SUSTAINABLY CREATING ADDED VALUE
Corporate management

Company profile
Since its foundation in 1896, Unternehmensgruppe Theo Müller has been 100 per cent family-owned.

Our key figures:

**EMPLOYEES (-)**
26,600

**PRODUCTION SITES**
19

**SALES IN MILLIONS**
5,900

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Environment

**Energy management**
Energy policy and strategy are implemented in accordance with ISO 50001:2018.

From 2017 to 2019, energy-saving measures helped us save 54 million kilowatt hours of energy in the form of electricity and heat.

For 2019 alone, this means a saving of 4,313 tonnes of CO₂.

**Water and waste water**
In Leppersdorf, we save fresh water by recycling around four and a half million litres of waste water into fresh water every day.

**Transport and logistics**
With 500 environmentally-friendly delivery vehicles, Milk & More is one of the largest operators of electric vehicles in the UK.

With the help of improved route guidance, more efficient utilisation and avoidance of empty runs, we optimise our logistics and can thus effectively reduce the energy consumption of the vehicles.

Procurement
Our raw milk in continental Europe comes from cows fed GMO-free.

We evaluate the relationship with our suppliers annually within the framework of the Balanced Supplier Score Card (BSSC) and review it by means of supplier audits.

The "Müller Advantage Next Generation Programme" supports young farmers in the UK.

Conscious nutrition
We reduce added sugar where possible. This resulted in a saving of 1,203.8 tonnes of sugar at Müller and Weihenstephan in 2019.

Packaging
Through permanent optimisation projects, more than 55,000 tonnes of plastic have been saved across the group since 2000.

Quality and product safety
An average of eleven audits per week took place at our factories in 2019.

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Employees

**Attractive employer**
Unternehmensgruppe Theo Müller offers its employees attractive additional services and social benefits as well as a wide range of discounts.

With more than 300 apprentices in 14 training professions at our German locations, we are a strong and reliable training partner.

In 2019, and for the fourth time in a row, Unternehmensgruppe Theo Müller received the "Fair Trainee Programme" award from Trendence Institut GmbH.

**Health and safety at work**
At some of our sites, we offer company sports programmes such as handball or yoga, health days and sports festival.

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* as of 2020
It is safe to say that almost every German has one of our products on their table almost every day, whether a dairy product, deli salad or 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 – be it in the UK & Ireland, 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 is what sets us apart.

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

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

Investments are not geared to short-term profit, but to long-term returns. At the same time, decisions are made quickly. Employees have freedom and scope to create – coupled with the expectation that they will use this in a meaningful and effective way.

Unternehmensgruppe Theo Müller, Luxemburg

UK & IRELAND
Müller Milk & Ingredients, Market Drayton
Müller Yogurt & Desserts, Market Drayton
Milk & More, Canterbury

CZECH REPUBLIC
Müller, Prague
Melkfabriek Pragelstok, Prague

GERMANY
Molkerei Alois Müller, Aretsried
Molkerei Weihenstephan, Freising
Sachsenmilch, Leppersdorf
Käserei Loose, Leppersdorf
TMA, Leppersdorf
Mлечарна Праголактос, Prague

ITALY
Müller, Verona

Netherlands
Amrath, Venlo

POLAND
Lisner, Poznań
Nordfish, Charzyno
Müller, Poznań

CHINA
Müller Asia, Hong Kong

ROMANIA
Müller, Bucharest

ISRAEL
Müller, Tel Aviv

PRODUCTION & SALES
DE, GB, NL, IT, PL, CZ/SK, RO, IL, HKG/CHN

EXPORT
A, BIH, CH, HR, HU, IRL, L, SLO, UAE, CN, TW, KP, NZ, US, OZ, Oceania

LUXEMBOURG
Unternehmensgruppe Theo Müller, Luxembourg

PRODUCERS
Unternehmensgruppe Theo Müller, Luxembourg

SALARIED EMPLOYEES (1) 26,600

PRODUCTION SITES 19

SALES IN MILLION 5,900

Dairy 4,300, Deli 647, Service 979

* as of 2020
In addition to the milk-processing subsidiaries, the corporate group also includes the packaging company, BOP, the company’s own truck garage, FTA, the company-owned logistics company, Culina, and Müller Naturfarm, one of the largest fruit-processing companies in Germany.

