

# SUSTAINABILITY REPORT

2021/2022



*Best Milk Ideas*

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ONLY HE WHO  
KNOWS HIS  
DESTINATION  
FINDS  
THE WAY.

(Lao Tzu)

## Dear readers,

**as a traditional cooperative with extremely close links to agriculture and its customers, sustainable strategic policies and operating principles have always been important to us. This is why we have readily taken responsibility for the welfare of people, animals, and the environment in our business processes for many years.**

As part of our strategic refocusing in 2020, we asked ourselves the question of what challenges we would face in the coming years and what issues we at Bayerische Milchindustrie eG (BMI) would have to handle to be even more faithful to our motto “Added value for our customers”.

Sustainable company development is one of the fundamental matters.

We have made it our task to further question and analyse our corporate responsibility whilst also anchoring our activities in this area within the framework of a company-wide sustainability strategy.

However, what does sustainable corporate development mean in specific terms and why are we focusing even more on it?

In our opinion, sustainability is a triad of economics, ecology, and social commitment. Our goal is to be economically successful whilst generating added value for our communities and minimising our impact on the environment.

Whilst this all sounds excellent, but it is precisely from this point onwards where sustainability becomes complicated and we face a range of challenges and conflicting objectives as part of implementing it. Making long-term, future-proof decisions also means taking short-term disadvantages in our stride in order to achieve positive things in the long run.

“Sustainability” - there is no standard template that can be followed. Every company must find their own path as well as setting out their own goals and measures.


**“Only he who knows his destination finds the way.”**

We know the direction in which we want to develop. However, we also know that the path to some objectives is long and will last several years. It also includes making slower progress in particularly challenging times or, if push comes to shove, heading off in a different direction. What is important is that we don't lose track of our goal.

Sustainability also means open, transparent communication. For this reason, we have already included many of our stakeholders in the process of strategy development and work on the matters in question within an interdisciplinary sustainability team. Furthermore, it is incredibly important that we recognise stakeholder expectations of our company. This is why we want to consolidate dialogue with our many stakeholders over the coming years and continue to expand upon it. We want to help our customers to clearly evaluate the sustainability of products made from our raw materials at all stages from original production to reaching the end consumer.

We look forward to making you aware of our strategy and our four spheres of activity in our first sustainability report, whilst also taking you with us on a journey to become an even more sustainable company. We would love to hear your feedback about it.

Enjoy the read



Dr. Thomas Obersojer  
Chairman



Winfried Meier  
Managing Board



# About this report

We have been taking responsibility for the welfare of people, animals and the environment for many years and will continue to state in our business reports what we are doing in this regard. Our first sustainability report will look at our understanding of corporate responsibility in detail. We want to provide our stakeholders with full, clear insight into measures that have already been carried out as well as the newly created sustainability strategy. These also include our associated objectives as well as future challenges. In the future, we aim to publish a sustainability report every two years.



## REPORTING PERIOD

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This sustainability report covers all business activities as well as all of BMI's production facilities. The report predominantly looks at activities during the period between 01/01/2020 and 31/12/2021. Activities from previous years as well as the year 2022 will be taken into consideration and highlighted accordingly in the report.

On 01/09/2022 our Business Unit Fresh Dairy Products was sold to the Lactalis Group. This division covers fresh milk, yoghurt, quark, cream and ayran as well as the production facility in Würzburg. The contract also includes the takeover of regional markets. We continue to make fresh dairy products at our Zapfendorf plant under contract only for Würzburger Milchwerke GmbH.



## METHODOLOGY, STANDARDS

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The BMI sustainability report is prepared based on the standards set out in the Global Reporting Initiative (GRI). The initiative was founded in 1997 and sets out a framework for standardised and comparable sustainability reporting. BMI therefore ensures clear illustration of sustainability matters by basing the report on GRI standards. In order to report based on these standards, a GRI index must be prepared in which the title of the GRI 1 used is stated and a use declaration should be prepared. External auditing of the report is not scheduled, but the Global Reporting Initiative is informed of the BMI's sustainability reporting based on GRI standards.

The structure of the report is based on the sustainability strategy we have prepared, and this reflects our most important spheres of activity. The latter underwent materiality analysis that was adapted to reflect the interests of our stakeholders. Finally, there is a comparison between our specific issues and the below data from the GRI standards.



## NOTE FROM THE EDITOR

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For the sake of clarity, only the masculine form is used in this sustainability report. All personal designations apply to all genders.



## CONTACT OPTIONS

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If you have any questions or comments regarding our report, please send your concerns to our email address at [nachhaltigkeit@bmi-eg.com](mailto:nachhaltigkeit@bmi-eg.com).

# The 17 goals for sustainable development



Picture source: United Nations

In 2015, the member states of the United Nations agreed on 17 sustainability goals where by 2030, sustainable structures would be created and in place as part of the economy, environmental protection, and social justice. BMI integrated the UN sustainability targets, known as Sustainable Development Goals (SDGs) into the sustainability strategy to play its own part in ensuring a fairer, healthier, more peaceful and more social world. The SDGs were correspondingly addressed at a suitable point within the sustainability report.

# Our Company

## Company portrait

Bayerische Milchindustrie eG has a cooperative structure and is, due to its turnover and membership structure, an important player within the German dairy industry.

BMI is one of the largest producers of dairy-based ingredients in Germany, and a major worldwide producer of organic ingredients. Cheese and fresh dairy

products are also important alongside production of ingredients (milk powder products). Our stringent quality standards ensure a strong market position worldwide. Efficient research and decades of experience in technically demanding production processes means BMI can provide exceptional user-related products. Key buyers of our products include international clients in the food processing industry, food retailers, other dairies and specialist wholesalers.

### Responsible trading for over 70 years

**Foundation** of Bayerische Milchindustrie eGmbH on **9 September 1952** in Munich  
**Company objectives:** Processing increasing quantities of milk, particularly skimmed milk  
**1955:** Purchase of the Klötzlmühle in Landshut

**1979:** Shutting down operations in Munich

**1982:** Full takeover of Dauermilchwerk Peiting

**1984:** Moving the administrative headquarters to Landshut

**1988:** Foundation of the BMU, with the BMI having a 40% holding, production of fresh foods and specialty cheeses in Nuremberg, Windsbach and Ebermannstadt

50s

60s

70s

80s

**1961:** Construction of the Peiting plants, BMI has a 35% holding

**Commissioning two new plant** in Zapfendorf (1965) and Winzer (1968)



## Our company at a glance 2021 financial year

1,128  
employees



30  
members



943  
milk suppliers (circle of members)



53  
trainees



7  
production facilities



3  
3 business units (BUs)  
cheese, fresh products, ingredients



17%  
Proportion of organic raw materials



725  
Total revenue in million €



46.8 %  
export quota



333  
million kg in sales



90s

1992: Leasing of dry operations in Jessen and the start of milk powder production in 1993

1994: Relocation of the manufacturing of fresh products from Nuremberg to Zapfendorf



2000s

2001: Takeover of the cheese retailing agency Scarlatti GmbH in Berne  
The cheese-making dairy in Jessen was taken over by BMI and Humana Milchunion eG and continues in the guise of Elsterland GmbH

2010s

2010: Full merger of the Elsterland GmbH/cheese-making dairy in Jessen with BMI  
2012: Closure of production in Landshut  
2019: Expansion of the cheese-making dairy in Jessen, with subsequent closure of the Langenfeld location



2020s

2020: Development of the 2025 BMI strategy Profit centre structure with BU Ingredients, BU Cheese, BU Fresh Dairy Products  
2022: Sale and carving out of the BU Fresh Dairy Products to Lactalis/Würzburger Milchwerke GmbH

# Company leadership and management

**The members of our cooperative are the foundation of BMI. These include groups of milk suppliers, milk and whey suppliers and other financing members. Three committees are responsible for the development and management of BMI.**

The **General Assembly** is the most senior decision-making body and is, according to the articles of incorporation, informed at least once per year if not more about BMI's activities and results. It decides on approval of the annual financial statement whilst supporting the Executive Board and the Supervisory Board. Furthermore, in the General Assembly the cooperative members elect their representatives in the **Supervisory Board**.

The heterogeneous corporate structure and the fact that many BMI members can also be competitors on the market mean that conflicts of interest may arise between their "own" interests and those of BMI. However, what binds them is a passion for milk and whey as well as an interest in sustainable development.

The **Executive Board** is solely responsible for managing the cooperative. It is responsible for identifying risks and opportunities for the company, whilst evaluating these and determining appropriate measures to handle them.

The professional group on primary raw materials, which focuses on matters regarding raw materials, acts as an advisory authority. It acts as a link between the Executive Board, Supervisory Board and the farmers.

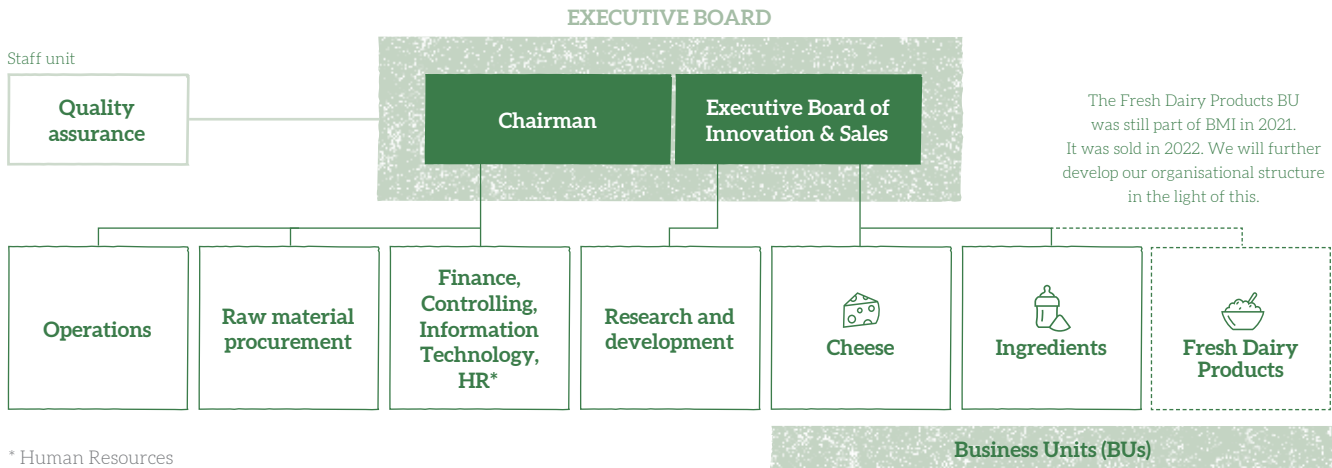
## Committees of our cooperative and the membership structure

Last updated 31.12.2021; \*Last updated 29.06.2022



# Organisational structure at BMI

Effective date: 31/12/2021 (Level 1 and 2)



**Sustainable corporate development is a key objective of our corporate management and is noticeable at all levels of the company. This is why we focus on flat hierarchies and transparent decisions.**

To continuously develop at BMI, we aim to live up to our **company principles** every single day. This task is not just the responsibility of our management team, it applies to every single employee. The following points cover the key aspects of collaboration with, as well as within BMI and are set out in our company principles.

### 1. Quality

BMI acts as a link between its milk suppliers, milk and dairy suppliers, as well as customers and end consumers. As a food producer, we have a duty of care and can ensure excellent, yet safe production. This helps us ensure that we produce healthy food that is perfectly in line with the needs of its target groups.

### 2. Innovation

Our motto “Best Milk Ideas” is reflected in production by constant development in environmentally friendly processes and technical refinements regarding processes and operations.

### 3. Safety

BMI aims for ideal avoidance of environmental damage, accidents and illness amongst staff and other persons who are involved in some way.

### 4. Credibility and compliance

Whether acting internally or externally, legal compliance, integrity, commitment, trust and transparency, acting authentically and with empathy, appreciation, fairness, respect and responsibility are at the forefront of our actions. Legal and ethical practices are observed and fair competition is expected. We also avoid corruption and are committed to following the ETI Base Code, an internationally recognised labour standard.

### 5. Loyalty

We expect our staff to conduct themselves impeccably at all times whilst also acting in the interests of the company.

### 6. Legality

Relevant national laws/regulations and specific company/departmental regulations on the one hand and internationally recognised human rights (Charter of the United Nations and ETI Base Code), employment law provisions and freedom of expression on the other are observed by us to the best of our knowledge.

Equality of opportunity and diversity are important in our daily interactions. We therefore treat all employees and all stakeholders equally, regardless of gender, age, religion, ethnicity, etc.

### 7. Sustainability

We strive for a sustainable way of working. We always maintain our focus on the relationship between humans, animals, and the environment.

# Products and locations

Our strength is our diversity and the willingness to put the customer, along with all their requirements, first. This is why we also offer tailored solutions for customers alongside our standard products.

We are proud that our products are enjoyed worldwide. Over 65 countries worldwide were supplied in 2021.

As part of strategic development in 2020 with the aim of supporting our customers more effectively and being more responsive to their requirements, BMI agreed to create Business Units (BUs) based on product groups and that have responsibility for sales and earnings.

Best  
Milk Ideas  
in over 65  
countries

Brand  
expertise  
with



## BMI's 3 business units (Last updated 31/12/2021)

**BU Cheese**   
Large variety of cheese specialities - even organic ones

- Trusted partner in the food retail sector, wholesale and industry
- Cheese experts with years of experience
- Target group-specific packaging variants and sizes
- More than 20 various specialty cheeses such as mozzarella (blocks or balls), Cagliata, grated cheese, hard cheese, cheddar, semi-hard cheese, etc.

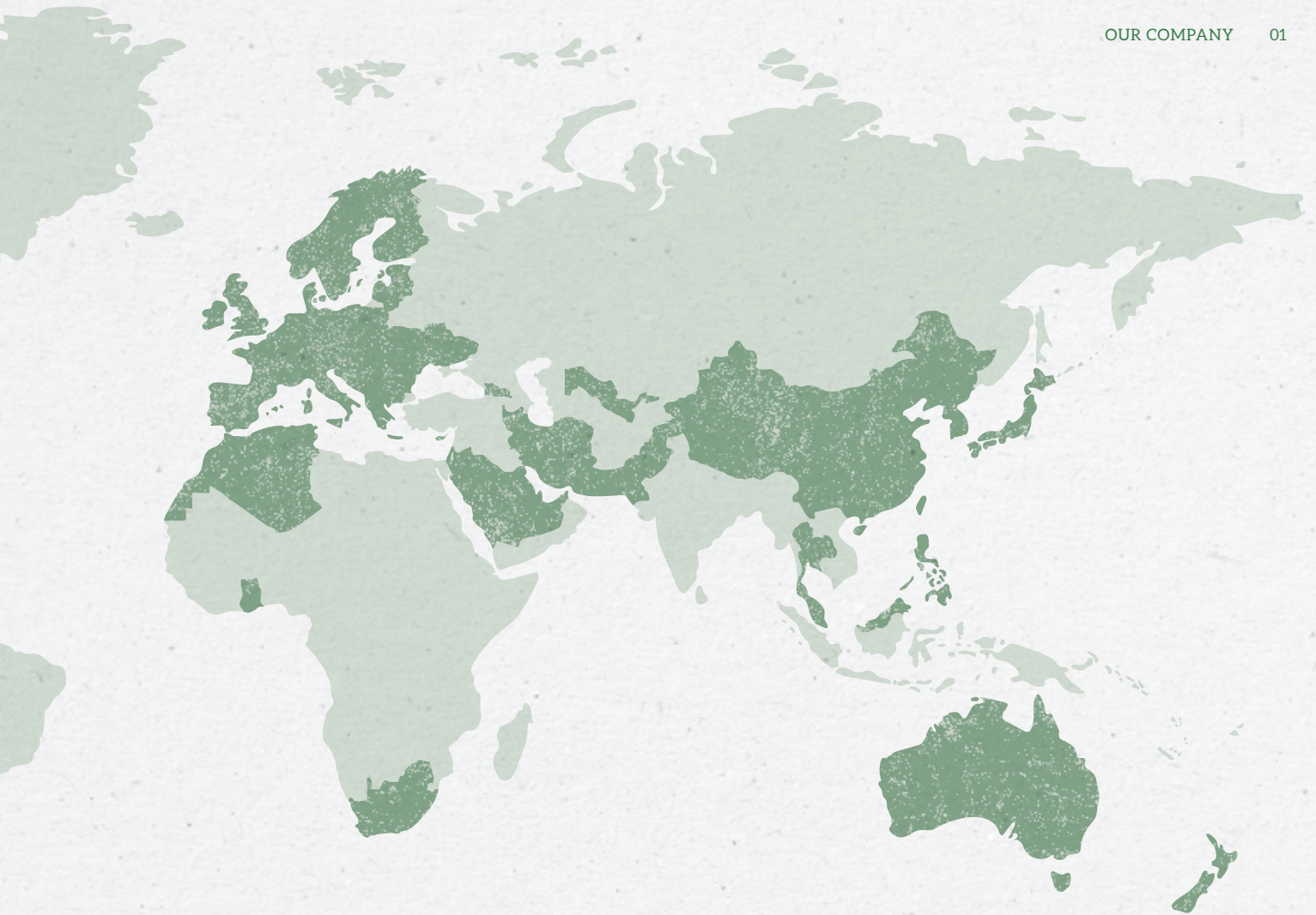
**BU Ingredients**   
Tailored to customer requirements

- Worldwide leading manufacturer of organic ingredients from whey
- Specialist in powder products for over 50 years
- An important and valuable part of fresh products, baked goods and confectionary, sports and baby nutrition
- Range of various ingredients for a wide range of applications

**BU Fresh Dairy Products**   
Regionality, naturalness, quality and freshness

- Regional products and markets
- Ethnic products
- Around 400 different fresh products such as milk, cream, ayran, fermented milk products, butter, desserts, pudding, etc.
- Sale of the BU Fresh Dairy Products on 01/09/2022





**Developments in the business units, as of 2021**

We successfully expanded our product range and worldwide business over the last few years. Due to the pandemic, we were not able to increase production yields and sales figures in 2020. However, we were able to increase quantities in 2021, the second year of the Corona pandemic.

