialist workshops. Very specific targets will be developed within 24 months of joining SBTi in the first quarter of 2023.

The Group Health, Safety & Environment (GHSE) department supports, coordinates and monitors the development of reduction targets throughout the Group and submits them to the SBTi for validation. GHSE calculates the Groupwide reductions to be achieved according to the SBTi criteria and formulates targets for the individual sites.

The individual sites are then responsible for the development of measures, feasibility analyses and the implementation of the catalogue of measures that lead to the achievement of the targets. ■



Our products

It is safe to say that every German has one of our products on the table almost every day, whether as a dairy product, dressing, fish delicatessen salad or as an ingredient that we supply for other segments of the food industry, such as cheese for pizza or whey powder for baby food. The interest on the part of consumers – and thus also on the part of our partners from the food retail and B2B sectors – is correspondingly great. We also know there is a interest in how our products are manufactured, packaged and distributed.



Agriculture and raw materials

Raw milk

Our dairies have been working successfully with the majority of their partners in agriculture for many years, in some cases for decades. These include smaller and larger farms. We trust our farmers to keep healthy cows which can produce the high quality milk we demand.

In addition to unconditional product safety, we are committed to a high standard of quality throughout the entire production chain. This applies to the branded products as well as to the private labels we produce.

We expect from our contract producers,

1. that the raw milk comes from farms that work on the basis of current legal standards and good professional practice.
2. that anyone who keeps, looks after or has to look after a dairy herd is obliged to feed, care for and keep the animals appropriately for their species and needs.
3. that the dairy farms are regularly audited by external certification companies according to a defined standard.

² Are feedstuffs free of genetic engineering? If so, the Verband Lebensmittel ohne Gentechnik e. V. (VLOG) or accredited certification bodies certify the farmers' raw milk.

QM-Milch

The majority of our raw milk in continental Europe is certified according to QM-Milch. The business-driven quality system 'QM-Milch' guarantees quality and safety standards in the milk production process. The basis is a high number of verifiable criteria in the milk production process as well as controls of milk and feed. In addition to classical quality aspects, the certification also includes aspects of animal-friendly and sustainable milk production.

GMO-free

All dairies of the Unternehmensgruppe Theo Müller in continental Europe exclusively process raw milk from contract farmers according to VLOG2 standards or other standards accepted by VLOG2. This guarantees that the raw milk from our dairy farms comes from GMO-free cows.

Müller UK & Ireland

Promoting young talent is important for British milk producers to secure their future. The 'Müller Next Generation Programme' supports young farmers in successfully managing their businesses.



The milk suppliers of the Unternehmensgruppe Theo Müller are certified according to QM milk in different ways depending on their location:

- Leppersdorf: 100 percent QM milk from German farmers. Farmers from CZ/PL: selfcertification based on QM milk.
- Freising: 100 percent QM milk from Bavarian farmers. The raw milk of Austrian producers bears the QM milk-like AMA quality seal.
- Aretsried: 100 percent QM milk from Bavarian suppliers.

Find out more about the QM Milk programme:



Our farmers: Portraits

Aretsried and Freising

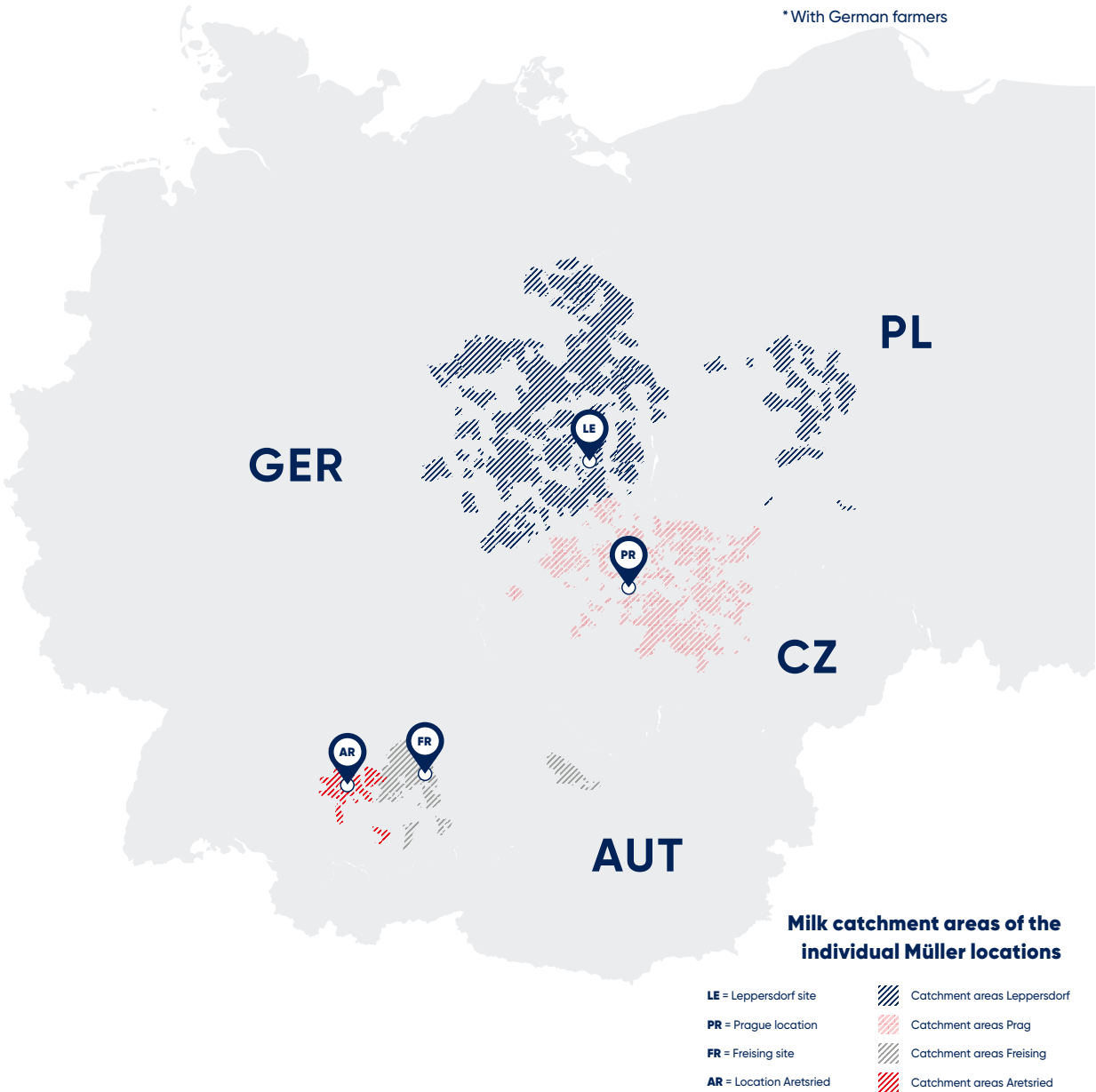
48 years	Ø Age farm manager
100%	Family business
48	Ø Number of cows/farm
275,000/550,000 kg	Milk delievery per day
380,000 kg	Ø Milk quantity/farm and year
7,750 kg	Milk yield/cow and year; predominant breed: Simmental cattle loose housing (2/3 of the farms)
82% Milk yield	
100 %	Two-day milk collection
100 %	QM-Milch participation
100 %	GMO-free feeding

Prague/Czech Republic

286	223 Suppliers via Milk producer groups 63 direct farmers
247	Ø Number of cows/farm
1,540,500 kg	Milk purchase per day
1,966,000 kg	Ø Milk quantity/farm and year predominant breeds: Fleckvieh and Holstein
8,786 kg	Milk yield/cow and year
96 farmers	Two-day milk collection
100 %	GMO-free feeding

Leppersdorf

50 years	Ø Age farm manager
300	Ø Number of cows/farm
3,100,000 kg	Ø Milk quantity/farm and year
10,000 kg	Milk yield/cow and year
99 % milk quantity	Free stall husbandry (95% of the farms)
100 %	QM-Milch participation*
100 %	GMO-free feeding
* With German farmers	



Innovation in Weihenstephan: »Battery Tiger« milk collection vehicles in use



Since 2019, two state-of-the-art milk collection vehicles with battery-powered measuring equipment have been driving in the Weihenstephan milk collection area. The hauliers have thus invested in two three-axle vehicles with powerful battery technology and innovative, efficient sensor technology.

The two »Battery Tiger« vehicles are characterised by a measuring technique with advanced air bubble detection sensor technology, which means that an air separator can be dispensed with. This creates a higher transport capacity and the high suction power guarantees a great collection speed and shorter downtimes.

The battery technology in particular is a remarkable innovation. The high-performance battery drives the pump and measuring equipment, so the truck engine is switched off during milk collection. This lowers the noise level and reduces exhaust fumes. The hauliers have often been asked: »Is your car broken?« because of the almost noiseless milk intake. During operation, the battery recharges and is ready for the next milk collection.

Regenerative Agriculture

As part of the food chain, we support our producer farms in implementing climate protection measures. In 2022, we launched the pilot project ›regenerative agriculture‹ in Leppersdorf. Within this project, we are working with 15 of our producer farmers to jointly develop measures for soil health.

The soil system is strengthened through the more efficient use of inputs in arable farming, modified crop rotations and farming methods, as well as gentle soil cultivation. Long-term positive effects include improved soil structure and water storage capacity, a higher proportion of organic matter, and important protection against drying out and erosion.

Measures already implemented by our farmers as part of the project include the planting of flowering strips, the targeted greening of fallow land, and the cultivation of legumes, catch crops and undersown crops. In this way, the potential of agricultural soils to bind CO₂ is used. At the same time, biodiversity below and above the soil surface is promoted.

The aim of the project is to support our dairy producers in the long term to be more resilient to weather extremes, to secure yields, but also to make the influence of agriculture on the way to emissionreduced raw materials visible and measurable. ■

Carbon footprint

Our milk purchasing department in Freising took part in the project ›CO₂ footprint milk and beef in Bavaria‹ of the Bavarian State Institute for Agriculture to calculate product-related CO₂ footprints for typical dairy farming systems in different regions of Bavaria.