Convenience food activities are also part of the corporate group. The product range also includes well-known brands in the chilled deli salads segment, sauces and fish specialties such as Homann, Nadler and other Homann Group brands.

The Unternehmensgruppe Theo Müller products are manufactured in 19 factories in Germany, UK & Ireland, the Czech Republic and Poland.

The companies in the group stand for 26,600 employees and an annual turnover of 5.9 billion euros.

Leppersdorf as a showcase location
The factory in Leppersdorf near Dresden is one of the largest investment projects in the history of Unternehmensgruppe Theo Müller. Since 1994, well over a billion euros have been invested in the construction and expansion of Europe’s – perhaps the world’s – most modern dairy.

This site employs around 2,700 people. From the milk delivered – around 1.8 billion kilograms annually – a wide variety of products are made in a complex, partly 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.
ENVIRONMENT

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

ENERGY MANAGEMENT

Our energy management in accordance with ISO 50001: 2018 is directly linked to management. A central energy manager develops energy action plans with energy management representatives 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. Not only do we regularly train our energy management team, but we also continuously seek dialogue with university institutions and interest groups, train our employees and invest in new technologies.

Gas and steam power station in Leppersdorf

In the summer of 2014, the company’s own combined cycle power station (combined gas and steam turbine process) went into service, taking on the supply of heat to the Leppersdorf site in the form of steam and electric power to almost 100 per cent. This investment project cost around 60 million euros.

The two gas turbines are supplied with fuel in the form of natural gas as well as the biogas produced at the site. The highly efficient combined heat and power generation achieves an efficiency of over 80 per cent in terms of fuel input through the combined generation of electricity and heat compared to conventional condensing power stations. Normal power plants achieve an efficiency of about 43 per cent in relation to the fuel used.

In addition, 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 station has a total electrical output of 34 megawatts, which could cover the annual demand of more than 60,000 private households.
Storage space for the future in Aretsried

A new high-bay warehouse will be put into operation at the Aretsried site by the end of 2021. 22,500 storage spaces will be created in the hot and cold areas, and the warehouses of the dairy, Naturland and BOP will be consolidated at one location. Nine retrieval machines will then supply about 8,950 storage spaces in the cold store and about 13,550 in the warm store. An electric overhead conveyor provides the inter-plant production link.

A new cooling tunnel will be created at the site to expand the existing cooling facilities, including the connection to the new warehouse. The construction measures will significantly reduce the energy demand per pallet storage space through more efficient cooling technology and better insulation, by up to 35 per cent it is estimated. In addition, stock transfer trips to the external warehouse will be eliminated, resulting in a saving of around 100,000 truck kilometres per year.

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 "preserved" in an energy storage system and can be supplied to other production and support processes (e.g. boiler house, heating, hot water). The steam and gas consumption in production was able to be reduced by almost eight per cent. With a gas volume of 48,300,000 kilowatt hours, this corresponds to a saving of around 3,710,000 kilowatt hours of gas energy and a reduction of 750 tonnes of CO₂ per year.

CO₂ savings in 2019 due to technological progress:

- Adoption of energy policy and strategy in accordance with ISO 50001
- Use of and investment in modern production facilities and technologies
- Production of bioethanol made from a waste product in the bioethanol plant in Leppersdorf
- Reduction of fuel consumption through efficient milk collection and modern truck fleet
- Own power plant at the Leppersdorf site
- Optimisation in the area of lighting, heat supply (optimisation of boiler systems)

From 2017 to 2019, we saved 54 million kilowatt hours of energy in the form of electricity and heat through energy-saving measures. For 2019 alone, this means a saving of 4,313 tonnes of CO₂.

*Related to Aretsried, Aretsried at OFFeeling as well as the companies Leppersdorf and Optipack.
WATER AND WASTE WATER

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

Bioethanol plant, Leppersdorf
Our bioethanol plant has been in operation in Leppersdorf since 2007. We produce ten million litres of the environmentally-friendly fuel additive bioethanol (biofuel) from the whey by-product, molasses, every year, 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 molasses by-product 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 per cent pure bioethanol, which can be used as an additive to fuel without further treatment.