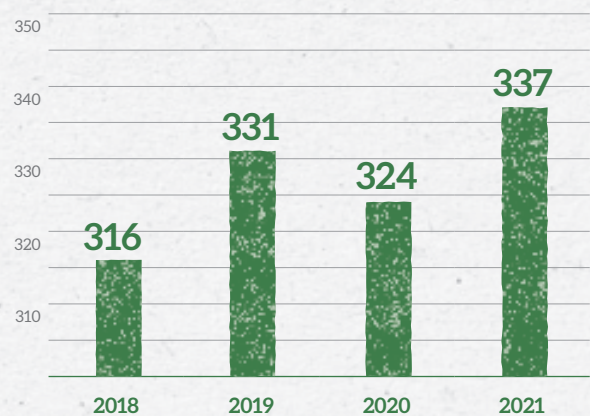
**Outlook for the following years**

Due to strategic developments and the fierce competition in the raw materials market, BMI decided to sell off the BU Fresh Dairy Products to Lactalis/Würzburger Milchwerke GmbH at the beginning of 2022.

Our fresh dairy products' factory in Zapfendorf prepares the typical product range exclusively for Würzburger Milchwerke since September 2022. We now focus more on continued development within the ingredients and cheese sectors at our other company locations. Profitable, sustainable development is our top priority in the future.

**Total production output at BMI**

Production in thousands of tonnes



## Our locations in 2021

Our production sites are as varied as our products. During 2021, a total of 7 production sites made 337 thousand tonnes of top-quality dairy products.

### Würzburg plant

Employees: 193

**Task:** Manufacture of fresh dairy products (owned by Würzburger Milchwerke GmbH since September 2022)

**Address:** Louis-Pasteur-Straße 1, 97076 Würzburg

### Windsbach plant

Employees: 61

**Task:** Production of specialty cheeses, particularly semi-hard cheese (conventional/organic): edam, gouda, emmental, tilsit or butter cheese

**Address:** Bahnhofstraße 18, 91575 Windsbach

### Peiting plant

Employees: 29

**Task:** Production of ingredients such as sweet whey powder, skimmed milk powder or specialty products, primarily organic

**Address:** Schönriedlstraße 46, 86971 Peiting

You can recognise our products with these identification marks:

#### fresh dairy products (until September 2022)



DE  
BY 602  
EG

Würzburg

DE  
BY 40426  
EG

Zapfendorf

#### Cheese



DE  
BY 40410  
EG

Ebermannstadt

DE  
ST 201  
EG

Jessen

DE  
BY 50515  
EG

Windsbach

#### Ingredients



DE  
ST 220  
EG

Jessen

DE  
BY 13038  
EG

Peiting

DE  
BY 21266  
EG

Winzer

DE  
BY 40409  
EG

Zapfendorf

### Zapfendorf plant

Employees: 269

**Task:** Manufacture of fresh dairy products (for our client Würzburger Milchwerke since September 2022) and ingredients, especially organic lactose and sweet whey powder

**Address:** Scheßlitzer Straße 2, 96199 Zapfendorf

### Jessen plant

Employees: 244

**Task:** Manufacture of specialty cheeses, specifically mozzarella, cagliata, cheddar; Production of ingredients such as whey protein concentrate (WPC) and lactose

**Address:** Rehainer Straße 5, 06917 Jessen

### Ebermannstadt plant

Employees: 114

**Task:** Production of specialty cheeses, especially soft cheeses such as blue cheese and mozzarella

**Address:** Milchhofstraße 3-5, 91320 Ebermannstadt

### Winzer plant

Employees: 53

**Task:** Production of ingredients, particularly demineralised sweet whey powder, manufacture of organic products

**Address:** Passauer Straße 118, 94577 Winzer

### Quality and innovation centre

Employees: 32

**Task and departments:** Research and development, Quality assurance and Quality management, Central laboratory

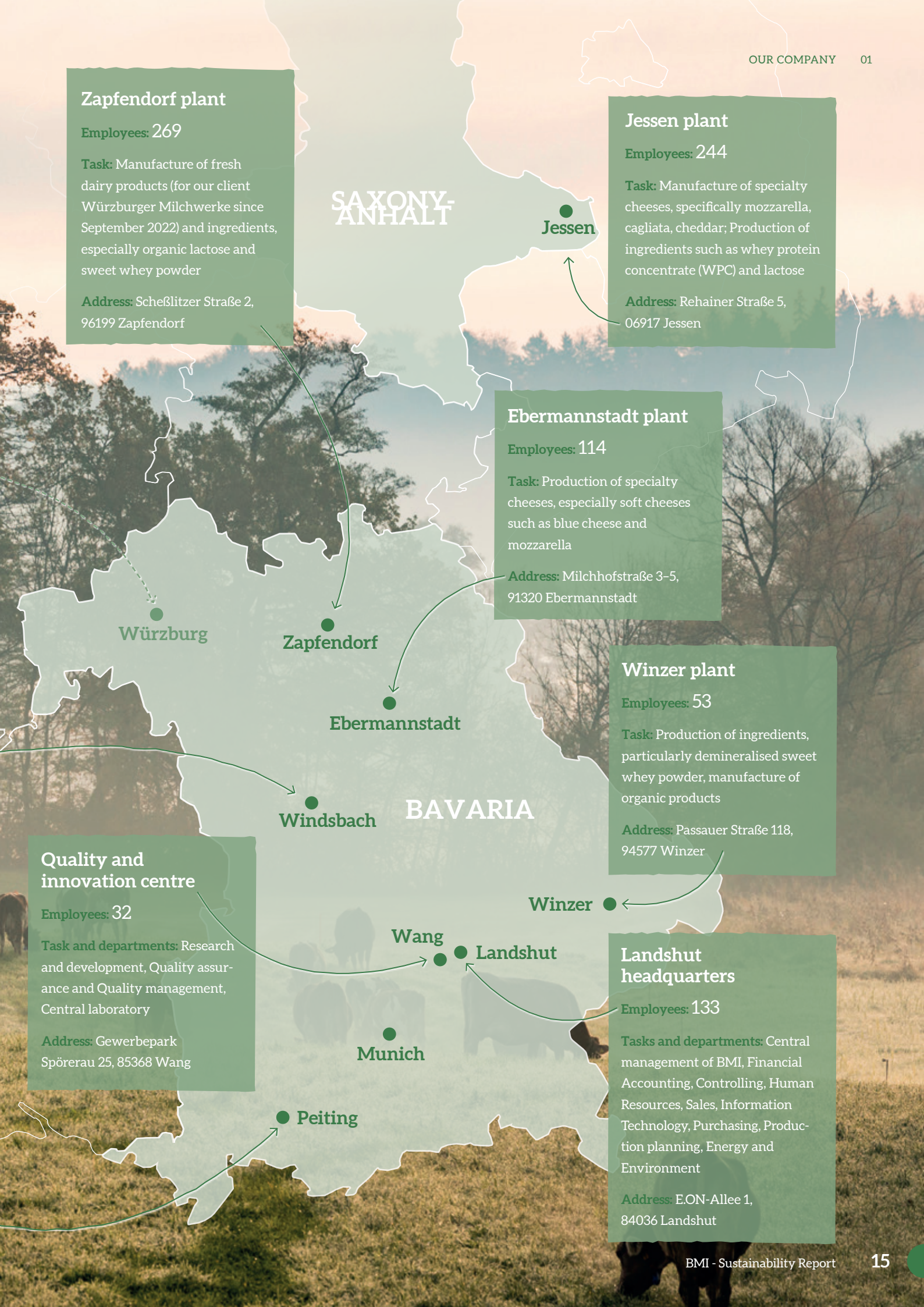
**Address:** Gewerbehark Spörerau 25, 85368 Wang

### Landshut headquarters

Employees: 133

**Tasks and departments:** Central management of BMI, Financial Accounting, Controlling, Human Resources, Sales, Information Technology, Purchasing, Production planning, Energy and Environment

**Address:** E.ON-Allee 1, 84036 Landshut



# Values and vision

As part of corporate management and corporate principles, we are acutely aware of our responsibility towards people, animals and the environment. Our mission statement of “Best Milk Ideas” does not just focus on innovation as part of product processing. It also focuses on sustainable corporate development, where both ecological and social aspects are taken into consideration alongside economic decision-making criteria.

The primary focus at BMI is customer satisfaction and the quality of our products. For us, sustainable management always goes hand-in-hand with product quality, product safety and customer satisfaction.

We consider it self-explanatory that the requirements of all target groups are noted and handled. At BMI this is ensured by evaluating customer surveys, complaints, and numbers of complaints. We answered over 500 customer enquiries in 2021, underlining the importance of our customer loyalty.

Quality is also emphasised by various certifications and also by handling any corrective measures that arise as part of them.

In order to maintain our consistently high standards, we work within an integrated management system. As an example, one part is the energy management system as per DIN EN ISO 50001 that has been operated by BMI since 2012. Furthermore, we are focusing on quality assurance and food safety along the whole process chain via certification in accordance with FSSC 22000 and the IFS Food Standard. BMI is monitored regarding compliance with human rights, job security and various environmental criteria as part of SMETA verification. In addition, we monitor BMI to ensure compliance in the corresponding subject areas in all our management systems.

This ensures that various processes work ideally together. Furthermore, an inter-disciplinary continuous improvement process is ensured across company divisions. In this case, the company follows the approach known as the PDCA cycle as part of GFSI certifications on food safety and subsequent processes.





Our commitment is to act responsibly every single day in the interests of people, animals, and the environment. In this case, we always have all three dimensions of sustainability – economics, ecology and social matters - in mind.



### Environment

Environmentally friendly development is of the utmost importance to us as we work with a natural product. We wish to preserve our environment so that future generations may also live in harmony with both wildlife and nature.



### People

Food safety, consumer protection and uncompromisingly high quality are of the utmost importance to us. We ensure transparency and traceability along the whole value chain and, as a company, take responsibility for our staff. Central aspects in this case include ensuring workplace safety, job security and encouraging development of our staff.



### Animals

Our milk suppliers are extremely committed to the welfare of their animals. They follow stringent guidelines regarding the feeding, welfare and health of their cows.



#### Certifications and awards



# Sustainability strategy

**In order to act in accordance with our corporate principles and bring about sustainable corporate development in a targeted manner, we started to embed these within a sustainability strategy in 2021.**

Generally, a sustainability strategy provides companies with a framework via which sustainable development can be structured and communicated. It describes the fields on which a company concentrates, and the long-term objectives that should be achieved. It also covers how these objectives are to be measured and followed. Preparation of a materiality matrix is the foundation for working out the strategy.

As sustainability affects all areas of BMI and is not limited to just being a focus topic, the **first step** was to set up an interdisciplinary sustainability team within the company. This team's core task was to prepare a sustainability strategy. Experienced consultants were also involved in the preparation process.

We aim to involve all interested parties in our developments. Sustainable company development must not be considered in isolation, but must also include the interests and requirements of all stakeholders (and groups thereof). When developing our perspectives on sustainability and determining the major aspects of it, we then asked our stakeholders in a **second step** as part of this. This means that stakeholder opinions, interests and requirements can be noted.

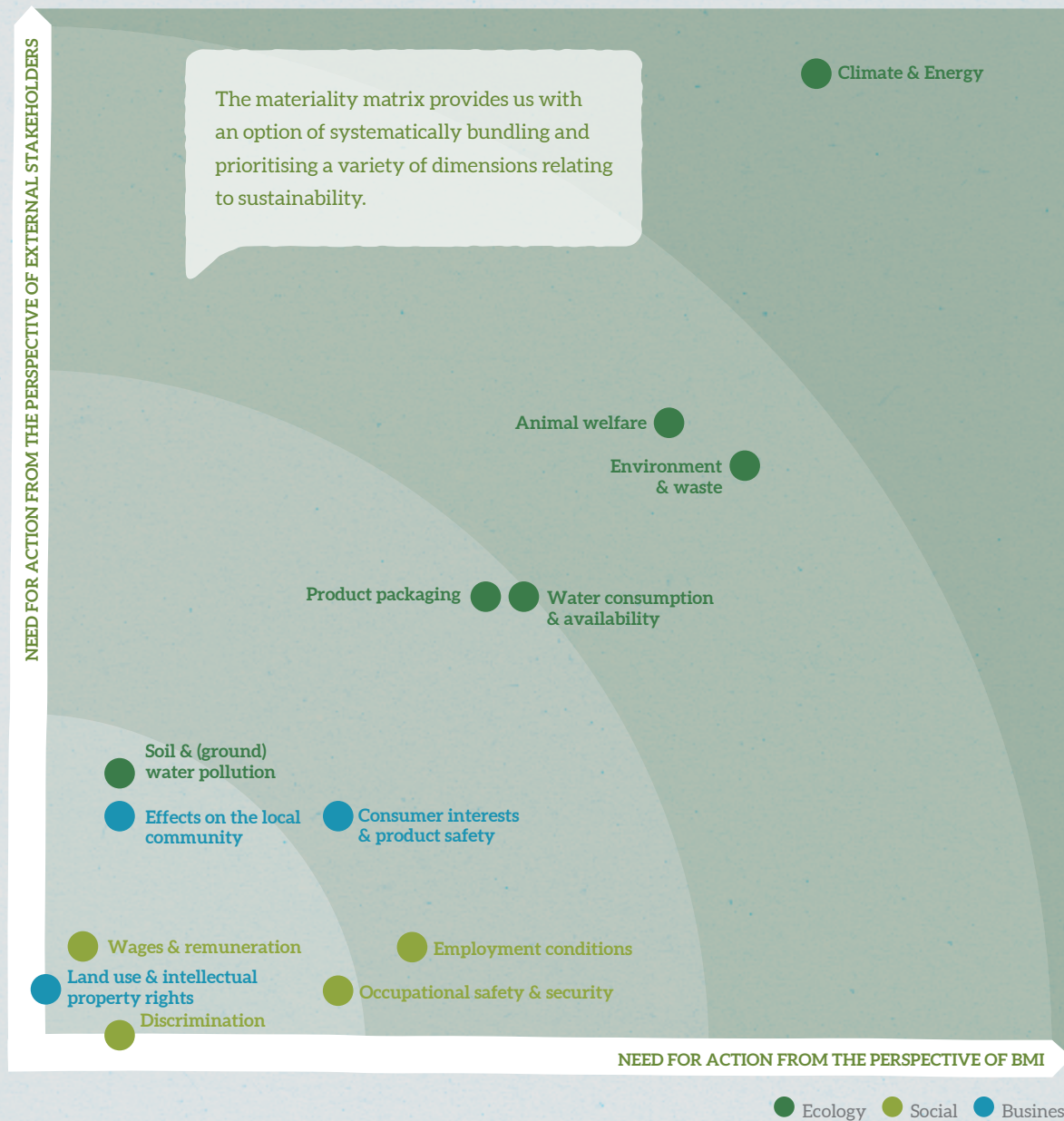
Both internal (e.g. staff) stakeholders and external stakeholder groups (e.g. government agencies, suppliers, milk suppliers) are asked for their perspectives. Questions are posed partially in the form of individual interviews, but largely done via online surveys. To be specific, it is asked which matters in sustainable corporate development will represent challenges for BMI and what matters require attention.

**The third step** combines the interests and expectations of stakeholders in a materiality matrix with the perspectives of internal BMI stakeholders whilst identifying major matters within the realm of sustainability.

## All internal and external stakeholders at a glance



## BMI MATERIALITY MATRIX



After presenting the results of the materiality analysis within the sustainability team, a **fourth step** also saw that our staff were far more included in proceedings. Representatives from all our business units (fresh dairy products, cheese, and ingredients) made sure that departments and plants were involved in preparations as part of workshops. Participants could state potential risks as well as measures in dialogue about each field in question. It resulted in a wide range of suggestions and opinions that was taken into consideration when devising the strategy.

**The final process step** summarises the matters into spheres of activity from which visions of sustainability can be derived, as ultimately “only he who knows his destination finds the way” (Lao Tzu).

