

**MOLKEREI**

**AMMERLAND**

# Farsighted responsibility

## Sustainability report 2018/2019





The 2018/2019 sustainability report represents the fifth time we have outlined our understanding of corporate responsibility and provided comprehensive and transparent information on the progress and goals of our sustainability management.

This report is aimed at our stakeholders, which include our customers (retail and industry) and end consumers, employees, milk producers, other suppliers, associations, non-governmental organizations, politicians, our regional environment, and all other interested groups.

Since we started reporting in 2011, we have always aligned ourselves with the Global Reporting Initiative (GRI) guidelines. This report has been prepared in accordance with the GRI Standards: Core option and meets the GRI Materiality Disclosures Service requirements. In addition to general information, the structure is based on the GRI index.

Each page features a navigation bar at the bottom. The tabs highlighted in blue take you directly to the corresponding GRI standards.

To supplement this sustainability report, Molkerei Ammerland has also published a [brochure](#) ↗ (German only) that takes a closer look at individual sustainability-related topics.



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# Introduction

GRI 102-14

*Dear Reader,*

We are living through unusual times right now, times that researchers who study the future have said are causing upheaval on a historic scale. They predict deep-seated change across the economy and society at large as a result of the current pandemic. Whether and to what extent this change will happen, we don't know, but we are convinced that Molkerei Ammerland will continue to be successful in sustainable production and processing of dairy products

Why are we so sure? Over its 135-year history, the cooperative has grown together into a solid community where values like dependability, mutual respect, and unity increasingly define everyone's individual actions. Experiencing this in our day-to-day work gives us strength, including – and especially – in uncertain times. What we have achieved in our shared journey over the past two years, where there is still potential, and how we plan to explore that potential is the focus of this, our fifth sustainability report. We also hope to show that the top quality associated with the Ammerland name and the way we live up to our responsibility to people, animals, and the environment form a single unit.

During this reporting period, we further expanded our sustainability management practices in strategic terms. We have replaced the spreadsheet calculations performed by the various departments in years past as the basis for determining our sustainability figures, introducing a central software solution in 2019. The program has already proven to be a sensible management tool that goes beyond merely capturing data. We plan to further explore the potential it offers. In the fall of 2018, our new supplier information system, **LISA**, was rolled out to our farmers as a smartphone app. The app not only unlocks rapid access to important supply data, but also gives farmers a way to receive market reports and interesting articles from around the industry. Our long-term goal is to communicate with our members with as little paper as possible.

Sustainability is and remains a topic of great relevance across society. We experience this practically every day in our contact with our customers. They are increasingly focusing on sustainable milk production that is in line with animal welfare, and their demands are growing. Unfortunately, the economic part of the sustainability triangle does not always carry the same weight in these considerations. Our participation in the pilot phase of the Dairy Sustainability Tool means that we are able to use solid figures to provide extensive information on the status of sustainable milk production within our coopera-



tive. More than half of our dairy producers have responded so far. A big thank you goes out to all of them for their assistance. Based on the representative picture of the existing situation gained through the Dairy Sustainability Tool, we have worked closely with the members of the Board of Management and of Supervisory Board to identify existing potential, prioritize key topics, and initiate an improvement process that we plan to



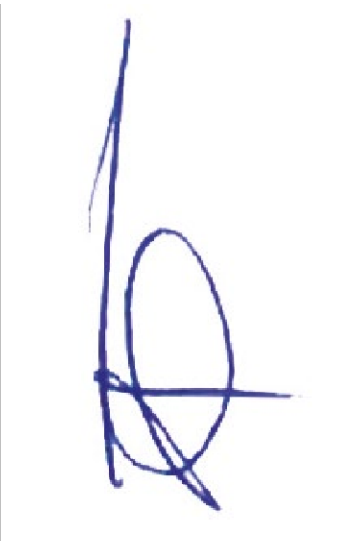
continue in the next few years as well. Close, ongoing dialogue within our cooperative is an important factor in this. After all, the only way we will achieve continuous improvement is if we work together. Following the successful close of the pilot phase of the Dairy Sustainability Tool in June 2020, we plan to continue to participate in the further stages of this Germany-wide project.

But our strategy for sustainable development focuses on more than just dairy production. We also take care to the resource-conserving processing of the raw milk we receive and have set ourselves targets for this. We made further gains in terms of the amount of sustainably produced packaging used during the reporting period, for example, and we will finish developing a water management system later this year. That sets the stage for further water savings.

When it comes to a successful sustainability strategy, it's important to know how the impacts of our business activities are perceived by relevant stakeholder groups. With that in mind, we placed our materiality analysis on a broader footing this year as part of a stakeholder survey. 77 participants in all responded to the survey, including employees, dairy producers, customers, suppliers/service providers, policymakers, and representatives of government agencies, associations, NGOs, and the research community. We were delighted to gain important impetus from them for our future work while also receiving high marks across the board for our commitment to sustainability. With added confidence in our approach thanks to this feedback, we will further develop our approach to sustainable business and continue in the same direction.