WATER MANAGEMENT
+ TREATMENT INSTEAD OF SUPPLYING NEW

1. Continuous monitoring of drinking water consumption figures in the factories
2. Operation of own sewage treatment plants at the sites
3. Use of the exhaust vapour processing plant in Leppersdorf
4. Permanent review and optimisation of the specific amount of waste water generated

Biogas plant, Leppersdorf
In the sewage treatment plant in Leppersdorf anaerobic waste water treatment processes are carried out. The advantages of this anaerobic technology include lower primary energy consumption, lower amounts of CO₂ and reduced sewage sludge, which can also be drained better. In addition, this process produces biogas, which is completely fed into the gas and steam power plant. The biogas generated partly acts as a substitute for natural gas and therefore achieves further CO₂ savings.

Water treatment plants, Leppersdorf
In Leppersdorf, parts of the waste water are treated for use in the factory, e.g. in the evaporation condensers. This saves fresh water, as around 4.5 million litres of water is recycled every day instead of fresh water being supplied from outside. In addition, permanent monitoring of the drinking water consumption figures is carried out, as well as a constant review and optimisation of the specific amount of waste water generated by several workstreams at the Leppersdorf site.
**SUSTAINABLY CREATING ADDED VALUE**

Environment

Each vehicle is renewed after a service life of four years, so that the company’s own fleet is equipped with the latest technology. The continuous improvement of the vehicles enables a further reduction in fuel consumption and CO₂ emissions through modern and aerodynamic design.

With the help of improved route guidance, more efficient utilisation and avoidance of empty runs, we optimise our logistics and can effectively reduce the energy consumption of the vehicles.

**SUSTAINABLY CREATING ADDED VALUE**

Transport and logistics

**Environment**

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**Transport and logistics**

**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. At the Bridgwater dairy, opened in 2008, waste water is treated to exceed the quality required by bathing water guidelines, allowing it to be discharged into the local river.

At the beginning of 2011, a reverse osmosis system was also installed, around 300,000 litres of water is treated and turned into drinking water quality every day at the site and can be reused.

After an expansion project of the reverse osmosis plant, it now covers more than 50 per cent of the water demand of the dairy, which has an annual production of about 500 million litres of drinking milk. Reverse osmosis technology uses a membrane that removes 99 per cent of the content of residual COD, dissolved salts and bacteria from the treated water.

This produces water of a quality 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 at the same time it also clearly reduces the demand for tap water from the local supply.

A similar system was put into operation at the dairy in Droitwich Spa. Since then, over 500,000 litres of water have been returned to the cycle there every day.

Together, these two operations account for around 20 per cent of the total water consumption of the British production plants operated by Unternehmensgruppe Theo Müller.

**Culina Germany/Emhage**

In the interest of efficiency and continuous process improvement, the transport of our raw materials and finished goods is also regularly reviewed with regard to conserving resources and making savings. Among other things, we optimise our fuel consumption and CO₂ emissions as well as the transport costs and planning of all logistics routes.

Currently, more than 60 trucks operated by Culina Logistics GmbH and more than 30 trucks operated by Emhage Transportgesellschaft mbH within Unternehmensgruppe Theo Müller as well as external service providers deliver to our customers throughout Europe.

**Transport and logistics**

**CULINA LOGISTICS GMBH**

**EMHAGE TRANSPORTGESSELLSCHAFT MBH**

<table>
<thead>
<tr>
<th>Ø CONSUMPTION/100 KM</th>
<th>2015</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Culina Logistics Gmbh</td>
<td>29.66</td>
<td>28.68</td>
</tr>
<tr>
<td>Emhage Transportgesellschaft mbH</td>
<td>30.05</td>
<td>29.52</td>
</tr>
</tbody>
</table>
One of the largest electric fleets in the UK
With 500 environmentally-friendly delivery vehicles, Milk & More is one of the largest operators of electric vehicles in the UK.

Milk & Whey Ingredients whey exchange
A significant reduction of transport routes and a saving of CO₂ emissions was able to be achieved with a whey processor through a project by our business unit “Milk & Whey Ingredients by Sachsenmilch” in Leppersdorf.

For the transport of the raw material whey, we have been sharing a jointly used route network for transporting whey since 2019, planning the routes in consultation, thereby bundling them as well as resources and reducing CO₂ emissions.