Starting from a vision and supported by all relevant company sectors, participants in the sustainability team work out objectives and measures for the coming years. Furthermore, responsibilities and so-called Key Performance Indicators (KPIs) are set out to ideally implement and monitor processes and projects.

**The result of this above process is the sustainability strategy for BMI, which is then introduced to members in the General Assembly.**

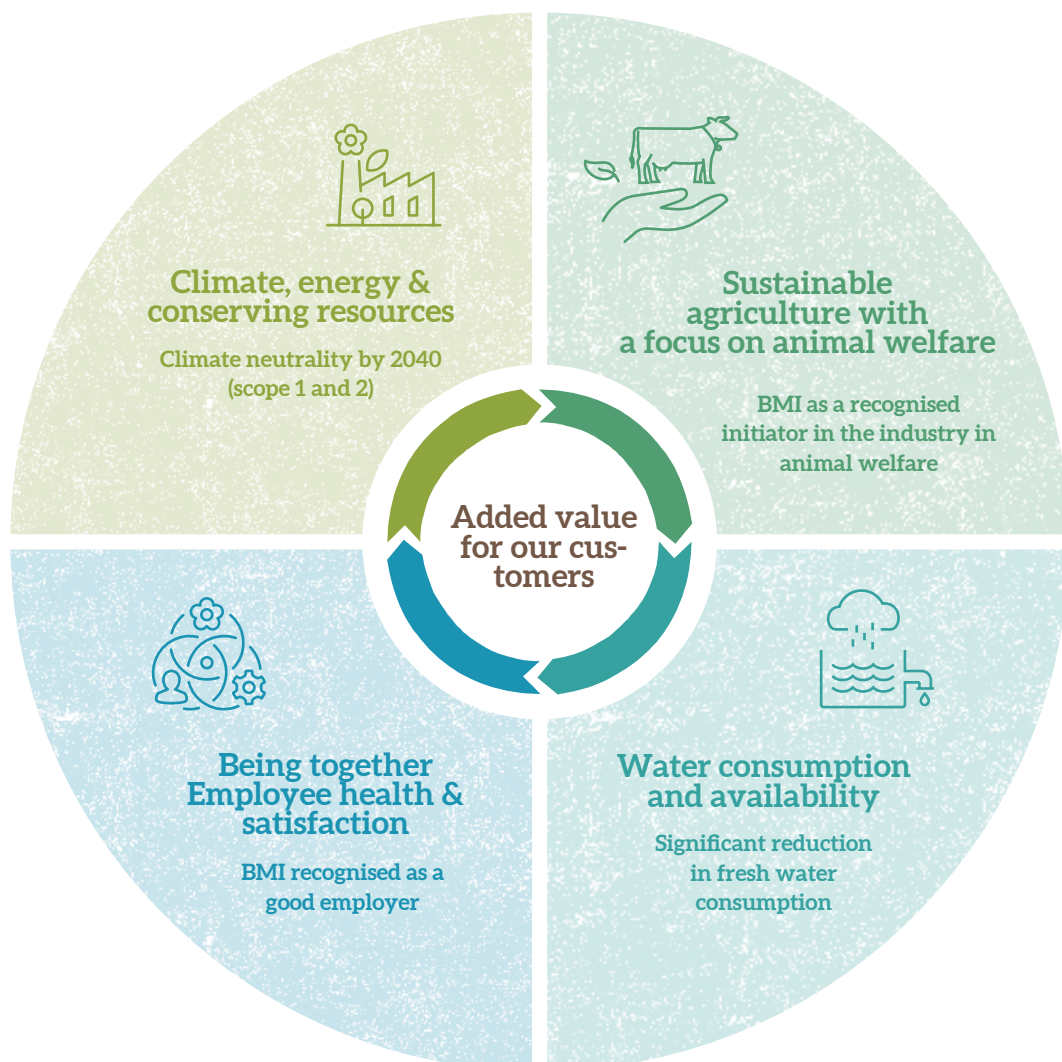
# Only he who knows his destination finds the way.

(Lao Tzu)

## Areas of activity

The BMI sustainability circle shows all identified areas of action as well as the respective visions. It forms the core of our strategy and makes clear what matters we have to place particular emphasis on in the future regarding sustainability.

Specifically, these are climate, energy and conserving resources, water consumption and availability, sustainable agriculture with the focus on animal welfare as well as the relationship between employees and the company. The centre of the circle is the added value for our customers that we would like to generate with our products. Economic factors also play a central role in the field of sustainable development. These are not explicitly listed in the BMI sustainability circle, but as you would expect, they are not ignored.



# Climate, energy and conserving resources



Within the field of climate, energy and conserving resources, we are refocusing on production that efficiently uses energy and resources. On the one hand, we strive to expand on and use renewable energies within BMI in order to avoid many of the environmental effects of using fossil fuels, whilst also conserving resources used for packaging materials and those used in the production process.

As a company involved in processing and refining agricultural raw materials and products, we are particularly dependent on our environment and especially weather-related events along with the effects of these.

Furthermore, customers are increasingly interested in the ecological effects of our production processes. A great deal of action is required within the field of climate, energy and conserving resources. We need to and will work hard on this during the coming years.

We need informed knowledge about our impact so that we can best bring our corporate activities into harmony with the environment. Balancing and setting KPIs is therefore a decisive matter for us in the first step. Moving onwards, we see it as our corporate duty to minimise our impact - where it is expedient and possible - or even avoid it.

**Our objectives:**

**1. OBJECTIVE:** Reduction of greenhouse gas emissions in the company and along the value chain

**MILESTONES:** Preparing a climate road map incl. a pathway for reducing emissions; By December 2023, 25 per cent of milk that is acquired is tested regarding its product-related CO<sub>2</sub> footprint

**2. OBJECTIVE:** Expanding on-site electricity generation by using waste heat, increasing proportion of green electricity acquired

**MILESTONES:** By December 2025, 50 per cent of energy will be acquired from renewable energy sources

**3. OBJECTIVE:** Acquisition of sustainable heat energy whilst taking sustainable, renewable fuels into account

**MILESTONES:** By December 2035, at least 50 per cent of heat energy and fuel requirements shall be acquired from sustainable or renewable sources

**4. OBJECTIVE:** Significant increase in energy efficiency

**MILESTONES:** A significant reduction in specific energy consumption as per objectives for energy management

**5. OBJECTIVE:** Reducing emissions by adapting logistics

**MILESTONES:** Continuous optimisation of the recording of raw materials

**6. OBJECTIVE:** Avoidance and reduction of waste through constant optimisation of our production processes

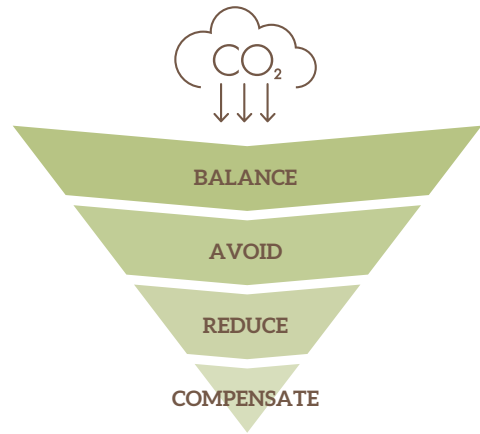
**MILESTONES:** By December 2024 the proportion of separated waste should increase to 85 per cent; frequent monitoring of waste streams and consultation with external advisors every three years

**7. OBJECTIVE:** Increased use of sustainable packaging (reduction in packaging materials)

**MILESTONES:** By June 2024, packaging material should be checked to ensure it can be recycled; Checking alternatives to the overpackaging for grated mozzarella in Jessen

# Climate

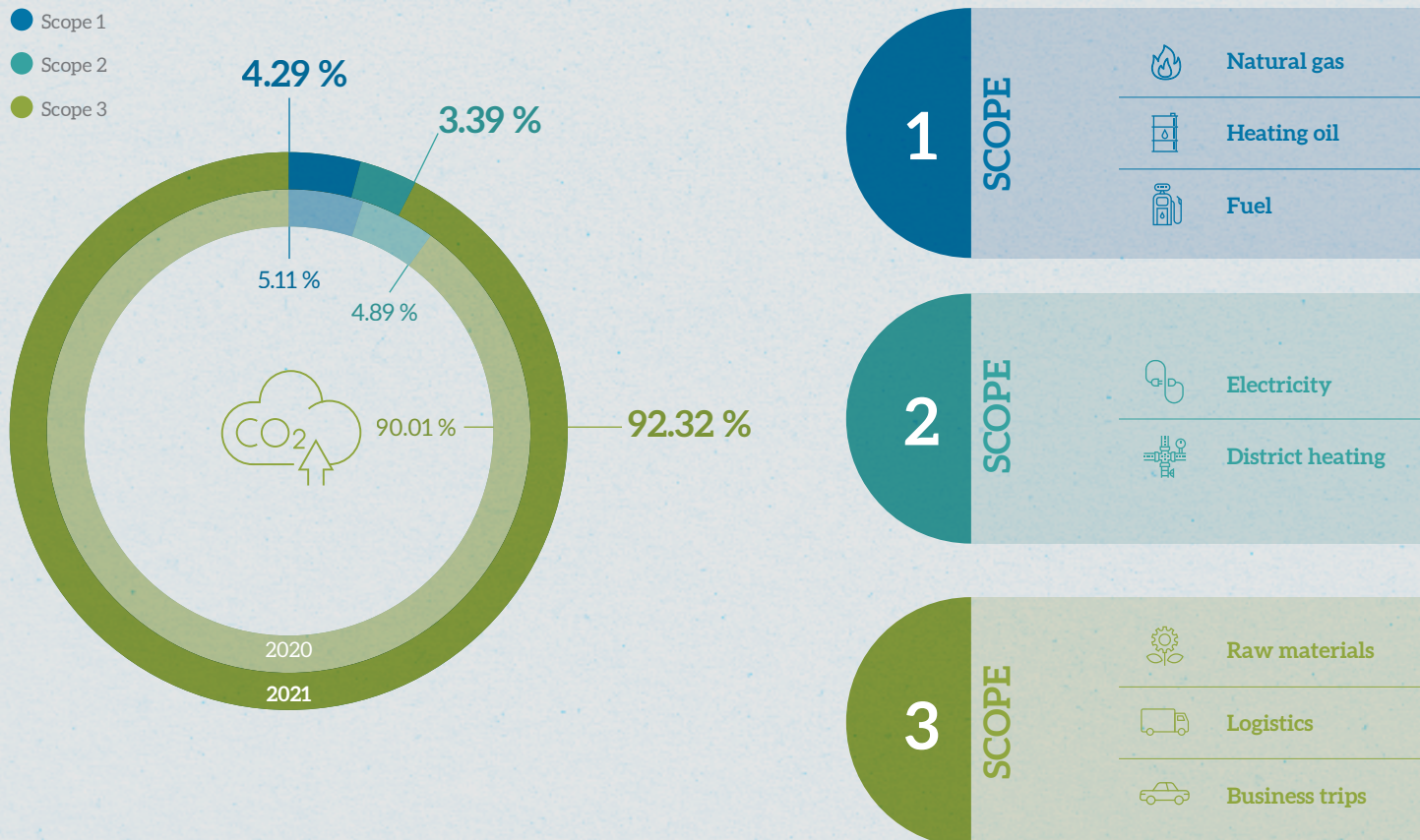
We aim to be climate-neutral at a corporate level based on the “Balance, Avoid, Reduce, Compensate” principle in the long run. As well as striving to be climate-neutral regarding our scope 1 and scope 2 emissions, we also aim to reduce greenhouse gas emissions along the entire value chain.



We are aware that most of our emissions are scope 3<sup>1</sup> emissions. However, as we at BMI only have limited impact on these emissions and also that the data basis for balancing emissions is not yet as reliable as those used for scope 1<sup>2</sup> and 2<sup>3</sup>, we shall initially and primarily focus on climate neutrality at our locations, i.e. scope 1 and 2 emissions. That said, we are not ignoring scope 3 emissions and have set out

objectives as part of offsetting greenhouse gases. We would like to work closely with our milk suppliers to ensure emissions of raw materials are recorded as fully as possible so that potential reductions can be readily identified. As soon as there is a reliable data basis, we will also state specific climate-related objectives for our scope 3 emissions.

## Breakdown of BMI's GHG emissions in 2020 and 2021



Based on the Greenhouse Gas (GHG) Protocol, offsetting of our greenhouse gas emissions already took place in 2020 and 2021. In addition, potential reductions are identified and objectives are derived from it, which ensures measurability of performance and the degree to which the objective has been achieved. In addition, we also partially take the effects of climate change into account within risk management, which also flows into our objectives.

As well as calculating our corporate carbon footprint (CCF), we have started calculating product-specific GHG emissions as part of product carbon footprints (PCF), such as for our whey and lactose.

The diagrams below make it clear that over 90 per cent, a clear, obvious majority of our emissions are scope 3 emissions. This is primarily due to our purchases of raw materials. Natural gas and electricity are the main causes of GHG emissions in scope 1 and 2.

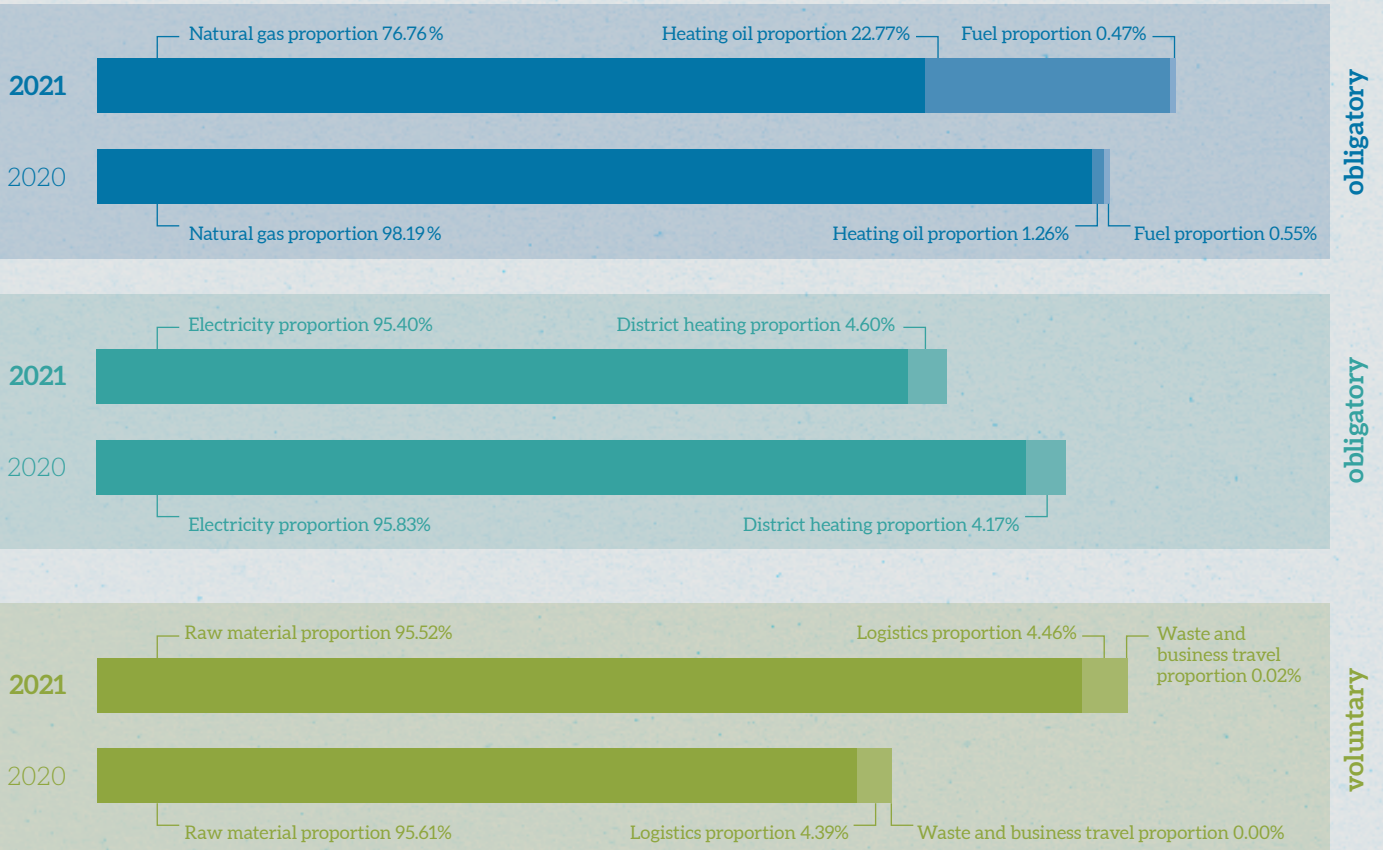
We place great store on constantly increasing and improving our offsetting measures with ever-increasing accessibility of primary data as well as an improved internal data basis. This means we can record GHG emissions more accurately and also work out potential reductions in a more targeted manner. Even though this can lead to increased emissions, such as scope 3 emissions in 2021, we intend to maintain improvements in offsetting in the future.