Seven dairy farms of the Weihenstephan dairy, two dairy farms of the Alois Müller dairy and one farm from Leppersdorf had their carbon footprint per kg of milk calculated. Efficient procedures for data collection and processing were developed and tested. ■

Müller Advantage sets CO₂ reduction targets

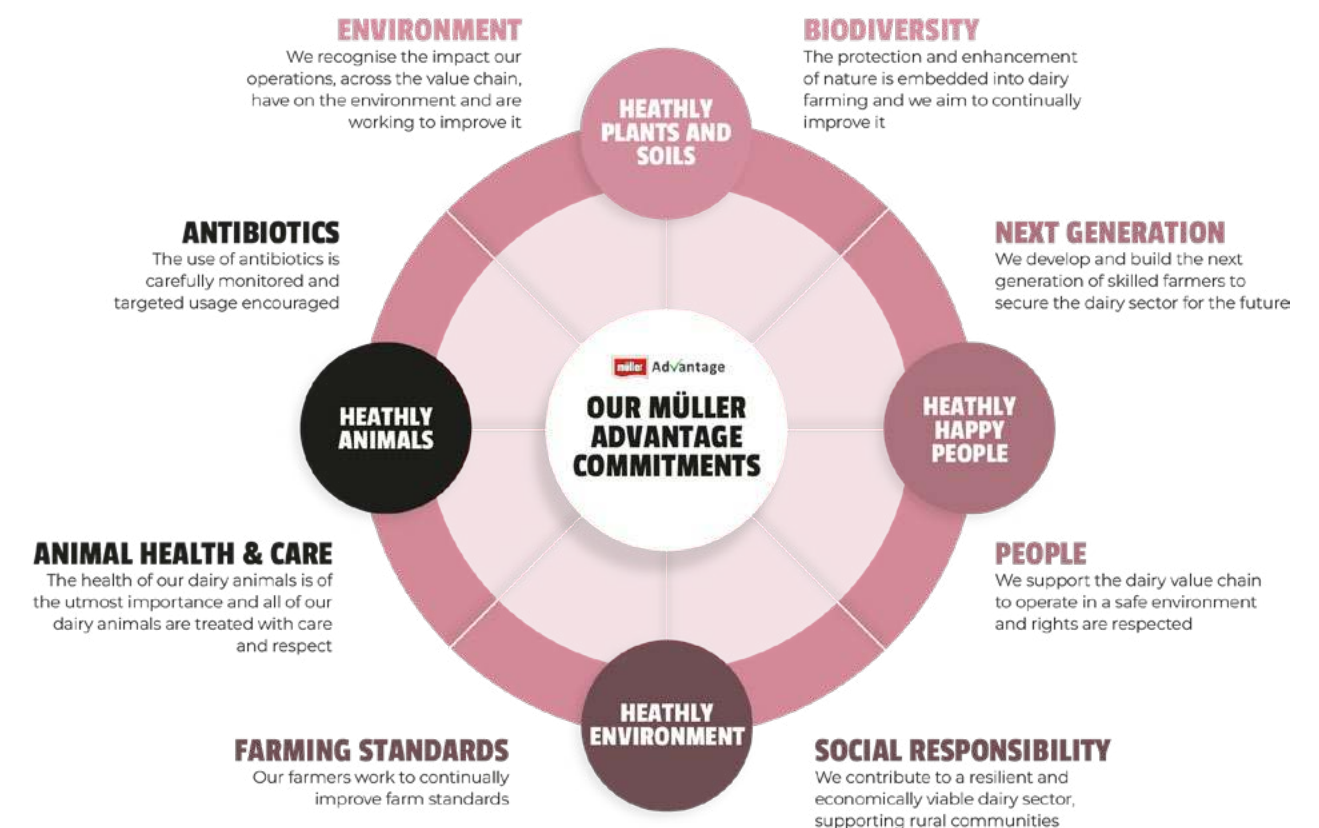
With the help of the ›Müller Advantage‹ initiative, Müller UK & Ireland wants to create incentives for milk producers to reduce their CO₂ emissions. The programme provides knowledge and tools that farmers can use to run successful and modern farms in a sustainable way to meet the challenges and opportunities of the future.

With the support of Müller UK & Ireland, farmers can proactively address procurement, animal health and environmental issues

and at the same time participate in initiatives that promote cooperation in partnership. This is achieved, for example, through the use of new technologies and the latest scientific findings.

The goal of ›Müller Advantage‹ is to reduce emissions from supplier companies by 30 percent.

More than 99 percent of Müller UK & Ireland farmers participate in the programme voluntarily. ■



Production material and non-production material

Our central purchasing department procures all packaging, raw materials and additives in the area of production materials. In the area of non-production materials, logistical services and other services, production, building and building technology as well as energy and IT services are procured. Central Purchasing thus ensures the supply of the entire Unternehmensgruppe Theo Müller.

To be approved as a UTM supplier, companies must accept our supplier code. We then assess our partners annually within the framework of a risk analysis in the areas of environment, ethics, labour and human rights and sustainable procurement. Depending on the results, our suppliers are obliged to undergo a sustainability assessment. The result of this also flows into their performance evaluation, which we conduct with the aim of continuous improvement annually within the framework of the Balanced Supplier Score Card (BSSC) and review it by means of supplier audits.