In total, almost 11,000 kilometres are saved every week through the cooperation. This is roughly equivalent to 3,176.7 litres of diesel (at a consumption of 30 l/100 km).

PRODUCTS

It is safe to say that almost every German has one of our products on their table almost every day, whether a dairy product, dressing, deli fish salad or an ingredient that we supply for other segments of the food industry, such as cheese for pizza or whey powder for baby food. There is great interest on the part of consumers – and also on the part of our partners from the food retail trade and the B2B sector – in how and under what conditions our products are produced, packaged and distributed.

1 Lactose bagging in the dry-mix plant “Molke V” at the Leppersdorf site
RAW MATERIALS

Raw milk

We have been working successfully with our partners in agriculture for many years, in some cases for decades. These include smaller and larger farms. We trust the farmers who supply to us in the knowledge that only healthy cows produce milk of the quality we demand. In addition to unconditional product safety, we are committed to a high quality standard throughout the entire production chain. This applies to the branded products as well as to the private labels we produce.

We expect from our supplying farmers:
1. that the raw milk comes from farms that work in line with current legal standards and good professional practice
2. that anyone keeping, looking after or having 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

QM-Milch

The majority of our raw milk in continental Europe is certified according to QM-Milch. The "QM-Milch" quality system, which is supported by the industry, guarantees quality and safety standards in the milk production process.

It is based on a high number of verifiable criteria in the milk production process as well as controls on milk and feed. In addition to classic quality aspects, the certification also includes aspects of animal welfare-friendly and sustainable milk production.

Since July 2020, Unternehmensgruppe Theo Müller with its Aretsried and Leppersdorf plants has been one of 34 dairies participating in the "QM Sustainability Module Milk 2.0". It provides facts on the state of sustainability in milk production and shows potential for improvement.

GMO-free

All dairies belonging to Unternehmensgruppe Theo Müller in continental Europe exclusively process raw milk in accordance with the VLOG standard or other standards accepted by the VLOG. This guarantees that our raw milk comes from cows fed GMO-free.

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.
### Our farmers: profiles

#### Aretsried and Freising

<table>
<thead>
<tr>
<th>Metric</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age of farm manager</td>
<td>48 years</td>
</tr>
<tr>
<td>Main occupation, mostly family business</td>
<td>90 %</td>
</tr>
<tr>
<td>Number of cows / farm</td>
<td>52</td>
</tr>
<tr>
<td>Milk delivery per day</td>
<td>249,000/575,000 kg</td>
</tr>
<tr>
<td>Milk quantity/farm and year</td>
<td>380,000 kg</td>
</tr>
<tr>
<td>Predominant breed: Simmental cattle</td>
<td>7,750 kg</td>
</tr>
<tr>
<td>Cattle free range farming (65 % of farms)</td>
<td>82 %</td>
</tr>
<tr>
<td>Milk yield/cow and year</td>
<td>1,400,000 kg</td>
</tr>
<tr>
<td>Predominant breed: Simmental cattle and Holstein</td>
<td>8,343 kg</td>
</tr>
<tr>
<td>Two-day milk collection</td>
<td>100 %</td>
</tr>
<tr>
<td>S-class (particularly high milk quality)</td>
<td>95 %</td>
</tr>
<tr>
<td>GMO-free feeding</td>
<td>100 %</td>
</tr>
</tbody>
</table>

Note: Slightly above-average farms participated in both producer surveys, which is why the portrait shifts in favour of a larger, more modern farm.

#### Prague/Czech

<table>
<thead>
<tr>
<th>Metric</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of cows / farm</td>
<td>287</td>
</tr>
<tr>
<td>Milk delivery per day</td>
<td>1,400,000 kg</td>
</tr>
<tr>
<td>Milk quantity/farm and year</td>
<td>1,800,000 kg</td>
</tr>
<tr>
<td>Predominant breed: Simmental cattle and Holstein</td>
<td>8,343 kg</td>
</tr>
<tr>
<td>Two-day milk collection</td>
<td>93 farmers</td>
</tr>
<tr>
<td>GMO-free feeding</td>
<td>100 %</td>
</tr>
</tbody>
</table>

Note: Producer survey 2019, response rate ~ 57 %.