<sup>1</sup> Indirect greenhouse gas emissions along a company's value chain

<sup>2</sup> A company's direct greenhouse gas emissions, e.g. resulting from the combustion of fossil fuels such as natural gas or heating oil

<sup>3</sup> A company's indirect greenhouse gas emissions, e.g. resulting from acquiring electricity or district heating

### Percentage shares of the emission sources of the relevant scopes



Emission factors are used in scope 1 of BMI's CCF that also contain the upstream emissions (namely the emissions that occur before the combustion process). In addition, the figures in the chart are rounded off so there may be discrepancies in the totals.

# Energy

**BMI has operated an energy management system in accordance with DIN EN ISO 50001 since 2012 and manages a continuous improvement process in energy management.**

Energy teams meet at regular intervals in each of our plants, where they evaluate the energy-related situation at the locations and carry out measures to improve energy efficiency where necessary. Optimisation of systems and processes, as well as regular monitoring of energy consumption take place as part of such meetings.

Energy management is closely linked to BMI's Performance Programme.

The Performance Programme has been continuously ran since 2019, and is largely responsible for both process optimisation and the continuous improvement process (CIP). The close links between both programmes ensures that, alongside the purely monetary effects of the Performance Programme measures, the principle of sustainability is also followed and that resources are bundled together for this purpose.

A range of measures are carried out on the various production sites as part of the energy management programme (EMP), which led to an improvement in our energy consumption figures in 2021.

**As part of our energy management programme, we generally follow the following objectives:**



**Benchmarking the state of technology, energy-efficient investments**

We focus on the latest state of the art with all our units and always attempt to stay with these wherever possible. As an example, in 2021 we replaced some of our waste water blowers with energy saving screw blowers.



**Continued development of systems, increasing production utilisation**

Continued development and optimisation of systems is relevant for us in order to save energy. Considerable savings were achieved by moving the cheese grating facility at the Jessen site in 2021. Old systems are replaced by new, more efficient machines as a result and greater quantities can be processed.



**Maintenance**

We consistently aim to work in a more resource-saving manner as part of maintenance measures. Several minor measures enabled us to save around 700,000 kilowatt hours in 2021. We understand maintenance measures as meaning measures such as replacing compressed air lines or renovating our refrigeration plants.





Spray tower at the Winzer plant

# Electricity

Electricity represented around 27 per cent of BMI's total energy needs in 2020 and 2021. As our locations differ regarding their product portfolios, they also have different system equipment and therefore different significant energy users (SEU). Whilst evaporators and spray towers are SEUs in practically all drying operations, large quantities of electricity are required for product cooling in the cheese dairies and in making fresh dairy products.

Specific electricity consumption has been continuously improved compared to previous years. Electricity consumption per tonne of raw materials was reduced by around 8 per cent in 2021 compared to 2018. The pronounced fall between 2019 and 2020 was primarily due to new construction at our Jessen site and the commissioning of more energy-efficient systems. This meant BMI was able to reduce both energy consumption and GHG emissions.

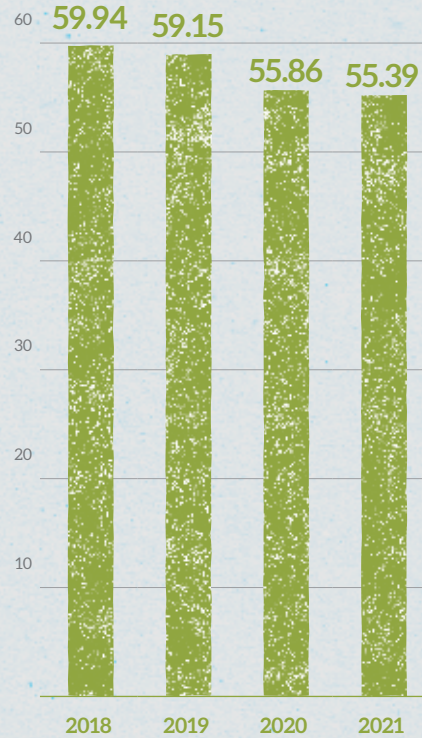
Fluctuations are particularly noticeable when looking at the electricity consumption figures of individual business units. These are intrinsically linked to production planning and the product portfolios. Whilst the Ingredients unit generally has a similar profile in electricity consumption per tonne of raw material as the BMI in general, greater fluctuations are observed in the Cheese and Fresh Dairy Products units in particular.

These are obvious within BU Cheese in 2019. This was due to commissioning of the new cheese dairy, which led to start-up effects that were successfully optimised in subsequent years. Changes to our production processes and lower quantities of raw materials led to an increase in this area within the Fresh Dairy Products unit between 2020 and 2021.

## Total electricity consumption at BMI

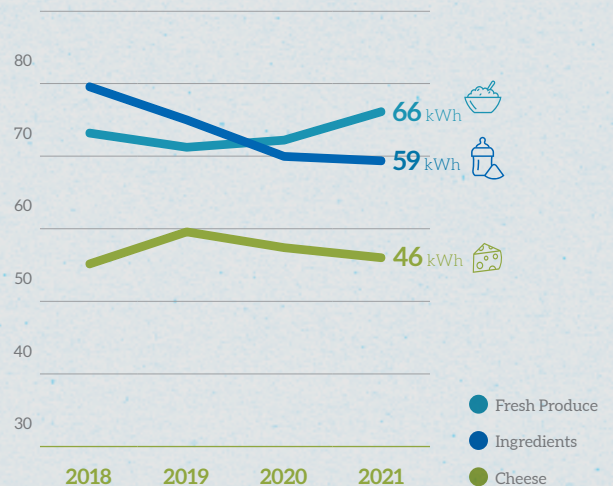
Electricity consumption for each quantity of raw material used in kWh/t

**-8%**  
Power consumption since 2018



## Electricity consumption according to business units

Electricity consumption for each quantity of raw material used in kWh/t

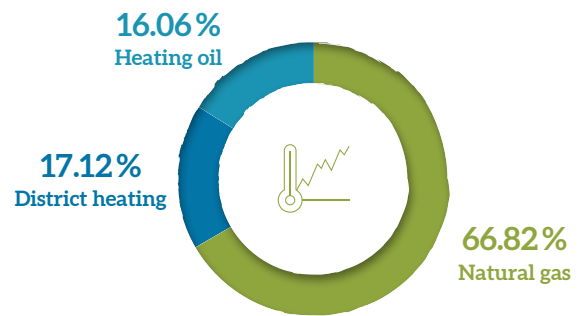


# Heat energy

Heat energy amounts to over two-thirds of our total energy requirements. Natural gas was the most important energy source in 2020.

Due to rapidly increasing costs and developments on the energy market, natural gas was substituted with heating oil at the end of 2021. In addition to natural gas, we also obtained district heating for our former Würzburg plant from an adjacent waste incineration plant and a gas-fired power station amongst other sources.

## Breakdown of heat energy sources at BMI in total



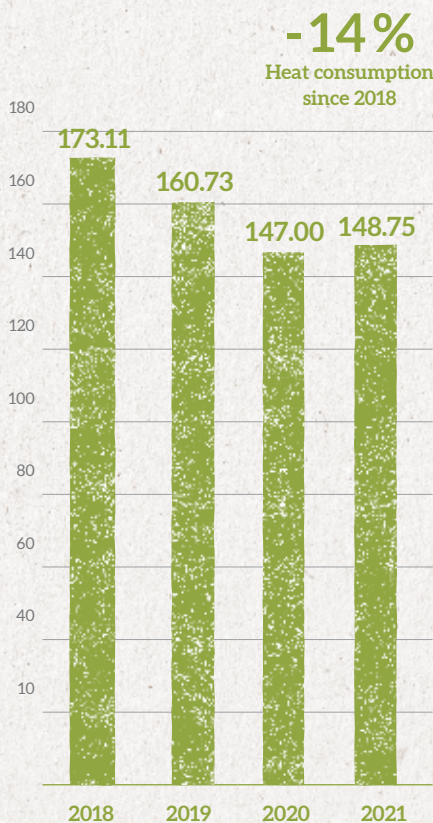
Furthermore, the Jessen plant has also obtained steam from a biogas plant since 2010, and hot water from the same in 2018. As a result, around 20 per cent of heating requirements for the Jessen site were covered from renewable energy sources in 2021.

We aim to considerably increase usage of renewable energy sources to generate heat over the coming years. Our objective is to obtain at least 50 per cent of heat energy and fuel requirements from sustainable or renewable sources by the end of 2035. To do this, we constantly monitor the options available to us, such as using another biogas plant at the Jessen location as well as preparing an energy concept for our planned new Ingredients plant in Zapfendorf.

Compared to 2018, we were able to reduce our specific heating requirements from 173 to 149 kilowatt hours per tonne of raw material in 2021. The small increase from 2020 to 2021 is down to differences in the BU Fresh Dairy Products due to lower quantities of raw materials and the lack of standardisation in the values, amongst other things.

## Total heat energy consumption at BMI

Heat energy consumption for each quantity of raw material used in kWh/t

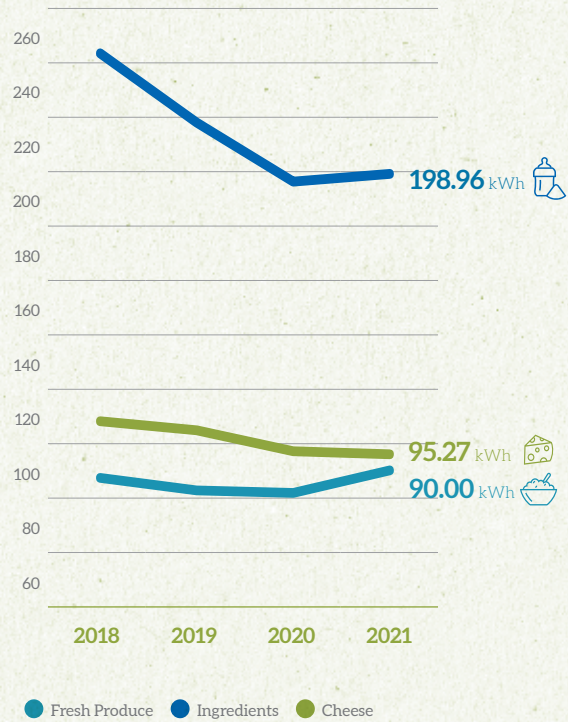


As is the case with electricity, heat energy also differs depending on the BUs. Both the Cheese and Ingredients BUs have a similar profile to BMI in general, however specific heat consumption has increased since 2018 in our Fresh Produce section.

We also focus on heat energy as part of our energy management system and aim for continuous improvement in our energy consumption figures through investments. As an example, our condensate drains were checked and replaced where necessary in 2021. The matter of heat energy is automatically considered in the decision-making process when planning new systems. We also standardise our specific energy consumption figures as part of our energy management system so that results are comparable.

### Heat energy consumption according to business units

Heat energy consumption for each quantity of raw material used in kWh/t



**The Aquarena swimming pool, which is based at our Zapfendorf site, receives the waste heat we have generated in the form of hot water. The heated swimming pool is fully heated with process heat that we can no longer use.**

Aquarena Zapfendorf outdoor pool

Picture source: Markt Zapfendorf



# Handling resources

**Conservation of resources applies to all materials used, such as water, energy, raw materials, as well as ancillary and operating materials. Over the coming years, we aim to focus intensely on resource-saving packaging solutions and a reduction in waste generated.**

## Material consumption and packaging solutions

Our packaging solutions are consistent with stringent quality requirements and with food safety. We aim to constantly improve material usage and aim to make our primary packaging as recyclable as possible. In general, both primary and secondary packaging should be as environmentally friendly as possible.

A series of tests is required in order to change the packaging. When it comes to optimisation, product management, purchasing, the technical manager at the plants and quality assurance work together closely with packaging manufacturers. All BUs achieved successes with their packaging solutions in 2021.

In future we strive for further reductions and improvements in packaging material, particularly in cheese packaging and in overpacks.

As part of conserving resources, BMI is also focusing on digitalisation alongside their packaging solutions. Since the start of 2021, we have been largely sending out our statements for milk payments digitally to our milk suppliers. We also made our accounts payable workflow and payroll accounting digital in 2021.

## Our supply chain - simplified illustration of BMI's value chain



## Selected successes we achieved in 2021:

### Standardisation of powder sacks



- More flexible use of sacks both domestically and abroad, meaning lower stock levels are generated
- Adjusting the material strength of film and paper layers to handle the balancing act between food safety and saving material

### Changing the packaging on corners of blue cheese



- The reduction in plastic by replacing plastic cans by cardboard display cartons resulted in recycled content of more than 83 per cent

### Reduced packaging on the outer packaging of BMI BioBauern cheese slices



### Greater focus on transporting regional specialties in recyclable jars



- Reducing the use of plastic by avoiding disposable packaging
- As a glass jar weighs more than Elopak, these products are only available regionally

### Relaunch of the Frankenland brand



- No more use of plastic lids on yoghurts and head labels on bottles



**Both our cheese products and our fresh dairy products** (only under contract since 01/09/2022) are transported directly to retail (both either food retail or wholesale) or are further processed by our customers



**Added value for our customers is found at the end of the value chain**



**Our ingredients** are generally processed further

## Procurement

We try to take resource-saving options when possible with the aid of thorough planning, even when purchasing resources and materials.

Before the first delivery, every supplier is monitored and evaluated based on selected criteria. Amongst other things, we look out for certificates regarding the environment and social standards. In addition, suppliers are audited by the BMI at random. Alongside quality and food safety aspects, we also consider compliance with human rights and workplace safety. It was not possible to carry out on-site audits since 2020 due to the Covid-19 pandemic, but these should be restarted and - where expedient - replaced by remote audits.

We strive to reflect our fundamental principles regarding resource conservation in our upstream value chain whilst handling what is necessary for sustainable procurement. These requirements are checked once again and revised as part of a German law the "Lieferkettensorgfaltspflichtengesetz".

# Disposal and waste

**We do not just look to avoid creating waste when it comes to product packaging. Professional waste disposal is essential, which is why we carefully monitor our waste streams as part of waste management.**

## Waste separation at BMI

We ensure that waste disposal takes place according to the German Circular Economy Act (Kreislaufwirtschaftsgesetz KrWG) and the corresponding waste hierarchy. It is self-explanatory for us that waste streams are monitored and separated, and that raw materials are brought back into circulation as this has a positive impact on both the economic and ecological success of our company. It is carried out in accordance with the corresponding waste hierarchy.

So we can play our part, our first step is to avoid waste where possible. Production planning is continuously adapted so that, as an example, fewer small batches are produced with output.

We also carry out surveys with external consultants to identify further potential reductions.

This last took place in 2021 at every location, together with our waste consultants. We focused on potential optimisation approaches during the survey. It did not just focus on avoiding waste, but also looked at the possibility of greater separation according to type. In addition, staff training on waste takes place annually, which improves our staff's awareness of this important matter.

All inevitable flows that do not serve any other purpose are, where possible, collected separately in fractions. They are then passed on to an external waste disposal company according to where they are allocated in the Waste Register Ordinance.

We aim to increase the proportion of separated waste so we can play our part for the environment whilst keeping waste disposal costs down. This describes the ratio of residual waste compared to all waste that was produced. BMI separates waste according to type as far as is possible (paper, plastic films, wood, etc.). Any waste that cannot be separated according to type is disposed of as residual waste or commercial municipal waste. At the moment our proportion of separated waste is around 83 per cent, we are aiming for a value over 90 per cent in the long run.

## The Circular Economy Act (Kreislaufwirtschaftsgesetz KrWG) contains the waste hierarchy:

1. Avoidance
2. Preparation for recycling
3. Recycling
4. Other uses
5. Removal



**Waste generation at BMI**

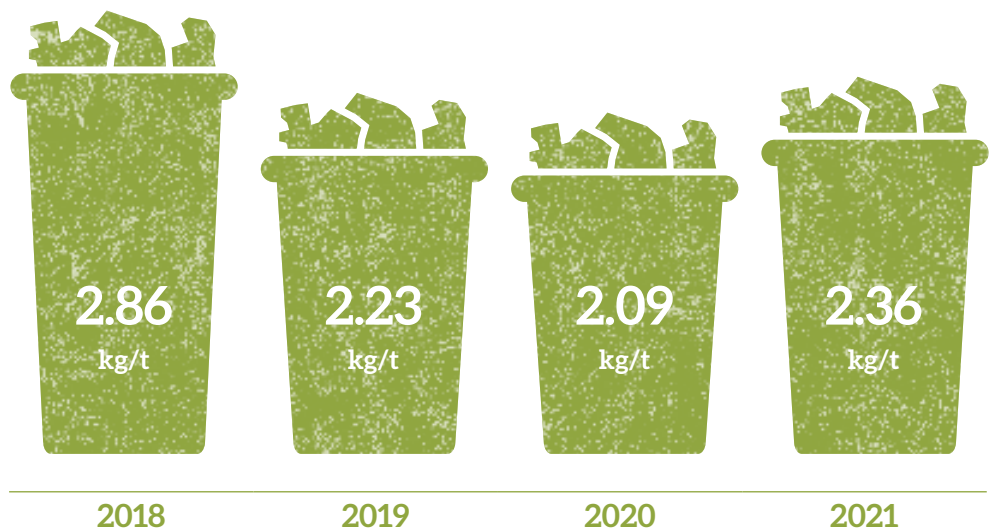
Various waste streams are generated when processing milk and whey into fresh dairy products, cheese and ingredients. One of these is waste arising from ancillary and operating materials (worn system parts, packaging waste, faulty wooden pallets etc.) and, to a far greater extent, product waste. This occurs due to product changes or production issues, amongst other things. Furthermore, product residues can get into waste water, where they are separated in waste water pre-treatment sites before being disposed of as flotation sludge. By-products are disposed of as animal feed or used to produce energy where possible (e.g. molasses from permeate when producing lactose). Laboratory waste is produced at regular intervals in a production facility that produces food, so it is disposed of separately as hazardous waste in accordance with the regulations.