Annual procurement of the Unternehmensgruppe Theo Müller

12,900

direct materials from 610 suppliers

48,200

Orders sourced from over 60 countries

6,000

Indirect suppliers with 120,000 orders

Our Supplier management:

- We always assess new suppliers, producers and copackers.
- Supplier self-assessments and audit results are important tools for us to approve producers.
- An important aspect is the development of new and existing suppliers with the aim of sustainably ensuring the quality of the materials supplied to our plants.
- Our input is an important factor in supplier evaluation through the so-called ›Balanced Supplier Score Card‹.
- All findings are recorded with IT support, evaluated on a monthly basis and, in the event of deviations, appropriate measures are initiated, the implementation of which is consistently monitored.
- All this happens in close coordination with our colleagues from purchasing, development, planning and the quality managers at the various locations of our company.



Quality and product safety

Central Quality Management helps to implement the company's quality policy uniformly in all business units and subsidiaries of the corporate group. The goal is to establish and monitor standardised processes in all company operations. This concerns both the quality of the processes and the end products.



Filling line at the Aretsried plant

Quality assurance is carried out in cooperation between central and local quality management in the plants along the entire chain. Incoming goods inspections, process inspections, finished product inspections and hazard analyses are carried out on an ongoing basis, and preventive measures are taken.

Audits are carried out to check whether processes meet the requirements of our standards. Central Quality Management coordinates the internal audits of the group functions conducted by our employees, ensures that they are carried out and, if necessary, derives measures for improvement. In addition, Central Quality Management commissions and coordinates the external audits with the certification companies.

Audits carried out 2022

+ 132
external audits
(customer and certification audits)

+ 329
internal audits

Traceability

Complete proof of compliance with all legal requirements within the production, processing and distribution stages, including labelling, is regulated by law.

A traceability system is required by certification standards such as IFS, BRC and FSSC 22000. The Unternehmensgruppe Theo Müller is certified according to these standards and checks our suppliers' compliance with the requirements on a risk-based basis in the form of supplier audits. ■



Often good for longer:

Food waste is a major social issue. **2.8 billion tonnes of food are wasted every year.** Almost half of Germans still confuse the best before date (BBD) with the use-by date, which is why dairy products in particular end up in the rubbish, even though they are still edible. For this reason, the OFT LÄNGER GUT campaign was launched nationwide in 2019. It is intended to inform consumers about the best before date. For this purpose, the uniform OFT LÄNGER GUT label is printed on the packaging of a product to draw attention to the fact that food can often still be edible after reaching the best-before date.

Müller and Weihenstephan have been part of the campaign with selected products since December 2022.



Packaging

What does ›well packaged‹ mean? Optimum product protection, consistent product quality until the end of the best-before date, pleasant feel, appealing design, practicality for consumers as well as safe transport – and all this with as little packaging material as possible.

Retailers and consumers place numerous demands on materials and recyclability that now go far beyond purely functional factors.

We are aware that today's packaging systems must be sustainable. Our goal is therefore packaging that keeps the materials used in the environmental cycle as far as possible. That is why we are always working on plastic recycling, recyclability and the use of alternative materials in all our packaging.

(Plastic) reduction

We design our packaging to optimise material use and avoid waste. We eliminate packaging components that are unnecessary and do not add value to the product or its protection. At the same time, we are working on solutions to replace plastic with alternative materials.

Where we are today:

- Through continuous and systematic optimisation of material performance, we have reduced the weights of our packaging. As a result, since 2000 we have reduced over

63,000 t

Plastic saved.

- We are currently converting the packaging for our fish products from injection moulding to thermoforming technology. This results in

20 %

Plastic saved.

What we are working on:

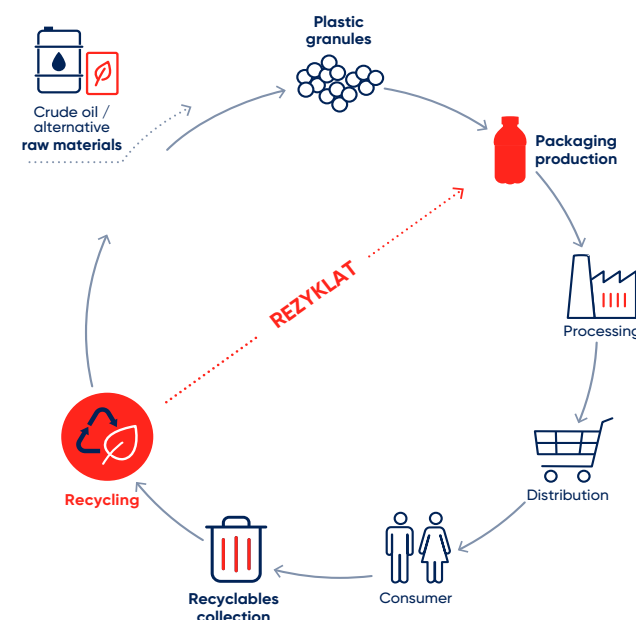
- Through new approaches to material reduction and the use of innovative digital tools, e.g. the ›Finite Element Analysis‹, we develop alternative more stable packaging architectures that allow even less material usage.
- We optimise processes to maximise the value of packaging for customers.
- In the UK, together with our trade partners, develop step-by-step novel reuse and refill systems.