Since 2019, two state-of-the-art milk collection vehicles with battery-powered measuring equipment have been running in the Weihenstephan milk catchment area. The hauliers have invested in two three-axle vehicles with powerful battery technology and innovative, efficient sensor technology. The two “Battery Tiger” vehicles feature measurement technology with advanced air bubble detection sensor technology, which eliminates the need for an air separator. This creates a higher transport capacity and the high suction power guarantees a high pick-up speed and shorter downtimes. The battery technology in particular is a remarkable innovation. The high-performance battery powers the pump and measuring equipment, so the truck engine is switched off during milk collection. This lowers noise pollution and reduces exhaust fumes. The hauliers are often asked if their vehicle has broken down due to the almost silent suction of the milk. While driving, the battery recharges and is ready for the next milk collection.

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### Innovation in Weihenstephan: “Battery Tiger” milk collection vehicles in use
Production material and non-production material

Our central purchasing department procures all packaging, raw materials and additives in the area of production material. In the area of non-production material, logistics services and other services, production, building and construction technology as well as energy and IT services are procured.

The central purchasing department ensures supplies to the entire Unternehmensgruppe Theo Müller. With the aim of continuous improvement, we evaluate the performance of our suppliers annually within the framework of the Balanced Supplier Score Card (BSSC) and review it by means of supplier audits.

Our supplier management:

- We always qualify new suppliers, producers and co-packers
- Supplier self-declarations 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 of this is done in close coordination with our colleagues from purchasing, development, planning and the quality managers at the various locations of our company

ANNUAL PROCUREMENT FOR UNTERNEHMENSGRUPPE THEO MÜLLER

14,500 direct materials from 750 suppliers

63,000 orders sourced from over 70 countries

5,300 indirect suppliers with 67,000 orders
QUALITY AND PRODUCT SAFETY

Central Quality Management helps to enforce the company’s quality policy uniformly in all business units and subsidiaries of the corporate group. The aim is to establish and monitor standardised processes in all company procedures. This covers both the quality of the processes and the end products.

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. Unternehmensgruppe Theo Müller is certified according to these standards and carries out risk-based checks in the form of supplier audits to ensure that our suppliers comply with the requirements.

Quality assurance is carried out in cooperation between central and local quality management at the plants across the entire chain. Here, incoming goods inspections, process controls, finished product controls 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 carried out 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.

In 2019, the following events took place at our factories:

- 114 external audits (customer and certification audits)
- 445 internal audits

That is about eleven audits per week.

Quality and product safety

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PACKAGING

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

3R: Reduce, Recycle, RContent, Innovate

We consider 3R (Reduce, Reuse, Recycle) as a minimum standard. Alongside this, our developers are researching innovations in terms of new materials, new reuse models and new technologies. In this respect our guiding principle is: 3R

Reduce: Reducing the use of materials is the most challenging goal, because we as a business have always worked to reduce resources. For instance, we are continuously optimising processes and equipment for a large number of our existing types of packaging. However our packaging developers are working on material alternatives and completely new cup "architectures" whose construction method allows for consistent stability with even less material input.

Recycle: Using only recycled material is easier said than done. The use of recycled material on a large scale is not possible according to the current state of technology, because although plastic is a truly remarkable material with many properties, it still cannot be recycled infinitely – especially not for food packaging. That is why we will increase the proportion of recycled material in all our packaging as much as possible.

RContent: A lot of our packaging is made from a mix of materials, such as when a PET bottle has a printed sleeve.

This mix has a practical purpose, for example when the sleeve material has to keep out UV radiation in order to protect the product and thus its quality. However, the sorting plants of the waste management companies have difficulties in recognising these mixed materials. We will change this and make as much packaging as possible fully recyclable.

Innovate: Our goal is not only to offer retailers and consumers permanently optimised standard solutions, but also truly innovative solutions – forms of packaging that are not only reusable, but also have added value. In return, we are leading the way in terms of investment in research and testing of new materials and technologies.

Less plastic thanks to reusable lid at Weihenstephan

Since 2019, the Weihenstephan dairy has dispensed with disposable lids for its mild 500 g yogurt and only supplies the cups with a foil.

When the measure was launched, consumers had the opportunity to purchase the yogurt with a reusable lid for a limited offer period. Around two thirds of the cups were fitted with this lid in October and November.