**17%**  
less waste measured in use of raw materials

**The total quantity of waste per tonne of processed raw material was reduced by approx. 17 per cent in 2021 compared to 2018. Our absolute quantities of waste rose by around 600 tonnes in 2021 compared to the previous year. As a result, the total quantity of waste per kilogram of processed raw material increased by approx. 11 per cent in 2021 compared to 2020.**

**Total quantity of waste at BMI**

Quantity of waste without flotation sludge per quantity of raw material in kg/t



# Sustainable agriculture with a focus on animal welfare



In the field of sustainable agriculture with a focus on animal welfare, particular emphasis is given to the production of a valuable resource - milk. This isn't just a matter of importance for our member farms, but also for new suppliers we have been able to acquire.

Despite all economic challenges and the change in priorities brought about by the Russo-Ukrainian War, we still aim to focus on animal welfare and to play our part in bringing about sustainable development of agricultural operations.

BMI's aim here is to be recognised within the industry as a pioneer in terms of animal welfare, i.e. improving animal welfare whilst creating added value for farms and BMI itself. We believe that the triad of sustainability is necessary to bring about a sustainable transformation within agriculture.

## Our objectives:

**1. OBJECTIVE:** Increasing sales of products with enhanced animal welfare as a feature (we see this as fundamentally important so that we can pay our farmers appropriately to go beyond the standards that are legally set out)

**MILESTONES:** By December 2028 raw milk will be acquired/marketed for food retailing and it will come only from certified standards of farming known as Haltungsform (e.g. Haltungsform levels 3 + 4)

**2. OBJECTIVE:** To actively encourage sustainable agriculture and initiatives that promote animal welfare

**MILESTONES:** Ongoing commitment to initiatives that focus on animal welfare/sustainable agriculture; continued participation in the sustainability module for milk to gain further insights into sustainable milk production in our value chain; intensive support of milk suppliers via training programmes

**3. OBJECTIVE:** Paying competitive prices for milk to enable farms to carry out a sustainable transformation

**MILESTONES:** Paying prices for milk based on the relevant defined BLE plus industry average



**Our milk suppliers don't just provide us with the valuable raw material of milk that we at the BMI process, indeed the majority of them are also members of the cooperative. Relationships with many of our delivery cooperatives and members go back decades. Our farmers are very much appreciated for the work they do. Our milk suppliers demonstrated their reliability yet again during the Covid-19 pandemic.**

Life in the cooperative means being a member and actively shaping BMI. Selected representatives amongst the farmers are involved in our committees and have a clear right to have their say. The professional group on primary raw materials primarily focuses on matters that are relevant for producers. What is important to us is strong communication directly from the Executive Board to the farmers, which is practiced in various events such as information meetings. In addition, our Executive Board regularly takes part in committee meetings to encourage stimulating exchange and also to shape sustainable development as part of operations.

Several Bavarian members have switched their milk buyers since the sale of the BU Fresh Dairy Products unit to Würzburger Milchwerke in 2022, but still remain BMI members. Alongside our latest member from 2021, the Milchwirtschaftliche Beteiligungsgesellschaft (MWB) in Heilbronn, we are delighted that we have established solid foundations for the future via contractual relationships with our other groups of suppliers, particularly our cooperative members Elsterland eG and Elbe-Saale eG, in the 3rd quarter of 2022.

The quarterly publication "Milchpartner" will be replaced by a more frequent and more accurate email newsletter at the end of 2022. Furthermore, we will continue to have regular information meetings with groups of suppliers, both on site and digitally. Monthly milk price negotiations for subsequent months are carried out from September 2022 with the groups of suppliers who are organised as part of Bayern-MEG.

## Milk collection 2021 business year

1,111   
Milk suppliers, of which 943  
are members

332,509 kg  
Ø delivered quantity of milk (median)

60%  
of milk from the former East Germany

### QM-Nachhaltigkeitsmodul Milch



We have been involved in QM-Nachhaltigkeitsmodul Milch (a quality assurance association) for many years and are one of around 30 dairies and MEGs involved in this project. This association collates facts regarding sustainability within German milk production across the country. As BMI is part of QM-Nachhaltigkeitsmodul Milch, milk suppliers can also take part if they so wish. Over 140 of our farmers have already confirmed that they will take part in the survey as well as the questionnaire, which consists of 37 questions covering economics, ecology, social matters and animal welfare. The first result report from 2021 was already evaluated in the first half of 2022.

# Sustainable procurement of our agricultural products

**Milk production in agricultural operations is an important criterion of success for us, and is also the basis on which our products are made. When it comes to milk, our most important raw material, BMI uses a gentle, environmentally friendly processing method so that healthy, high-quality products are the result. Our milk suppliers also adhere to this principle. For BMI, sustainable milk production represents implementation of sound professional practice. In this case, elements of animal health and animal welfare must be combined with soil and plant health.**

## **Which agricultural raw materials do we source?**

When it comes to raw materials, we distinguish between **primary raw materials**, which are largely supplied by our contracted farmers and associates, and **secondary raw materials**, which come from our whey suppliers.

We source our raw milk from agricultural operations where milk is collected and then transported to our plants by a milk tanker. As already described in Handling Resources (Chapter 3), our suppliers are regularly audited by external inspectors to ensure that procurement is sustainable. This clarifies the requirements and criteria that are linked to protection of the environment and societal expectations. All our farmers are certified in line with the nationwide QM-Milch quality standard.



**We stand up for GMO-free agriculture and have been only obtaining non-GMO milk from our suppliers since 2020. The VLOG stamp makes this clear and transparent to all our customers.**



The total quantity of milk produced by cooperative members was 754.2 million kilograms in 2021, of which 9 per cent was organic. In this case, our milk suppliers are recognised by the Bioland or (to a lesser extent) Naturland organic farming associations, and are monitored in line with association guidelines that are more stringent than the minimum standards set out in the EU Organic Regulation.

The quantities of organic milk fell, albeit at a slower pace, in 2021 and will be lower still after the transfer of the Bavarian groups in September 2022. In addition, the total quantity of raw milk delivered in 2021 rose by 4.5 per cent compared to the previous year.

## **Conserving resources**

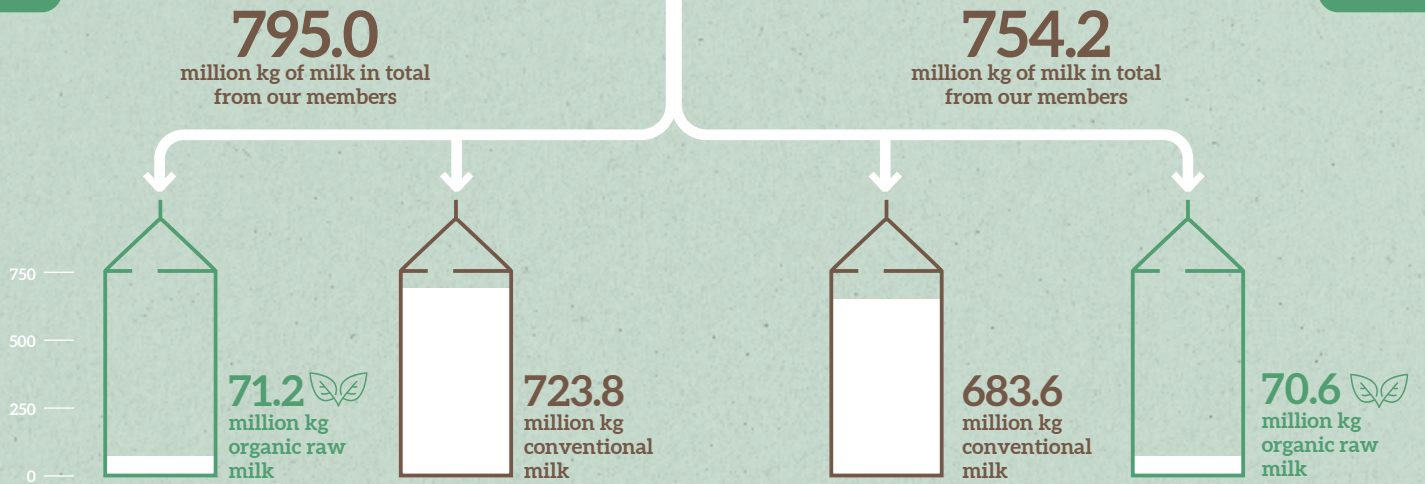
Sustainable procurement of milk is also based on resource-saving milk collection methods. Our milk hauliers work with state-of-the-art technology so that resource use is as efficient as possible. We also carry out milk exchanges with other dairies to keep transport routes as short as possible. This means dry runs are avoided wherever possible, keeping fuel consumption from trucks low. We are always happy to hear innovative suggestions from our milk hauliers and have long-established partnerships. What makes us particularly proud is that we have already been working with some partners since raw milk was initially procured by BMI. In this case, future-safe, trusted collaboration is always a basic prerequisite. Due to the changes in milk procurement areas, the BMI and their milk hauliers have currently been working more than ever on optimising milk procurement.

# Quantities of milk processed 2020 and 2021 business years

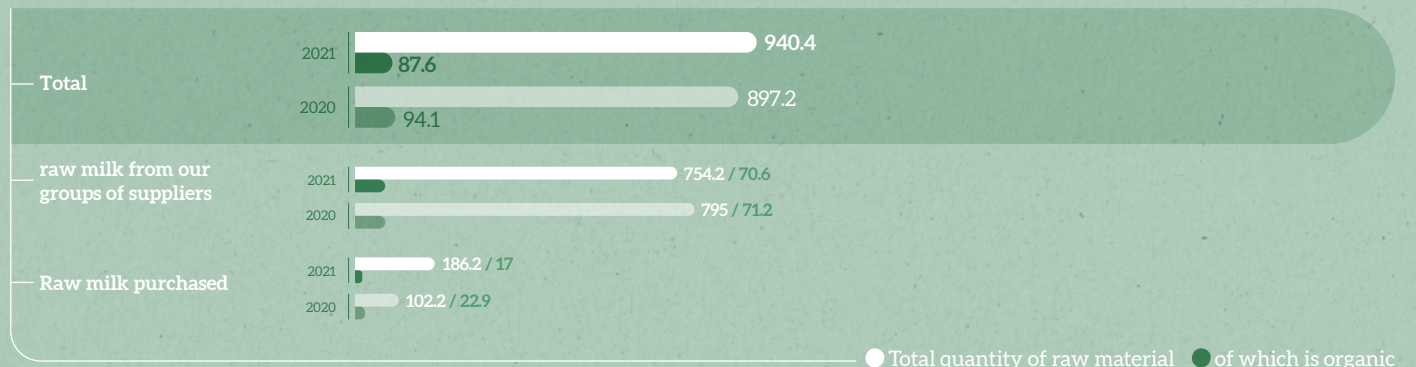


2020

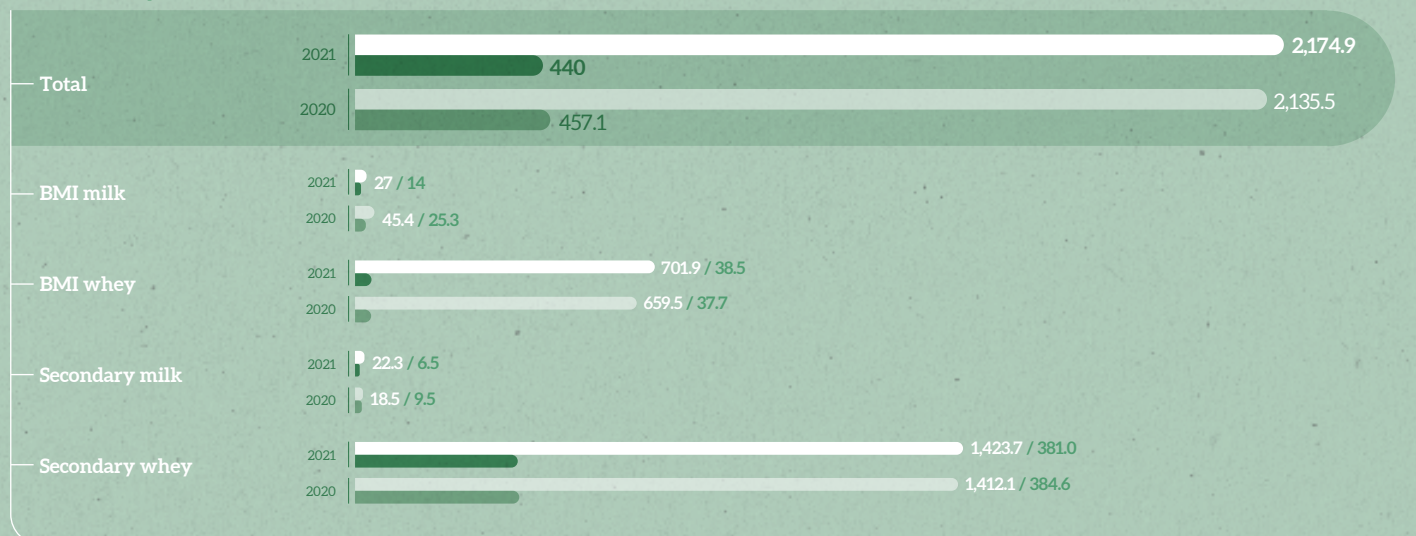
2021



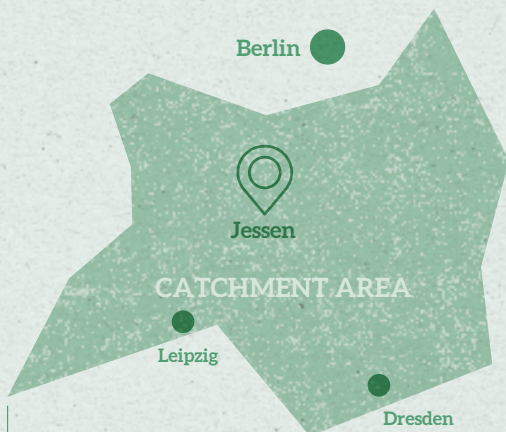
## Raw milk



## Secondary raw materials



# Focus on regionality and animal welfare



## Regionality

Milk from our associates comes almost exclusively from Germany. Only small quantities are purchased from the Czech Republic.

**Milk only has short transport distances from the stall to the dairy, particularly at the Jessen plant. On average, over half our milk at the Jessen plant comes from within a 50 km radius.**

We introduced a **regional concept** for our Bavarian suppliers at the end of 2021 in order to focus on regionality and to provide farms a financial incentive for sustainable development. Farms could register for the project until 31/12/2021. The conditions for participation included: The farms must be within a radius of 130 kilometres from our Franconian plants, operate in a conventional manner, as well as being VLOG and QM-certified. Several benefits arose for farmers from this, primarily regarding animal welfare and regionality criteria. For every measure successfully carried out, the farmer earned a bonus of 0.1 cent per kilogram of milk delivered. All criteria focus on sustainable management of agricultural operations. Based on this concept, farmers could demonstrate what they already do, and what requirements have already been satisfied regarding sustainable agriculture.

The majority of farms that were authorised to take part registered to do so and have fulfilled 9 of 15 possible criteria on average. Whilst it certainly has been a great success, the future of this regional bonus is no longer in our hands due to these milk suppliers switching over to a new milk buyer.

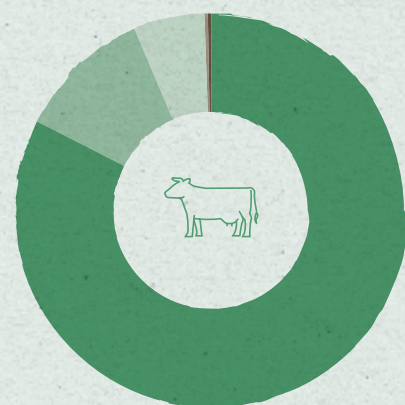
## Animal welfare

Animal welfare is a central aspect when it comes to producing quality milk as a raw material. This matter is therefore integrated as part of our sustainability strategy. As well as our regional bonus that promotes animal welfare criteria, our BU Fresh Dairy Products has been selling products that have the Tierschutzlabel Premiumstufe (TSL\*\*) label for animal welfare since 2020 and this has become successfully established within the company. From March 2022, four suppliers managed to achieve the premium "Für Mehr Tierschutz" label and this milk has been marketed accordingly. These dairy farms have stringent animal welfare requirements. Farms are audited and certified by independent certification bodies in accordance with Deutscher Tierschutzbund e. V. guidelines.