Recyclability

Recycling is an important contribution to climate and environmental protection and contributes to resource conservation and safety. The recycling of glass, paper and lightweight packaging saves greenhouse gases that are harmful to the climate. The recycling of used packaging generates secondary raw materials that flow back into the economy as raw materials.³

All our packaging should be recyclable in the future. We eliminate packaging components that are difficult to recycle and design new packaging for the circular economy. We are committed to building effective, efficient and integrable systems for collection, reuse and recycling. ■

Circular economy model



³ Life cycle assessment of the performance of dual systems in the field of packaging recycling, Öko-Institut, Berlin-Darmstadt, 24.4.2022



We are involved in the following projects or represented in committees:
(selection)

- Member of the Plastics Pact in the UK
- Member of the working group for sustainable packaging in the Institute of Grocery Distribution (IGD) in the UK
- Member of the expert group of the ›Stiftung Zentrale Stelle Verpackungsregister‹ (Foundation for the Central Packaging Register)
- In Germany, project participation in Next LoopPP with the aim of producing recyclable, food-grade polypropylene from consumer waste.



3R: Reduce, Recycle, Recycle

»Our vision of the circular economy of materials slows down the consumption of resources and reduces climate-damaging greenhouse gases. Where possible and economically viable, we contribute to this by minimising packaging, optimising recyclability and using recycled materials.«

Ulrich Unger,
Head of packaging development



Where we are today:

- In the UK, we have already converted over 95 % of the cup material for the corner yoghurt to PP.
In the case of milk bottles, we rely on transparent closures in order to remove impurities from the recycling process and to improve the recyclability.

What we are working on:

- We will continue to improve the recyclability of our packaging and use recycled material where possible.

Our Vision 3R



What we are working on:

- To secure the long-term supply of recyclates and to develop material sources, we work closely with industry along the entire value chain, from the collection of recyclables to recycling.
- We intend to increase the amount of recycled plastic in our packaging. As of mid-October 2023, we have been using 50 % rPET in our müller milk, coffee, kefir and ayran bottles.
- In the UK, we intend to increase the r-HDPE share for milk bottles to 50% on a trial basis in the short term.
- For other packaging, we would like to use up to 0% recycled plastic in the long term.
- We identify alternative raw material sources for the future production of bio-based plastics. Furthermore, we see the CO₂ ring is a technology of the future for the production of plastics.

Compliance with legal requirements for the projects currently in preparation or implementation:

- Implementation of tethered caps (screw caps connected to containers) for PET bottles, e.g. Müller Milk and carton composite packaging; implementation throughout the EU by 2024
- Introduction of deposit system for dairy products in PET bottles; implementation in Germany by 2024
- Introduction of deposit system for bottles; Implementation 2024 in UK

PET	Polyethylene terephthalate	PP	Polypropylen	PS	Polystyrene	HDPE	High Density Polyethylene
rPET	Recycled PET	rPP	recycled PP	rPS	recycled PS	rHDPE	recycled HDPE

Use of recycled materials and alternative materials

We want to ensure that the materials we use are reused as recyclates, i.e. remain part of the circular economy and do not become waste.

Therefore, we try to stop using packaging made from finite resources, such as oil. In order to reduce the need for newly created material and thus also reduce the absolute CO₂ input, we are working on increasing the recycled content. We are also working on using bioplastics that are recyclable and can be fed into a technical recycling process in the existing material flow.

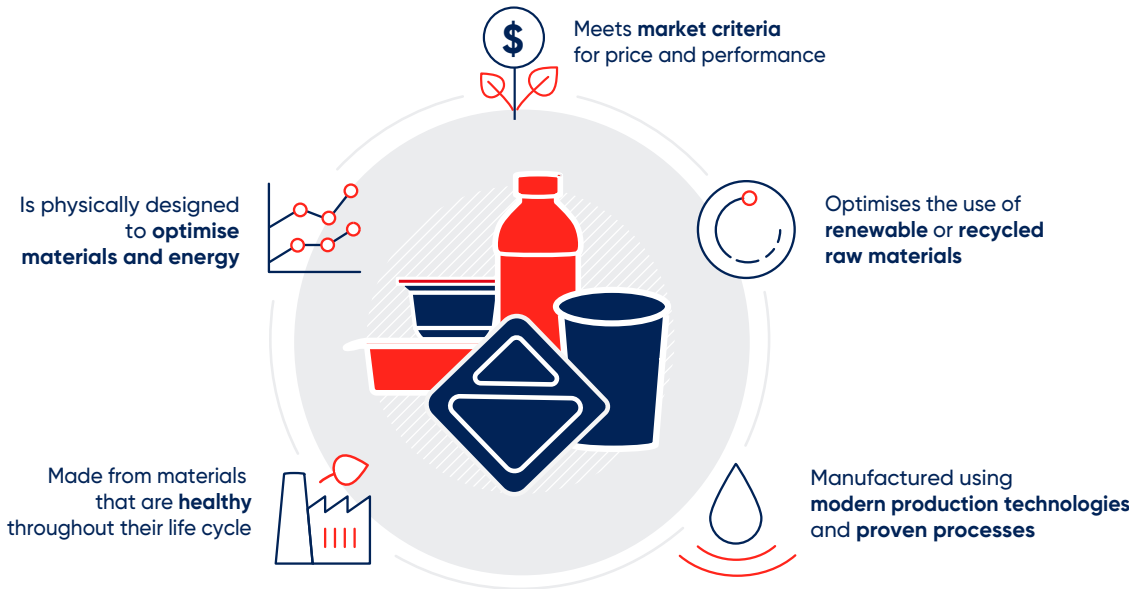
Where we are today:

Müller Germany
rice pudding
50 % r-PP (test)

Müller Vegan Drink
100 % r-PET

Müller UK & Ireland
Müller Frijj
50 % r-PET
Milk bottles
30 % HDPE

Our vision of the packaging of the future



Conscious nutrition

Our product portfolio offers numerous options for a balanced and varied diet – from a wide range of dairy products to fish and plant-based products.

Sugar reduction

Alois Müller Dairy and Weihenstephan Dairy

We are aware of the demands of consumers to reduce the sugar content in food. That is why we are constantly reviewing our product portfolio and revising our products in a targeted manner – but not at the expense of taste. For example, we now offer many of our products without added sugar or as a reduced-sugar version.

Müller UK & Ireland

In 2018, our research and development team discovered a yogurt culture, which allows the sugar content of the ›Müller Corner‹ available in the UK and ›Müllerlight‹ by up to 39 percent and to produce an even creamier consistency of the yogurt. In the course of the research and development work, the colleagues created a yogurt that tastes less acidic by combining two specific types of yogurt. This means that less sugar has to be added to balance out the acidity.



Plant-based alternatives

We offer a vegan alternative to anyone who wanted to supplement their diet with vegan products. For example, Almhof offers plant-based desserts without artificial colours and flavours. Lisner has vegan alternatives for herring, meat or egg salads, the Müller dairy even has its own brand with ›Müller Vegan‹: the vegan drink is available in four flavours in the iconic Müller bottle, and Müller rice is available in eight flavours. Since May 2022, the Müller Vegan Pudding has been available in chocolate and vanilla flavours, as well as a Müller Vegan Chocolate Mousse. In the HOMANN Foodservice division, we have noticed a strong sales development

of the Vegan Salad Mayonnaise. From 2021 to 2022, sales increased by 142 percent. In April 2023, HOMANN added a new container size to its vegan salad mayonnaise, which is now also available in 20 ml sachets. HOMANN is also consciously focusing on vegan articles and varieties in other product groups, e.g. the Balsamico and herb salad dressings. Demand for vegan concepts is also growing – HOMANN offers its customers in the out-of-home market, for example, plant-based concepts with various recipes with vegan, vegetarian or low-meat ingredients and a higher proportion of vegetables. ■



Employees and society

With their commitment, ideas and performance, our employees make a significant contribution to the success of our company. We offer room for development, also beyond traditional career paths, and framework conditions that contribute to providing employees with an attractive working environment.

Employees at the Freising site



Attractive employer

We are convinced that achieving the development and maintenance of high-performing teams requires a working environment based on trust, good cooperation, continuous exchange and development.



We expect our employees to take responsibility, to be willing to develop themselves and to consistently implement their tasks. We offer our employees attractive framework conditions that support them in balancing their work and leisure time, additional and social benefits, such as support for the company pension scheme, lifetime work accounts or an extensive programme for employee benefits, e.g. for e-bikes..

Benefits

What previously only applied to the leasing of private cars has also been possible for the personal dream bike since 2019: employees of the German locations of the Unternehmensgruppe Theo Müller can now take advantage of the 'MüllerBike' as an additional company benefit. With the MüllerBike, employees can ride their desired bike by means of deferred compensation and without a down payment.

The health and well-being of our employees is very important to us. Regular health days are held at all locations. In addition, we offer the company fitness programme ›Hansefit‹ as a cost-effective, sporty balance to the working day. Since spring 2023, employees at German locations have been able to use an extensive range of sports facilities, swimming pools and saunas at home and throughout Germany. Employees of Müller UK & Ireland receive discounted rates at over 3,000 fitness centres across the country.

Employees of the Unternehmensgruppe Theo Müller have the opportunity to lease a car for private use at company conditions via the Gross Salary Conversion (BGU). In a special campaign, FTA GmbH has secured 30 BMW eMini Coopers in a very limited edition, which we are giving to employees at the German locations. This also makes it possible to test the topic of eMobility.

Flexible working

Reconciling work and family life is an important goal for us. Where possible, we offer flexible working hours and locations. It is important for every employee that goals are achieved and projects are successfully implemented. ■



Working at the Freising site

Personnel development

From the excellent training of apprentices to the further education of experienced managers: We secure the future through sustainable and consistent development concepts. Because corporate development is employee development.

Based on the future-oriented training and promotion of young talents, the company offers all employees a comprehensive and holistic further training programme. Human resources development is targeted and addresses the development of specialists and project managers, the support of and training of managers and the development of necessary competences. This includes project management skills, software training and soft skills training. Many of our specialists and managers can look back on successful careers within our company.