Doing away with disposable lids saves around 80 tonnes of plastic a year.

These efforts have led to the fact that since 2000 we have saved

13.892 t
of plastics (dairy, continent)

55.179 t
of plastics (Unternehmensgruppe Theo Müller as a whole)

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

PLASTIC SAVINGS IN ACCORDANCE WITH 3R

Innovate:
Researching and testing new materials and technologies to increase the range of packaging that can be reused or recycled.

Reduce
13,900 tonnes
Plastic savings 2000-2019

Recycle

RContent

* Müller Continent
Homann
In Homann’s dressing division, we have managed to produce a type of ketchup with 15 per cent less sugar for some of our retail partners. The amount of added sugar was reduced from 13.1 per cent to 11.1 per cent per 100 grams. With this measure, we have saved around 492 tonnes of sugar since the product was introduced at the end of 2018. Building on this experience, the research and development department is working on types of ketchup without any added sugar or salt.

Sugar reduction

Molkerei Alois Müller and Molkerei Weihenstephan
We are aware of consumer demands to reduce the sugar content in food. That is why we continuously review our product portfolio and revise our products in a targeted manner – but not at the expense of taste. As a result, 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 that makes it possible to reduce the sugar content of “Müller Corner” and “Müllerlight”. We were able to take 39% of the added sugar out of our core recipes available in the UK, and they now have a thicker and creamier texture, and more protein. In the course of the research and development work, the colleagues created a yogurt that tastes less sour by combining two specific types of yogurt strains. Thus, less sugar has to be added to compensate for the acidity.

At Müller Germany and Weihenstephan, in 2019 these measures resulted in savings of

1.203,8 t

of sugar.
EMPLOYEES

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.

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 SERVICES AND SOCIAL BENEFITS, SUCH AS SUPPORT WITH THE COMPANY PENSION SCHEME, LIFETIME WORKING ACCOUNTS AND AN EXTENSIVE PROGRAMME OF EMPLOYEE BENEFITS, E.g. E-BIKES.

"MüllerBike"

Previously only applicable to the leasing of private cars, since 2019 employees in German locations of Unternehmensgruppe Theo Müller can now take advantage of "MüllerBike" as an additional company benefit. With "MüllerBike", employees can ride the bike of their choice by means of deferred compensation and without a down payment.

FLEXIBLE WORKING

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

ATTACTIVE EMPLOYER

We are convinced that achieving our corporate goals and building and maintaining high-performing teams requires a working environment based on trust, good cooperation, permanent exchange of ideas and further 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 SERVICES AND SOCIAL BENEFITS, SUCH AS SUPPORT WITH THE COMPANY PENSION SCHEME, LIFETIME WORKING ACCOUNTS AND AN EXTENSIVE PROGRAMME OF EMPLOYEE BENEFITS, E.g. E-BIKES.

Employee surveys

The opinion of our employees is important to us. That is why we regularly conduct employee surveys and derive improvement measures from them.

1  Working at the Freising site
PERSONNEL DEVELOPMENT

From the award-winning training of apprentices to the development of experienced managers: we secure the future through sustainable and consistent development concepts. Because: corporate development is employee development.

IT Campus: learning and career in one place
A virtual campus has been accessible to Group IT employees since September 2019. The platform unites all areas of learning, further development and in particular career planning throughout the Group.

In-company training
A cornerstone of our success is our multiple award-winning in-company training. We are a strong and reliable training partner in 14 occupations that require training with more than 300 trainees at our German locations. We attach great importance to long-term cooperation. That is why the quality of the training is so important to us and we offer additional seminars and events alongside the mandatory training content. This pays off: regularly, more than 90 per cent of the trainees with good to very good grades are taken on. After the training, we offer our talented apprentices scholarships for further training to become master craftsmen and technicians or for a dual course of study.

Trainee programme
Our 18-month trainee programme trains selected master’s graduates for strategically relevant target functions. Various assignments within the focal area and relevant interface areas are flanked by a comprehensive training programme as well as regular target agreement and feedback meetings. In line with the guiding principle of “challenge and encourage”, the trainees are optimally prepared for their future tasks and the foundations are laid for a career within the company.