When we speak of animal welfare, species-appropriate handling of cows is one of our key requirements. Around 94 per cent of raw milk processed by BMI in 2021 came from farms with loose housing systems. Only around six per cent of milk came from farms where animals were tethered.

## Type of production according to milk quantity in 2021

Calculated according to milk quantities paid for according to milk payment statements in 2021



- 82.76 % Loose holding
- 11.07 % Loose holding with grazing
- 5.72 % Tethered
- 0.28 % Tethered with grazing
- 0.17 % Loose holding and partial tethering

# Water consumption and availability

6 CLEAN WATER AND SANITATION



“Our close links to agriculture mean water is a precious resource for us. Furthermore, it has become increasingly clear over the past few years that the availability of water, which was always sufficient, can no longer be taken as self-evident.”

Water is a finite resource. For this reason, we have to adapt our production processes in the long term so we can reduce our fresh water consumption considerably. (Waste) water management is also a key aspect in the Performance Programme. Waste water quantity and load statistics are investigated amongst others.

## Our objectives:

**1.** **OBJECTIVE:** Reduction of fresh water use by adapting production processes and water recycling as well as a considerable reduction in waste water loads

**MILESTONES:** Creation of a detailed database for water recycling; carrying out further cleaning in place (CIP) checks alongside water checks as part of the Performance Programme

# Fresh water supply

**The high need of fresh water in dairies is down to stringent standards and high expected levels of hygiene for the products.**

Our aim is to obtain freshwater from our own wells where possible. We cover most of our requirements via our own wells. However, there is no access to our own water at the Ebermannstadt, Windsbach and our former plant in Würzburg. When acquiring ground water from our own well, we always ensure that there is sufficient water available at the locations.

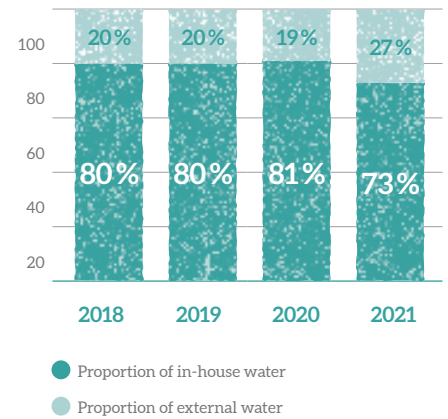
Measured via the use of raw materials from 2018 to 2020, total fresh water consumption over the last few years was reduced. However, we had a slight increase in 2021. This is primarily down to implementing cleaning cycles that required adjustment due to product quality.

## DEFINITION

**Water acquired in-house:** Water obtained from the well on our premises

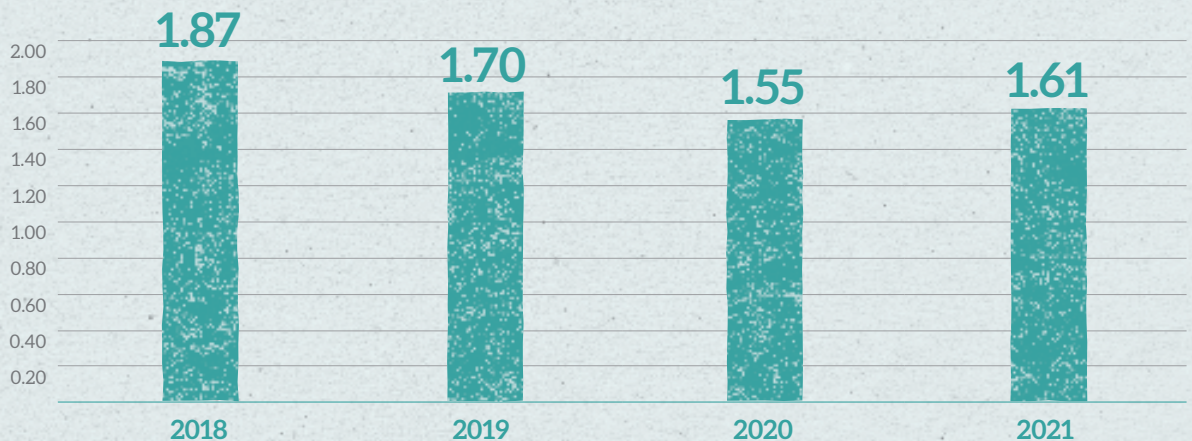
**External water:** Water obtained from public water sources

## Breakdown of external water / water acquired in-house at BMI



## Total fresh water consumption at BMI

Fresh water consumption for each quantity of raw material used in m<sup>3</sup>/t



More fresh water was required in Jessen to maintain stable operations and external water was used for all drying. In addition, more raw material was processed at the plants, whilst recipes and production programmes were adjusted, resulting in greater water

requirements. A pilot project will start in 2023 for processing exhaust condensate and polisher water to stabilise the supply and lower the need for external water so that this is reduced in future. These measures are part of the Performance Programme.

# Volume of waste water

**Alongside fresh water, waste water is also generated and this is brought back into circulation. We distinguish between pure water and sewage water.**

**Pure water** is directly discharged into nearby bodies of water as the low dirt load means there are no negative effects on the environment.

**Sewage water**, on the other hand, is more heavily polluted waste water that must be processed in a sewage plant. This takes place at all locations - with the exception of Zapfendorf - via the relevant municipal sewage plants, and pre-treatment of waste water takes place beforehand. All water flows are pre-treated before they are processed in a sewage plant.

We observe all legal provisions and applicable thresholds when discharging our waste water into municipal sewage plants or in the event of direct discharge.

**The total of waste water has been reduced across the whole BMI over the last few years.**

The topic of waste water was analysed in depth in 2020 as part of the Performance Programme, and a full range of measures was drawn up. Many of these measures relate to our most modern site in Jessen. Some of these approaches were already implemented in 2021, such as the CIP check during mozzarella production.

BMI operates a flotation plant in Jessen (a preliminary stage of sewage plants). The specific quantity of waste water that flows to the flotation plant was reduced by an impressive 22 per cent compared to 2019. The specific freight quantity could also be reduced at the same time. A reduction of 33 per cent was achieved here.



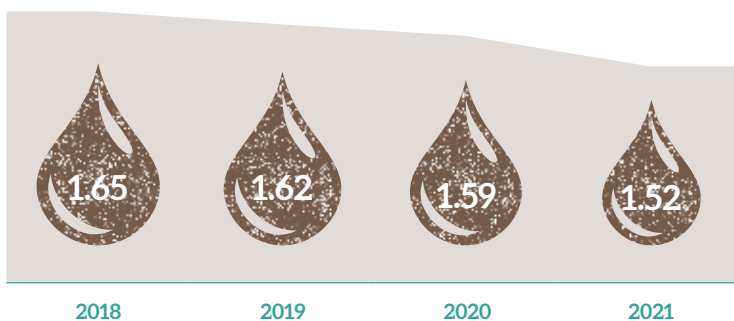
*In-house sewage plant in Zapfendorf*

### Prospects:

- A significant reduction in freshwater requirements should be achieved by adapting production processes and by recycling/reusing water. Concepts are being drawn up to this effect in 2022 for the Zapfendorf and Jessen plants. Around 250,000 cubic metres of fresh water are saved per year at the Zapfendorf site by preparing exhaust condensate. This is primarily used for cleaning purposes.
- The capacity of the stacking facilities at the Zapfendorf and Jessen sites will be increased in 2023. Two additional exhaust condensate tanks are set up so that an additional 150,000 cubic metres of water can be reused annually.
- CIP checks started at the Windsbach site in 2022, these are expected to be finished at the start of 2023.

### Total quantity of sewage at BMI

Total sewage for each quantity of raw material used in m<sup>3</sup>/t



# Being together – Employees and the company

3 GOOD HEALTH  
AND WELL-BEING



4 QUALITY  
EDUCATION



5 GENDER  
EQUALITY



The notion of working together stands for our social responsibility as a company. Social commitment to the regions in which our locations are based is important to us, and even more so to our employees. Successful, sustainable corporate development can only happen with healthy, satisfied employees. For this reason, this area of action focuses on employee health and satisfaction.

Well trained and motivated employees are the basis for company success. Regardless of religious affiliation, nationality, gender or age, all employees are equally important to us.

Employee health and satisfaction are important prerequisites for excellent collaboration. Maintaining strong links with the region and providing added value to the community are key factors, in our view, of being seen as a good employer. This is also a fundamental business objective for us in the future.

## Our objectives:

**1. OBJECTIVE:** Encouraging and increasing employee satisfaction

**MILESTONES:** Carrying out and evaluating the employee survey every two years (next survey in early 2023, then measures will be derived from it after evaluation)

**2. OBJECTIVE:** Improving and maintaining employee health

**MILESTONES:** Introduction of BMI health and training days; reducing the Lost Time Injury Rate (LTIR) down to a value that is below that in BGN association statistics

**3. OBJECTIVE:** Enhancing communications within individual company divisions

**MILESTONES:** Maintaining and further developing the new strategy for internal communications (to improve identification with the company)

**4. OBJECTIVE:** Improving human resource development in the relevant company divisions (basic and advanced training)

**MILESTONES:** Maintaining the proportion of trainees and optimising the range of training programmes offered; expansion of options in the in-house HR Shop in line with the needs of target groups

**5. OBJECTIVE:** Maintaining BMI's social commitments at all company locations

**MILESTONES:** Each location should be involved in at least three regional and/or social projects per year



# Our employees

“A company is only as good as its employees.”

Employees as per employment relationship in the 2021 business year

1,128  
employees in 2021



Full-time	Part-time	passive employment*	Trainees	Marginally employed, interns
👤 876	👤 112	👤 82	👤 53	👤 5
f: 185	f: 93	f: 48	f: 16	f: 0
m: 690	m: 19	m: 34	m: 37	m: 5
d: 1	d: 0	d: 0	d: 0	d: 0

\*Semi-retirement, paternal leave, long-term medical leave, leave of absence without compensation

Capable, committed and qualified employees are needed to achieve excellent results. BMI had 1,128 employees in 2021, 77 per cent of which were in full-time employment.

The majority of our employees are responsible for production of our quality BMI products and work in manufacturing. As you would expect, BMI also employs staff in administration and quality assurance. The average age of all employees was 41 in 2021.

We believe that encouraging and training young people and trainees is our responsibility and an investment in the future. For this reason, we are regularly found at career fairs and work closely with schools to raise young people's awareness and interest in the milk industry and our company. In total, 53 young trainees started their careers with us in 2021.

Temporary employees also provide support alongside our own employees when a position is briefly unoccupied.

# Employee health

**“Health is our greatest asset” - The health of our employees is of the utmost importance to BMI and it is therefore a key component within the integrated management system.**

## Occupational accidents

Prevention of accidents and safeguarding health at work is particularly important at BMI. Despite all efforts, occupational accidents occur, which are then investigated and documented in detail internally as well as within work safety committee meetings and processed with the employers' liability insurance association. Alongside processing, the main focus is on avoiding accidents in the future. To do this, all occupational accidents are described anonymously on the Intranet so that employees are continuously made aware of potential hazards in

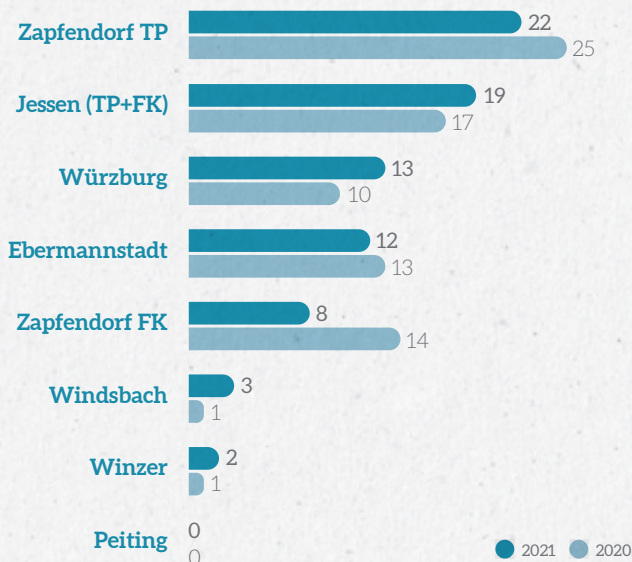
day-to-day work whilst also improving awareness of occupational safety. In the long run, we aim to reduce the Lost Time Injury Rate (LTIR), or the number of accidents at work with at least one day of absence based on working hours, down to below the average within the Berufsgenossenschaft Nahrungsmittel und Gastgewerbe (BGN).

The number of occupational accidents decreased in absolute terms from 81 to 79 in 2021, but the LTIR fell from 60.56 to 58.68.

## Rate of illness

Due to the Covid-19 pandemic, the rate of illness with continued payment of salary rose from 3.88 to 4.14 per cent in 2020 and to 4.25 per cent in 2021. The rate of illness at BMI (with and without continued payment of salary) was therefore 6.40 per cent in total during 2020 and 6.94 per cent in 2021. In the long run, we also strive to reduce this below the industry average in a sustainable manner.

Number of occupational accidents at production sites



Rate of illness at BMI

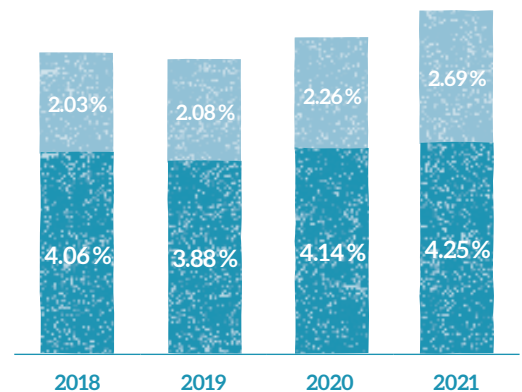
### Rate of illness without continued payment of salary:

The rate of illness without continued payment of salary by BMI includes all employees who are not active in the company due to the same illness for more than 42 days.

### Rate of illness with continued payment of salary:

The rate of illness with continued payment of salary includes all employees who are not active in the company due to the same illness for less than 42 days.

- with continued payment of salary
- without continued payment of salary



## Encouraging health in the workplace

All employees are trained in occupational safety at least once per year, and in addition to that, we also provide workplace-based briefings and training for specific events. Hazards are prevented and eliminated as far as possible by carrying out risk assessments that are tailored to the plant and workplace in question. Every plant has at least one well-trained employee who specifically ensures that colleagues are safe when at work. They point out information from colleagues or potentially hazardous issues in the regular occupational safety committee meetings. Furthermore, occupational health practitioners from our external provider focus on health and safety in the workplace.

As a specific example, the matter of work ergonomics at the Spörerau site was looked at in detail during 2021. In this case, the company physician inspected all seated workplaces and assisted employees in setting these up properly.

Employees receive protective equipment that is required for their workplace. Personal protective equipment will be adapted to the needs of employees where possible, such as prescription safety glasses or hearing protection adapted to the user's needs.

Since the end of 2021, we have successfully taken part in premium processes from the Berufsgenossenschaft Nahrungsmittel und Gastgewerbe to further reinforce our commitment to occupational safety. We therefore go beyond legal requirements and underline our actions when it comes to health and safety at work.



**BGN**  
Berufsgenossenschaft  
Nahrungsmittel  
und Gastgewerbe

**BGN  
Prämierter  
Betrieb  
2021  
Arbeitsschutz**

**BAYERISCHE MILCHINDUSTRIE EG**

hat am Prämienverfahren 2021  
erfolgreich teilgenommen.

Es wurden Präventionsmaßnahmen  
aus den Bereichen

- Arbeitsschutz-Organisation
- Aus- und Fortbildung
- Transport und Verkehr
- Arbeitssicherheit
- Gesundheit und Ergonomie

umgesetzt, die über die gesetzlich vorgeschriebenen  
Mindestanforderungen hinausgehen.

J. Drenth  
Nabel Dienstleistungen  
Präventionsleiter

**2021**

# Employee satisfaction

As well as health, the satisfaction of our employees is a major issue. BMI does not take employee satisfaction and motivation for granted at all. The topic is complicated as our employees are in different phases of life and therefore often have different requirements or wishes.

At the end of 2020 we carried out an employee survey across the whole company to see and understand how employee satisfaction is perceived at BMI. We worked out our strengths and weaknesses from the results.

One positive is that the majority of the staff are pleased with their direct manager and trust them. Furthermore, most employees enjoy their work. However, there is still room for improvement regarding corporate culture and employee identification with BMI.

## Employee survey - together, we want to be better

### We are especially proud of one thing:

- Two-thirds of all employees are aware of corporate objectives
- The majority of employees are willing to go that “extra mile”
- Cooperation within the teams works well
- The majority of employees are satisfied with their direct manager and trust them
- Half the employees regarded planned changes within the company as positive

### There is still room for development here:

- Not enough employees readily identify with the corporate culture
- A third of staff would not recommend BMI as a good employer
- 34 per cent of employees do not think that they can openly state their opinion
- Communication about changes within the company must be improved



We worked out a total of 180 smaller and more important measures at the beginning of 2021 so we can work on our weaknesses - and also reinforce where we are strong. One of the most important matters is to improve employee communication. By focusing on this, we create knowledge, which leads to both understanding and trust.