In-company training

A cornerstone of our success is our award-winning in-house training. We are a strong and reliable training partner in 17 trades with more than 200 trainees at our German locations. We attach great importance to long-term coopera-

tion. That's why the quality of the training is so important to us and we offer additional seminars and events in addition to mandatory training courses. This pays off: regularly, over 90 percent of the trainees with good to very good grades are taken on and have the prospect of more. After the apprenticeship, we offer we offer our talents scholarships for further training as master craftsmen and technicians or for dual studies.

Trainee programme

Our 18-month trainee programme trains selected graduates for strategically relevant target functions. In line with the guiding principle of ›challenge and support‹, the trainees are optimally prepared for their future tasks and the foundation is laid for a career in a specialist role within the company. Also this year, 2023, the trainee programme was evaluated on the basis of the factors

career prospects, general conditions, mentoring & support and further training opportunities were assessed by the Trendence Institut GmbH. We are very pleased to have received the ›Fair Trainee Programme‹ certification for the fifth time in a row.

Leadership development

We see the leadership of our employees as a decisive lever for the success of our company. That is why leadership development is particularly important to us. With our ›Leaders in Action‹ programme, we provide our (junior) managers with the tools they need to develop their leadership skills to successfully master leadership tasks right from the start. Other formats and a wide range of training courses ensure that the further development of our managers is tailored to their needs.



Trainee programme and several dual degree programmes awarded

In 2023 and thus for the fifth time in a row, the Unternehmensgruppe Theo Müller received the ›Fair Trainee Programme‹ award from the Trendence Institut GmbH. Five factors are included in the evaluation: Sustainability, mentoring, training, remuneration and evaluation.



Everyday life in the office in Luxembourg

Learning organisation

As a supplement to conventional classroom training, we rely on digital, needs-based and efficient training concepts. Our digital learning offers provide all employees with constant, flexible access to training content directly at the workplace. Since the end of 2020, we have been using our new learning management system software, which also runs on mobile devices. This has been expanded to include blended learning concepts (a mixture of face-to-face events and e-learning) as well as a careers page and podcast on the intranet. The software enables us to use and exchange training measures across countries. In this way, we are further developing global cooperation.

Innovation is also important to us in personnel development, which is why we use virtual formats, blended learning and new formats in addition to traditional classroom training.

We also regularly participate in university career fairs, accompany research projects with universities and offer attractive internship opportunities for university students. ■

Picture above:
Trainees at the Artesried site;
Picture bottom left:
Preparations for the career podcast
by Human Resources Development



Opportunities and challenges through online rating platforms such as Kununu

A question for Helena Schneider, contact person for employer evaluations

How important are online platforms for employer evaluations in the Unternehmensgruppe Theo Müller?

Platforms such as Kununu naturally offer us an opportunity to enter into an even stronger dialogue with employees and applicants. In addition to our proven measures such as employee interviews and employee surveys, Kununu is another channel that gives us insights into the company and the mood of the workforce.

I think that for every company, for every employer, honest feedback is enormously important in order to continuously develop and hold its own in the labour market – especially in a company that gathers many different job profiles under one roof, from production to IT to controlling, which most would probably not expect in our company. As in other internal feedback channels, we see the will and the joy of dialogue as the main focus here. For us, it has proven worthwhile to take feedback of any kind seriously and, where possible to enter into dialogue and, where necessary, to listen in and correct what may have been misrepresented.

And it goes without saying that we welcome positive feedback and are just as happy to share it internally as we are criticism.

Health and safety at work

Occupational health management (OHM) includes the ›systematic and sustainable effort to design structures and processes in a way that promotes health and to empower employees in a way that promotes health‹.

With the help of health-promoting measures and various small projects, we want to support the preservation of our employees' health and contribute to their well-being.

Every three months, a cross-site exchange takes place to coordinate nationwide measures in order to improve and further develop the cooperation of the local health management teams. We offer company sports programmes such as handball or yoga, health days and sports festivals at the sites.

In 2020, the digital health programme ›AOK bewegt‹ was launched. Employees benefit from regular health tips and can use this offer for their own personal health goals.

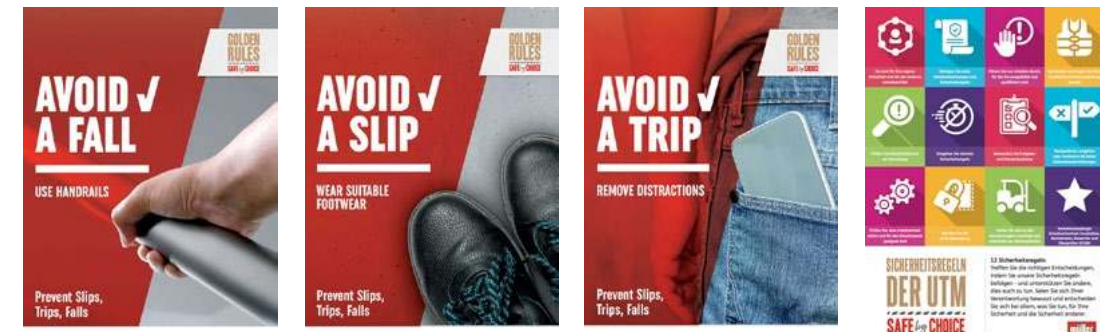
Accident prevention

To prevent accidents, we launched our ›Safety Excellence‹ programme. In addition to the early identification of hazards, it includes risk assessment, safety coaching and communication as well as training on employee safety for managers.