Leadership development
We see the leadership of our employees as a decisive lever for the success of our company. Therefore, leadership development is particularly close to our hearts. With our “Fit for Leadership” and “Leaders in Action” programmes, we give our (junior) managers the tools they need to successfully master their leadership role from the very beginning. Further programmes and a wide range of training opportunities ensure that our experienced managers continue to develop in line with their needs.

Trainee programme given award in 2019, and thus for the fourth time in a row, Unternehmensgruppe Theo Müller was awarded the “Fair Trainee Programme” by the Trendence Institut GmbH. Five factors are included in the evaluation: sustainability, mentoring, training, remuneration and evaluation.
Learning organisation

As a supplement to conventional face-to-face training, we rely on digital, needs-based training concepts. Our “Müller e-Academy” stands for independent, flexible access to training content for all employees directly at the workplace. Since the end of 2020, we have expanded this offer with our new learning management software, which also runs on mobile devices, e.g. with blended learning concepts (a mixture of face-to-face teaching and e-learning) or digital “learning titbits” (such as e-books on selected topics). The software enables us to use and share 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 such as “Lunch ‘n’ Learn” in addition to traditional face-to-face training.

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

Opportunities and challenges through online rating platforms like Kununu

A question for Helena Schneider, contact person for employer ratings

How important are online platforms for employer ratings at 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 appraisals and employee surveys, Kununu is another channel that gives us insights into the company, into 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 recruitment market – especially in a company that brings together many different job profiles under one roof, from production and IT to controlling, which most would probably not expect in our company.

As in other internal feedback channels, we see the willingness and pleasure in taking part in a dialogue as the main focus here. We have found it useful to take feedback of any kind seriously and, where possible and necessary, to enter into dialogue and, when required, to listen and continuously strive to improve.
HEALTH AND SAFETY AT WORK

Ocasional health management (OHM) comprises the "systematic and sustained efforts to design structures and processes to empower employees in a way that promotes health".

This definition was developed by an expert committee at Unternehmensgruppe Theo Müller. With the help of health-promoting measures and various projects, we want to promote the preservation of the health of our employees and contribute to their well-being.

Every three months, a cross-location exchange takes place to coordinate measures throughout Germany in order to improve the cooperation of the local OHM teams and to develop them further.

At our German sites we offer company sports programmes such as handball or yoga, health days and sports festivals.

In 2020, the "AOK bewegt" digital health programme was launched. Employees benefit from regular health tips and can make use of what is on offer for their own personal health goals.

### Training courses

Our german employees receive approximately five hours of training per year on topics related to occupational safety and health protection:

- E-learning 1.0 hour (general tuition)
- workplace-specific tuition depending on the area 0.5-1.0 hours
- Evacuation exercise incl. finding the assembly point approx. 0.5 hours
- Safety Moments once or twice per month, 10 minutes each = 2.0 hours
- Accident investigations and special instructions approx. 0.5 hours

### Bautzen police visit Leppersdorf

44 police officers from the Bautzen motorway police department visited the Leppersdorf site. Together with Bernd Mattmer, Managing Director of our own logistics division, Culina, and Steffen Partusch, Plant Manager of Frische, the visitors exchanged information on traffic safety and monitoring, accident research, recruiting, driver and freight monitoring and control and archiving systems.

### SMETA audits took place in 2019 at the Sachsenmilch semi-hard cheese and whey sites, Lintorf and Rogätz.

### Transparence 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.

The following of our locations are registered on Sedex:

<table>
<thead>
<tr>
<th>Location</th>
<th>Country</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sachsenmilch BU Cheese</td>
<td>Germany</td>
</tr>
<tr>
<td>TM UK Production Ltd Market Drayton</td>
<td>United Kingdom</td>
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<tr>
<td>Sachsenmilch Molkenderrivate</td>
<td>Germany</td>
</tr>
<tr>
<td>TM Telford Dairy Ltd</td>
<td>United Kingdom</td>
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<tr>
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<td>United Kingdom</td>
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<tr>
<td>Homann Feinkost GmbH Lintorf</td>
<td>Germany</td>
</tr>
<tr>
<td>Homann Feinkost GmbH Rogätz</td>
<td>Germany</td>
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</tbody>
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Ketchup production at Homann Bautzen police visit Leppersdorf
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