A well-established measure is the “Agathe News” employee magazine, which appears six times a year. Four editions were published in 2021. The underlying thought behind this is: “By employees, for employees”. Our editorial team was founded in 2021 and continues to work on internal communications, such as via workshops, training measures and publications on current matters in the Intranet.



### Fair payment

We don't just aim to provide employees with secure employment and enjoyable tasks, but also place great emphasis on fair compensation for their work.

BMI is a member of the Arbeitgeberverband der Bayrischen Ernährungswirtschaft e.V. (ABE) as well as the Milchindustrie-Verband e. V. (MIV). The framework for employment relationships is set out in the form of a collective agreement and compensation is correspondingly set out in a collective wage agreement within this strong employer's association together with the Nahrung-Genuss-Gaststätten (NGG) trade union. BMI is obliged to apply, in their entirety, the terms of the collective agreement with the Bavarian milk and dairy industry as well as the collective agreement for the eastern German milk industry, along with their corresponding collective wage agreements.

There are no employees (except for both executives) at BMI who are not covered by the collective agreements. Even employees who are on the non-collective pay scale have a reference clause to the relevant (regional) collective agreement. It should be mentioned that there are still differences in tariffs at BMI which, on the one hand, have a historic basis whilst others arise from the different tariff areas that are negotiated independently of each other.

If amendments are made to the consultation and negotiation conditions that are part of the collective agreements, then notice periods are observed in line with legal requirements. BMI always aims to inform of changes in a timely manner.

### Works council as a partner

BMI understands that the works council is a link that establishes strong cooperation between management and employees. It is a stable element of the company and aims to ensure the satisfaction and participation rights of our employees. Members of the works council ensure that employee interests are sufficiently taken into consideration, follow up their concerns and take these up with the employer. On top of this, their suggestions for safeguarding and encouraging employment are wanted and very welcome.

### Company benefits

A high level of satisfaction is important to us. This is why we offer staff various additional benefits that go beyond collective agreements. These include a company pension, a loyalty bonus for long periods of service, accident insurance and other benefits.

In addition, BMI aims to create a sound work/life balance for families. This includes providing advice for mothers-to-be and organising light duties during pregnancy where necessary. Furthermore, all our staff have the same right to parental leave or part-time work for parents.

## Length of service

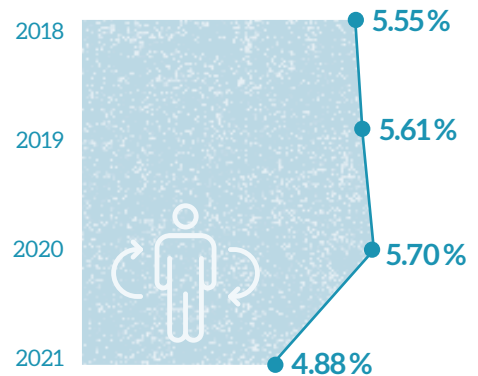
Length of service is a reliable indicator of employee satisfaction. We are delighted that staff have been part of our company for many years and are proud of the fact that we have over 234 employees who have already been with BMI for 20 years or even longer.

Several employees were honoured for their many years of loyalty to BMI in 2021 - including, for example, our former plant manager at the Winzer plant, Stefan Treichl, who retired after almost 30 years of working with us.

As you would expect, employees also leave BMI on a regular basis. There are different reasons for this, such as going into retirement or voluntary termination by the employee.

In particular, we measure and analyse all voluntary departures. External staff turnover from the company is used as a KPI for this reason, which fell from 5.55 to 4.88 per cent between 2018 and 2021.

## External staff turnover from BMI



## Asking our employees - BMI suggestions scheme

All BMI employees are encouraged to provide suggestions and ideas for improvement to the company. This takes place via the suggestions scheme and also with the BMI vit ideas tool. Suggestions do not necessarily have to be from the field in which the employee is active, but can cover any aspect of work. The most innovative ideas each year are rewarded with prizes. Three of our suggestions were given prizes in 2021. Furthermore, we are delighted that the number of suggestions given rose in 2021 compared to 2020.



# Employee development – life-long learning

**Management shall carry out an employee appraisal at least once per year and agree on individual training measures as part of it in order to develop the strengths of our staff and to motivate them in a more tailored manner. Our employees also receive corresponding support in training depending on requirements, alongside mandatory work-related training such as occupational safety, hygiene and codes of conduct, food safety, handling hazardous goods, and so on.**

When it comes to training opportunities, we either make use of knowledge within the company with our in-house training program or use individual, external training. In particular, external training covers training measures that are tailored to the needs of our employees depending on their knowledge and the fields in which they work.

Our aim is to develop our future specialists and managers internally with the aim of primarily having in-house staff rising up to take on management positions. To this end, we support our employees with further training that aims to promote their professional development. In particular, these include basic and further training to become a technician or supervisor in the dairy industry, the laboratory, or within maintenance. Employees at the Jessen site who come from a different educational background

have the option of having extra-occupational training to become a dairy technician after being with the company for 4.5 years. This takes place based on professional training. Employees have then fully completed training as a dairy technician and are qualified to this effect.

## HR Shop (Human Resources Shop) - Training platform

The HR Shop was introduced in 2021 as part of knowledge management and continued development of internal knowledge transfer. The shop provides all BMI employees with in-house and external training options, as well as the option to submit their own training proposals.

Basic courses in HR-related matters, such as labour law or how to successfully hold interviews for our managers, were already offered in 2021. IT-related training was also available, such as “Telephony in the home office”. In-house training was accepted gratefully and it enabled our employees to share knowledge with colleagues and become more aware of matters across departments. Alongside HR-related matters, training also covered technology, IT, quality management, occupational safety and hygiene.



## Apprenticeship and trainee programme

Demographic change is also noticeable within BMI. In 2021, the average age of all employees was 41 years. We particularly look forward to recruiting young staff and to help them start their professional careers. Training and qualification of employees is a cornerstone of our human resources strategy.

BMI has a high proportion of trainees and aims to integrate all qualified, motivated trainers in all 9 apprenticeships into the company after their apprenticeship period has elapsed. Trainees in the Bavarian plants have a collective job guarantee with the company. After successfully completing their apprenticeships, they receive at least a two-year retention guarantee in a suitable position.

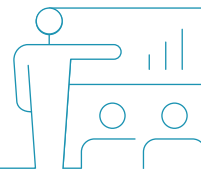
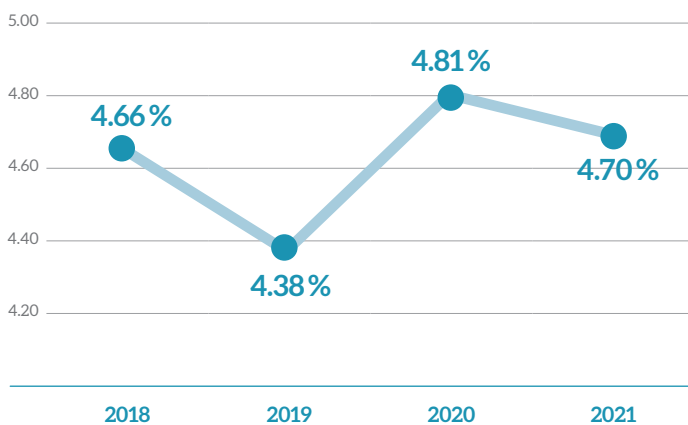
Two former trainees from our Jessen plant were particularly worthy of praise. With overall marks of 1.3 and 1.5 respectively, they succeeded in finishing their training to become a dairy lab technician in style and were indeed the two best in the states of the former East Germany.

We want to give interested students the opportunity to get to know us as an employer and to gain their first insights into our company. This is why we offer student placements alongside "excursions" for schools at all our locations. We are also represented at regional career fairs in which, amongst other things, our trainees hold presentations about their current apprenticeships.

Alongside a range of apprenticeships, we have also offered a trainee programme focusing on production and technology since 2020. Young university graduates should learn absolutely everything about the company so that they can take on a leadership position later on. The first meetings between trainees and young technicians were arranged in 2021 to provide our newer employees an opportunity for personal and technical discussion, as well as to talk about experiences.

### Total proportion of trainees at BMI

Percentage of trainees relative to total number of employees



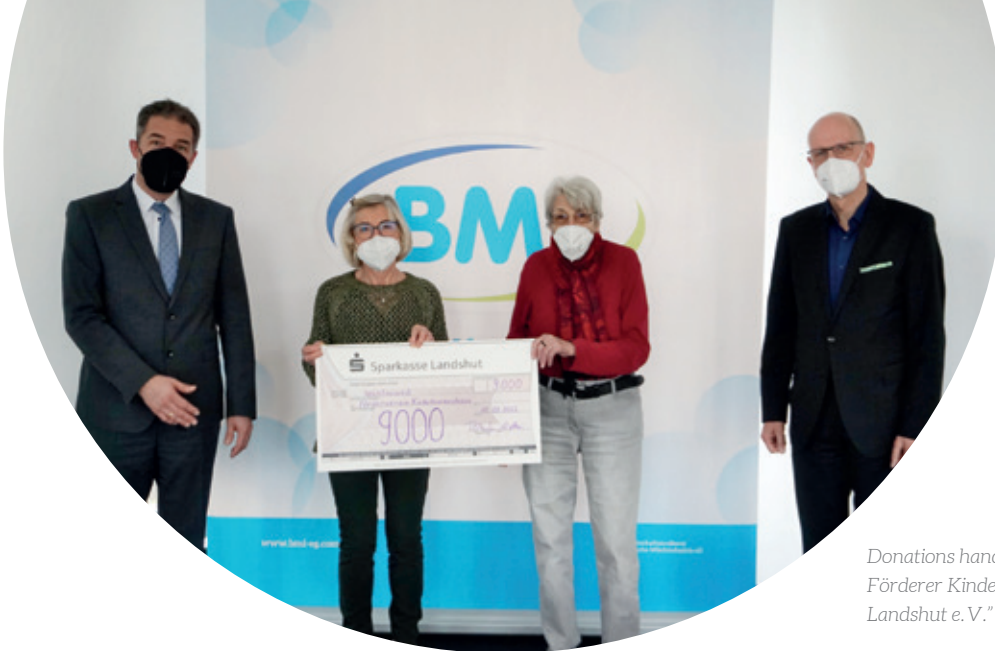
### We asked our (former) trainees: What made you choose BMI for your apprenticeship and what are your future plans after it?

**Kevin Kohn** "Even when I was at school I was always interested in the sciences and knew that at some point I would want to work in a laboratory. BMI is considered to be a good employer here in Jessen and also offers further training options after the apprenticeship. I have worked with BMI as a dairy lab technician since 2021. Next year I would like to train to become a laboratory supervisor."

**Martin Niendorf** "It's relatively simple to explain why I chose an apprenticeship with BMI: BMI is a great training provider in our region that provides excellent apprenticeships and further training opportunities. I completed my training to become a dairy lab technician in 2020. At the moment I am in training to become a laboratory supervisor."







*Donations handed over to "Freunde und Förderer Kinderkrankenhaus St. Marien Landshut e.V." in 2021*

## Community – anchored in our region

**We place great emphasis on being a good neighbour in the regions where our sites are located.**

It is important to us that we maintain strong relationships with local people in the relevant regions. We aim to mitigate potential negative effects to our neighbours from our production processes as far as possible. This is why we regularly monitor environmental compatibility, such as noise, odour and water emissions.

We are amongst the largest employees in all communities where we are active. Social engagement in these regions is self-explanatory from our perspective as we aim to generate added value for the communities we work in, and it also reinforces employee identification with the company.

Due to the pandemic, we were unfortunately unable to support as many projects and initiatives in 2020 and 2021 compared to previous years. Nevertheless, we have tried to show our engagement, both socially and regionally, as best we can.

With the help of all our suppliers, we were able to provide a generous donation to "Freunde und Förderer Kinderkrankenhaus St. Marien Landshut e.V." at the Landshut site as part of our annual Christmas project.

However, we don't just focus on the region's "little ones" in Landshut. We have supported various projects such as the "Gesundes Schulfrühstück" breakfast project in Forchheim by donating our products. In addition, our Zapfendorf site also regularly supplies a crèche with BMI products.

As well as local children, we generally like to focus on helping local associations. This is especially true of the volunteer fire brigades across the region. We are particularly delighted that the adjacent voluntary fire brigade in Jessen carries out their major annual exercise on our premises.

Finally, we are delighted that many of our employees take part in the Landshuter Firmenlauf run every year. Unfortunately, the run could only take place virtually in 2021, nevertheless many colleagues, including staff from other regions were prepared to sweat for a worthy cause.



*BMI runners in 2022*

# Summary – Facts and figures

**We have summarised the most important data and figures regarding the various chapters in the report and for our four areas of action.**

In doing so, we aim to make our performance regarding sustainability as transparent and clear as possible. In some cases, the figures have already been used for

measurement and monitoring the degree to which objectives have been achieved and they come from our management systems.

The tables below show the figures from the period between 2018 and 2021 as well as the results of our GHG balances from 2020 and 2021. In this case, the figures have been rounded off so there may be discrepancies in the totals.



# Our Company

## Company portrait

	2018	2019	2020	2021	
Sales revenue	598	653	665	725	in million €

### Memberships in 2021

Arbeitgeberverband der Bayrischen Ernährungswirtschaft e.V. (ABE)	Landeskontrollverband für Leistungs- und Qualitätsprüfung Sachsen-Anhalt e.V. (LKV)
Arbeitgeberverband der Genossenschaftlichen Milchwirtschaft in Bayern (AGM)	Landesverband Bayerischer und Sächsischer Molkereifachleute und Milchwirtschaftler e.V. (LBM)
Bayerischer Milchförderungsfonds / MKS-Hilfsfonds	Landesvereinigung der Milchwirtschaft Niedersachsen e.V. (LVN)
Deutscher Raiffeisenverband e.V. (DRV)	Notierungskommission für Butter und Käse milch.bayern e.V.
European Dairy Association (EDA; indirekt)	Milchindustrie-Verband e.V. (MIV)
European Whey Processors Association (EWPA; indirekt)	Süddeutsche Butter- und Käse-Börse e.V.
Export-Union für Milchprodukte e.V.	Vereinigung zur Förderung der Milchwissenschaftlichen Forschung an der TU München in Freising-Weihenstephan e.V. (VFMF)
Forschungskreis der Ernährungsindustrie e.V. (FEI)	Zentrale Milchmarkt Berichterstattung GmbH (ZMB)
Genossenschaftsverband Bayern e.V. (GVB)	
Industrie- und Handelskammer (IHK)	

### Participation in initiatives and certifications

Bioland	QM-Nachhaltigkeitsmodul
DIN EN ISO 50001	SMETA
Naturland	"Für Mehr Tierschutz" animal welfare label (until 2022)
QM-Milch	VLOG

Loss of customer data	0	0	0	0	Number
Recalls	0	0	0	0	Number

No infringements of regulations and/or voluntary rules of conduct linked to impacts of products on customer health and safety have been noted.

# Products and locations

## Quantities produced (per business unit)

	2018	2019	2020	2021	
Ingredients	111,127	115,175	113,484	113,897	t
Cheese	59,969	65,111	67,416	72,942	t
Fresh Dairy Products	145,152	150,240	143,428	149,868	t
<b>Total quantities produced</b>	<b>316,248</b>	<b>330,526</b>	<b>324,327</b>	<b>336,706</b>	<b>t</b>

## Export

	2018	2019	2020	2021	
Export quota	44.2	48.0	49.2	46.8	%

### Shipping countries in 2021

Albania, Algeria, Australia, Austria, Belgium, Bosnia and Herzegovina, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Georgia, Germany, Ghana, Greece, Hong Kong, Hungary, Ireland, Islamic Republic of Iran, Israel, Italy, Japan, Jordan, Kosovo, Kuwait, Latvia, Lithuania, Luxembourg, Malaysia, Malta, Mexico, Montenegro, Morocco, New Zealand, Netherlands, North Macedonia, Norway, Pakistan, People's Republic of China, Philippines, Poland, Portugal, Qatar, Republic of Korea, Republic of Moldova, Romania, Saudi Arabia, Serbia, Singapore, Slovakia, Slovenia, South Africa, Spain, Sweden, Switzerland, Taiwan, Thailand, Tunisia, Ukraine, United Arab Emirates, United Kingdom, Uzbekistan, Vietnam.

# Climate, energy and conserving resources

## Climate

Emissions according to scopes	2020	2021	
Scope 1	67,059	73,086	t CO <sub>2</sub> e
Scope 2	64,184	57,627	t CO <sub>2</sub> e
Scope 3	1,182,312	1,571,021	t CO <sub>2</sub> e
Scope 1 & 2	131,243	130,713	t CO <sub>2</sub> e
Scope 1, 2 & 3	1,313,555	1,701,734	t CO <sub>2</sub> e

Scope 3 emissions rose considerably as a result of expanded system limits.