For Behaviour Based Safety, our employees are protected by ›STAR: Pause, Reflect, Assess and Review‹. The STAR system is a process that enables employees to identify both safe and unsafe behaviours and provide immediate feedback. It can also be used to record near misses and unsafe situations. The STAR system should reinforce safe behaviours to create a positive safety culture.

SRS campaign

Stumbling, slipping and falling, or SRS for short, is the most frequent cause of accidents within the Unternehmensgruppe Theo Müller. For this reason, an initiative was launched to specifically reduce such accidents. The factories are provided with a toolbox containing various ways of approaching the SRS issue, such as posters and flyers as well as a campaign on the intranet.



GHSE-Scorecard

Our GHSE scorecard forms the basic Key figures from the areas of occupational safety, health and environmental protection. It not only contains reactive key figures, such as the number of accidents or the associated days lost, but also pro-active key figures. These are, for example, instructions given on preventive occupational health examinations and occupational safety audits. The scorecard is used throughout the company at all production sites and gives the plants a good overview of the current status of occupational safety. With the help of the scorecard, potential improvements can also be identified and tackled in a targeted manner. ■

Transparency and safety with the SEDEX audit according to SMETA

The SEDEX (Supplier Ethical Data Exchange) programme offers us the opportunity to provide customers and partners with detailed information on social and ethical processes. The aim is to ensure greater transparency and safety throughout the entire supply chain. SMETA (Sedex Members Ethical Trade Audit) audits topics such as working conditions, occupational safety, hygiene and environmental management.

The following of our locations are registered with Sedex:

- Sachsenmilch BU Cheese, Germany TM
- UK Produktion Ltd, Market Drayton, UK
- Sachsenmilch Whey Derivatives, Germany TM
- Telford Dairy Ltd, UK
- Mlekarna Pragolaktos, Czech Republic TM UK
- Production Ltd, Minsterley, UK
- Homann Feinkost GmbH, Lintorf, Germany
- Homann Feinkost GmbH, Rogätz, Germany

Social engagement

In the spirit of good neighbourliness, our companies are committed to local social and cultural issues.

As a large employer, the Unternehmensgruppe Theo Müller assumes social responsibility and supports clubs and institutions in the region, especially when it comes to caring for and supporting children and young people. With the Theo Müller Foundation and at its individual locations, the group of companies is committed to various social issues: Education and schools, culture and sport, and social issues.

Culture and sport

In 1990, the owner family founded the Theo Müller Foundation for the Promotion of Wind Music and in 2015 the Theo Müller Foundation for the Promotion of Charitable Purposes due to their passion for music. Since then, financial support has been given to music bands, associations and orchestras, primarily in the Swabian and Saxon regions. The aim is to promote young talents and music teachers by subsidising instruments to surrounding clubs, or

the support of youth camps for further musical further education. Since the foundation was established, around 880,000 euros have been distributed through both foundations. Sachsenmilch expressly supports the voluntary work of its employees. If an employee is involved in an association (sports, art, culture, etc.), Sachsenmilch provides free products, benefits in kind and sometimes also financial support. The support consists of products and advertising materials for around 350 clubs, including the handball club HC Rödertal and the Oberelbemarathon. The Alois Müller dairy supports associations in the surrounding area with perimeter advertising and products.

Education and schools

For around 30 years, the ›Bunte Kreis‹ has been caring for families with chronically, cancerously and seriously ill children in the Swabia region. Since 1998, employees of the Alois Müller dairy

have donated a total of approx. 60,000 euros to the ›Bunte Kreis‹. In addition, the Augsburger Tafel is regularly supported with product donations, the clubs in the surrounding area with perimeter advertising, tracksuits and also with products, as well as the children's homes.

Within the framework of sports partnerships, Müller UK & Ireland colleagues from the Orkney Islands to Sussex have equipped more than 20 schools with new sports equipment. This measure is intended to inspire the next generation for sport.

Social issues

›Die Tafeln‹ are supported regionally by Sachsenmilch and the Alois Müller dairy. Our logistics company in the UK, Culina Group, donates food to charity. Since 2017, Culina Group has donated a total of 3,000,000 meals as part of its partnership with the charity Fare-Share.

Donations during the coronavirus crisis

Sachsenmilch donated a total of 10,000 litres of milk to the university hospitals in Dresden and Augsburg and to the ›Malteserorden‹ as well as Bio-ethanol as a raw material for the production of disinfectants. In addition, Sachsenmilch provided the fire brigades and associations with more than 100,000 disposable gloves, which were a scarce commodity at the height of the pandemic.

The Freising and Erding hospitals, the Bavarian Red Cross and the Technical Relief Organisation in the region received milk products from Weihenstephan. The dairy also supported the initiatives ›Cooking for Heroes‹ and ›Baking for Heroes‹ with over 13,000 cups of yogurt and quark and 7,000 packs of cocoa. As part of the ›Müller says thank you‹ campaign, Müller milk products went to regional hospitals. Müller Italy donated 300,000 euros to hospitals in the region. ■





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