## Electricity

	2018	2019	2020	2021	
<b>BMI in total</b>	<b>102,839,766</b>	<b>108,690,051</b>	<b>106,930,469</b>	<b>108,552,192</b>	kWh
BMI in total (incl. current transmission to third parties)	59.94	59.15	55.86	55.39	kWh / 1000 kg of liquid raw material
Cheese	44.96	49.48	47.26	45.84	kWh / 1000 kg of liquid raw material
Ingredients	69.43	64.82	59.75	59.14	kWh / 1000 kg of liquid raw material
Fresh Dairy Products	62.87	61.41	61.84	66.23	kWh / 1000 kg of liquid raw material

Data based on BMI's energy management review report

## Heat energy

	2018	2019	2020	2021	
<b>BMI in total</b>	<b>296,998,081</b>	<b>295,326,887</b>	<b>281,377,961</b>	<b>291,537,457</b>	kWh
BMI in total (incl. current transmission to third parties)	173.11	160.73	147.00	148.75	kWh / 1000 kg of liquid raw material
Cheese	108.14	104.61	96.45	95.27	kWh / 1000 kg of liquid raw material
Ingredients	244.32	218.27	196.05	198.96	kWh / 1000 kg of liquid raw material
Fresh Dairy Products	86.75	81.51	81.31	89.50	kWh / 1000 kg of liquid raw material

Data based on BMI's energy management review report

## Disposal and waste

	2018	2019	2020	2021	
Paper	334.7	387.7	329.5	464.6	t
Plastic	212.5	230.1	142.7	148.2	t
Wood	130.7	91.3	73.8	84.6	t
Waste for recycling	812.8	872.8	818.9	790.8	t
Hazardous waste	23.5	63.9	61.8	65.4	t
Scrap metal	124.7	157.5	177.1	176.5	t
Glass	13.1	61.1	71.2	73.0	t
K3 material (category 3 animal side products)	3,211.5	2,180.3	2,276.3	2,812.7	t
Mixed construction waste	43.7	43.9	57.4	16.8	t
<b>Total</b>	<b>4,907.2</b>	<b>4,088.5</b>	<b>4,008.7</b>	<b>4,625.5</b>	t
<b>Total quantity of waste (without flotation sludges)</b>	<b>2.86</b>	<b>2.23</b>	<b>2.09</b>	<b>2.36</b>	kg / 1000 kg of liquid raw material
Flotation sludges	39,780.7	36,659.3	26,874.9	30,462.0	t

## Sustainable agriculture with a focus on animal welfare

### Raw material quantities

	2018	2019	2020	2021	
Raw milk from our members	795.2	792.9	795.0	754.2	million kg
of which is organic	55.2	66.9	71.2	70.6	million kg
Raw milk purchased	53.9	102.9	102.2	186.2	million kg
of which is organic	11.6	11.1	22.9	17.0	million kg
Secondary raw materials in total	2,084.1	2,115.0	2,135.5	2,174.9	million kg
of which is organic	420.2	535.4	457.1	440.0	million kg
<b>Total quantity of raw material</b>	<b>2,933.2</b>	<b>3,010.8</b>	<b>3,032.7</b>	<b>3,115.3</b>	million kg
of which is organic	487.0	613.4	551.2	527.6	million kg

## Water consumption and availability

### Quantities of fresh water and waste water

	2018	2019	2020	2021	
Proportion of water acquired in-house	80	80	81	73	%
Proportion of external water	20	20	19	27	%
Total fresh water consumption at BMI	3,211,669	3,131,157	2,975,907	3,156,937	m <sup>3</sup>
Fresh water consumption	1.87	1.70	1.55	1.61	m <sup>3</sup> /1000 kg of liquid raw material
Total waste water at BMI	3,833,573	3,934,556	3,884,197	3,824,563	m <sup>3</sup>
Total quantity of sewage at BMI	2,837,285	2,972,996	3,041,636	2,971,039	m <sup>3</sup>
Quantity of sewage	1.65	1.62	1.59	1.52	m <sup>3</sup> /1000 kg of liquid raw material

Data incl. the quality and innovation centre, the ZA sewage plant, excl. the administration headquarters and flotation plant in Jessen

## Being together – Employees and the company

All employee figures are as of 31/12.

### Employees as per employment relationship

	2018	2019	2020	2021	
Full-time	897	923	883	876	Number
Passive employment relationship (semi-retirement, paternal leave, long-term medical leave, unpaid holiday)	57	66	77	82	Number
Part-time employees	101	99	103	112	Number
Trainees	52	50	54	53	Number
Marginal employees + interns	10	3	5	5	Number
<b>Total employees at BMI</b>	<b>1,117</b>	<b>1,141</b>	<b>1,122</b>	<b>1,128</b>	Number

employees as per employment

	2018	2019	2020	2021	
Employees	1,070.73	1,098.47	1,078.6	1,081.87	FTE
Temps	46.66	36.46	20.78	14.72	FTE

Employees as per age structure

Age	2018	2019	2020	2021	
Employees < 20 years of age	53	67	64	53	Number
Employees between 21 - 30 years of age	282	247	236	231	Number
Employees between 31 - 40 years of age	283	320	326	332	Number
Employees between 41 - 50 years of age	211	216	184	203	Number
Employees between 51 - 60 years of age	243	249	254	241	Number
Employees > 60 years of age	45	42	58	68	Number

employees as per gender distribution

Gender	2018	2019	2020	2021	
Females	355	347	341	342	Number
Males	762	794	781	785	Number
Non-binary	0	0	0	1	Number



## Employees according to sector

Department	2020	2021	
Property / Buildings	9	8	Number
Energy	5	5	Number
Water / Waste water	3	3	Number
Acceptance / Tank depot	8	7	Number
Operations room	58	56	Number
Manufacturing	222	226	Number
Filling / in sacks / in packaging	212	210	Number
Warehouse	53	59	Number
Laboratory	103	108	Number
Social facilities	3	3	Number
Workshop	110	115	Number
Administration	230	221	Number
Sales	88	94	Number
Miscellaneous	17	13	Number

These figures are only comparable since 2020 due to reorganisation.

## Employee health

Occupational accidents per site	2020	2021	
Ebermannstadt	13	12	Number of accidents
Jessen	17	19	Number of accidents
Peiting	0	0	Number of accidents
Windsbach	1	3	Number of accidents
Winzer	1	2	Number of accidents
Würzburg	10	13	Number of accidents
Zapfendorf FK	14	8	Number of accidents
Zapfendorf TP	25	22	Number of accidents

## Rate of illness

Position	2018	2019	2020	2021	
with continued payment of salary	4.06	3.88	4.14	4.25	%
without continued payment of salary	2.03	2.08	2.26	2.69	%
total	6.09	5.96	6.40	6.94	%

## Other employee data

Age	2018	2019	2020	2021	
Women in management positions	1	2	5	4	Number up to level 3 or comparable
Length of service	62	64	64	55	Number of voluntary departures / fluctuation outside the company
Length of service	5.55	5.61	5.70	4.88	Proportion [%] of voluntary departures / fluctuation outside the company
Length of service	132	109	100	99	Number due to natural fluctuation
Length of service	11.82	9.55	8.91	8.78	Proportion [%] due to natural fluctuation
Proportion of trainees	4.66	4.38	4.81	4.70	%
Number of employees with a serious disability	31	30	29	33	Number
Employees with a serious disability	3.26	2.92	2.87	3.02	%
Discrimination cases	0	0	0	0	Number

# GRI Index

**Bayerische Milchindustrie eG reports the information quoted in this GRI Index for the period from 01/01/2020 until 31/12/2021 with reference to the GRI Standards that are based on GRI 1: Foundation 2021.**

Materiality analysis was carried out before identification of the major reporting topics at BMI. The methodical procedure and results are covered in Chapter 2 of the present report. All GRI criteria are correspondingly taken into account from the matters that are fundamental for BMI.

Some focus areas could not be reported on in full due to the data situation; these are labelled accordingly in the index.

As the GRI criteria are partially published only in English, the list below is kept in English.

# GRI Index

Statement of use: Bayerische Milchindustrie eG has reported the information cited in this GRI content index for the period 01/01/2020 - 31/12/2021 with reference to the GRI Standards.

GRI Standard	Disclosure	Location / Omission
GRI 2: General Disclosures 2021	2-1 Organizational details	page number 8-9, 14-15
	2-2 Entities included in the organization's sustainability reporting	page number 14-15
	2-3 Reporting period, frequency and contact point	page number 6
	2-4 Restatements of information	Not applicable, this is the first report of BMI
	2-5 External assurance	page number 6
	2-6 Activities, value chain and other business relationships	page number 12-13, 28-29
	2-7 Employees	page number 41, 55-58
	2-8 Workers who are not employees	page number 56
	2-9 Governance structure and composition	page number 10-11
	2-10 Nomination and selection of the highest governance body	page number 10-11
	2-11 Chair of the highest governance body	page number 10-11
	2-12 Role of the highest governance body in overseeing the management of impacts	page number 10-11
	2-13 Delegation of responsibility for managing impacts	page number 10-11
	2-14 Role of the highest governance body in sustainability reporting	page number 10-11
	2-15 Conflicts of interest	page number 10
	2-16 Communication of critical concerns	page number 10
	2-17 Collective knowledge of the highest governance body	page number 19
	2-18 Evaluation of the performance of the highest governance body	page number 10-11
	2-19 Remuneration policies	page number 10
	2-20 Process to determine remuneration	page number 45
	2-21 Annual total compensation ratio	page number 45
	2-22 Statement on sustainable development strategy	page number 5
	2-23 Policy commitments	page number 11
	2-24 Embedding policy commitments	page number 11
	2-25 Processes to remediate negative impacts	page number 16, 44

<b>GRI Standard</b>	<b>Disclosure</b>	<b>Location / Omission</b>
<b>GRI 2: General Disclosures 2021</b>	2-25 Processes to remediate negative impacts	page number 16, 44
	2-26 Mechanisms for seeking advice and raising concerns	page number 16, 44
	2-27 Compliance with laws and regulations	page number 11
	2-28 Membership associations	page number 51
	2-29 Approach to stakeholder engagement	page number 18
	2-30 Collective bargaining agreements	page number 45
<b>GRI 3: Material Topics 2021</b>	3-1 Process to determine material topics	page number 18-20
	3-2 List of material topics	page number 18-20
	3-3 Management of material topics	page number 18-20
<b>GRI 201: Economic Performance 2016</b>	201-1 Direct economic value generated and distributed	page number 9, 52
	201-2 Financial implications and other risks and opportunities due to climate change	page number 23
	201-3 Defined benefit plan obligations and other retirement plans	page number 45
	201-4 Financial assistance received from government	see BMI annual report
<b>GRI 202: Market Presence 2016</b>	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	Not applicable, as the BMI issues collective agreements (page number 45)
	202-2 Proportion of senior management hired from the local community	Information unavailable/incomplete
<b>GRI 203: Indirect Economic Impacts 2016</b>	203-1 Infrastructure investments and services supported	page number 49
	203-2 Significant indirect economic impacts	page number 10-11
<b>GRI 204: Procurement Practices 2016</b>	204-1 Proportion of spending on local suppliers	page number 35
<b>GRI 205: Anti-corruption 2016</b>	205-1 Operations assessed for risks related to corruption	page number 10-11
	205-2 Communication and training about anti-corruption policies and procedures	page number 10-11
	205-3 Confirmed incidents of corruption and actions taken	page number 10-11

<b>GRI Standard</b>	<b>Disclosure</b>	<b>Location / Omission</b>
<b>GRI 206: Anti-Competitive Behaviour 2016</b>	206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	page number 10-11
<b>GRI 207: Tax 2019</b>	207-1 Approach to tax	Not applicable, identified as not material in our analysis (page number 19)
	207-2 Tax governance, control, and risk management	Not applicable, identified as not material in our analysis (page number 19)
	207-3 Stakeholder engagement and management of concerns related to tax	Not applicable, identified as not material in our analysis (page number 19)
	207-4 Country-by-country reporting	Not applicable, identified as not material in our analysis (page number 19)
<b>GRI 301: Materials 2016</b>	301-1 Materials used by weight or volume	page number 35, 54
	301-2 Recycled input materials used	Information unavailable/incomplete
	301-3 Reclaimed products and their packaging materials	page number 31
<b>GRI 302: Energy 2016</b>	302-1 Energy consumption within the organization	page number 24-27, 53
	302-2 Energy consumption outside of the organization	Information unavailable/incomplete
	302-3 Energy intensity	page number 24-27, 53
	302-4 Reduction of energy consumption	page number 24-27
	302-5 Reductions in energy requirements of products and services	Information unavailable/incomplete
<b>GRI 303: Water and Effluents 2018</b>	303-1 Interactions with water as a shared resource	page number 37-39
	303-2 Management of water discharge-related impacts	page number 37-39
	303-3 Water withdrawal	page number 38-39, 55
	303-4 Water discharge	page number 38-39, 55
	303-5 Water consumption	page number 38-39, 55
<b>GRI 304: Biodiversity 2016</b>	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Not applicable, identified as not material in our analysis (page number 19)
	304-2 Significant impacts of activities, products and services on biodiversity	Not applicable, identified as not material in our analysis (page number 19)
	304-3 Habitats protected or restored	Not applicable, identified as not material in our analysis (page number 19)
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	Not applicable, identified as not material in our analysis (page number 19)
<b>GRI 305: Emissions 2016</b>	305-1 Direct (Scope 1) GHG emissions	page number 22-23, 52
	305-2 Energy indirect (Scope 2) GHG emissions	page number 22-23, 52
	305-3 Other indirect (Scope 3) GHG emissions	page number 22-23, 52
	305-4 GHG emissions intensity	page number 22-23, 52

<b>GRI Standard</b>	<b>Disclosure</b>	<b>Location / Omission</b>
	305-5 Reduction of GHG emissions	page number 21-23
	305-6 Emissions of ozone-depleting substances (ODS)	page number 22-23, 52
	305-7 Nitrogen oxides (NOx), sulphur oxides (SOx), and other significant air emissions	page number 22-23, 52
<b>GRI 306: Waste 2020</b>	306-1 Waste generation and significant waste-related impacts	page number 30-31, 54
	306-2 Management of significant waste-related impacts	page number 30-31
	306-3 Waste generated	page number 30-31, 54
	306-4 Waste diverted from disposal	Information unavailable/incomplete
	306-5 Waste directed to disposal	Information unavailable/incomplete
<b>GRI 308: Supplier Environmental Assessment 2016</b>	308-1 New suppliers that were screened using environmental criteria	page number 29
	308-2 Negative environmental impacts in the supply chain and actions taken	page number 28-29
<b>GRI 401: Employment 2016</b>	401-1 New employee hires and employee turnover	page number 41, 48, 56-57
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	page number 45
	401-3 Parental leave	page number 45, 55
<b>GRI 402: Labour/Management Relations 2016</b>	402-1 Minimum notice periods regarding operational changes	page number 45
<b>GRI 403: Occupational Health and Safety 2018</b>	403-1 Occupational health and safety management system	page number 42-43
	403-2 Hazard identification, risk assessment, and incident investigation	page number 42-43
	403-3 Occupational health services	page number 43
	403-4 Worker participation, consultation, and communication on occupational health and safety	page number 43
	403-5 Worker training on occupational health and safety	page number 43
	403-6 Promotion of worker health	page number 43
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	page number 42-43
	403-8 Workers covered by an occupational health and safety management system	page number 16, 43-44
	403-9 Work-related injuries	page number 42, 57
	403-10 Work-related ill health	page number 42, 57

<b>GRI Standard</b>	<b>Disclosure</b>	<b>Location / Omission</b>
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Information unavailable/incomplete
	404-2 Programs for upgrading employee skills and transition assistance programs	page number 47
	404-3 Percentage of employees receiving regular performance and career development reviews	page number 47, 49
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	page number 41, 56
	405-2 Ratio of basic salary and remuneration of women to men	Not applicable, as the BMI issues collective agreements (page number 45)
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	page number 58
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	page number 45
GRI 408: Child Labour 2016	408-1 Operations and suppliers at significant risk for incidents of child labour	page number 29
GRI 409: Forced or Compulsory Labour 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	page number 29
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	Not applicable, as BMI does not employ security personnel
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	page number 29
GRI 412: Human rights assessment 2016	412-1, 412-2, 412-3	In the current version of the GRI Standard these criteria are already asked elsewhere
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	page number 49
	413-2 Operations with significant actual and potential negative impacts on local communities	page number 30-31, 38-39
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	page number 28-29
	414-2 Negative social impacts in the supply chain and actions taken	page number 29
GRI 415: Public Policy 2016	415-1 Political contributions	Not applicable, identified as not material in our analysis (page number 19)
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	page number 28-29
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	page number 51



GRI Standard	Disclosure	Location / Omission
GRI 417: Marketing and Labelling 2016	417-1 Requirements for product and service information and labelling	Not applicable, identified as not material in our analysis (page number 19)
	417-2 Incidents of non-compliance concerning product and service information and labelling	Not applicable, identified as not material in our analysis (page number 19)
	417-3 Incidents of non-compliance concerning marketing communications	Not applicable, identified as not material in our analysis (page number 19)
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	page number 51

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