You are cordially invited to come along with us on the journey by reading this sustainability report. We are always happy to hear from you with any suggestions, tips, or feedback you may have.

Sincerely,

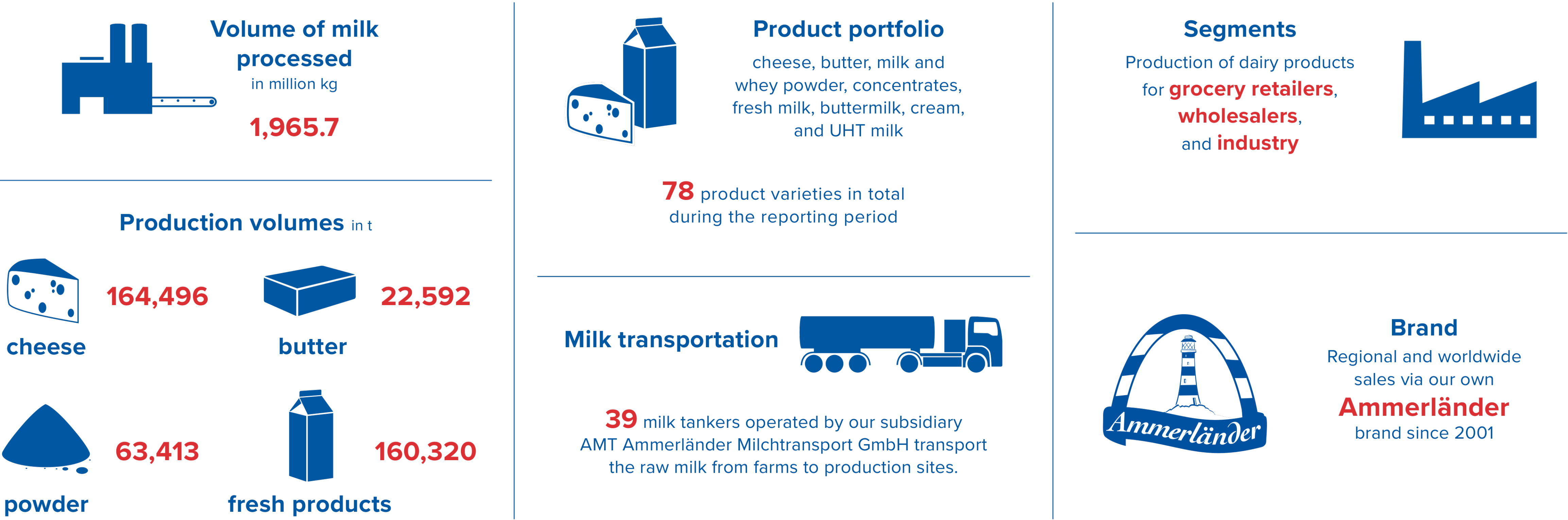


Ralf Hinrichs, Managing Director  
Molkerei Ammerland eG  
Wiefelstede-Dringenburg, October 2020



# Brief portrait

Molkerei Ammerland is one of northern Germany’s oldest dairy cooperatives. We trace our roots back to 1885. Today, we are among Europe’s largest and most advanced dairy operations. Our products from the Ammerland region are prized throughout Germany and internationally for their superior quality. All figures are based on December 31, 2019, as the reference date.







**Turnover**  
in million EUR  
**998.6**



**Milk price  
paid to producers**  
4.0 % fat, 2.4 % protein, in ct/kg, net  
**34.68**



**Locations**

**Wiefelstede-Dringenburg**  
(headquarters and production site)  
**Oldenburg**  
(production site)  
**Brinkum** in East Frisia  
(warehouse)



**Employees**  
**528**

of whom **170** female and **358** male,  
about **9 %** apprentices



**Active  
milk suppliers**  
**1,930**

They are the company’s owners.  
The Board of Management and Supervisory  
Board of Molkerei Ammerland are made up  
entirely of milk producers



**Export**

About **50 %** exports  
to over **60** countries

**4** international sales subsidiaries:  
Ammerland Hungary Kft. (Hungary),  
Ammerland Iberica S.L.U. (Spain),  
Ammerland Asia Pacific Pte. Ltd. (Singapore, China),  
Ammerland America Corp. (USA).

Ammerland Trading GmbH makes it possible  
for the sales subsidiaries to market the full range  
of dairy products



# Our locations and sales countries

- Albania

Australia

Austria

Azerbaijan

Belgium

Bosnia-Herzegovina

Bulgaria

Canada

Chile

China

Colombia

Croatia

Cuba

Cyprus

Czech Republic

Denmark

Dominican Republic

Egypt

Finland

France

Germany

Greece

Hungary

India

Indonesia

Ireland

Israel

Italy

Japan

Kosovo

Lebanon

Lithuania
- Luxembourg

Malaysia

Malta

Mexico

Montenegro

Netherlands

North Macedonia

Peru

Philippines

Poland

Portugal

Puerto Rico

Romania

Serbia

Singapore

Slovakia

Slovenia

South Africa

South Korea

Spain

Sweden

Switzerland

Taiwan

Thailand

Turkey

Ukraine

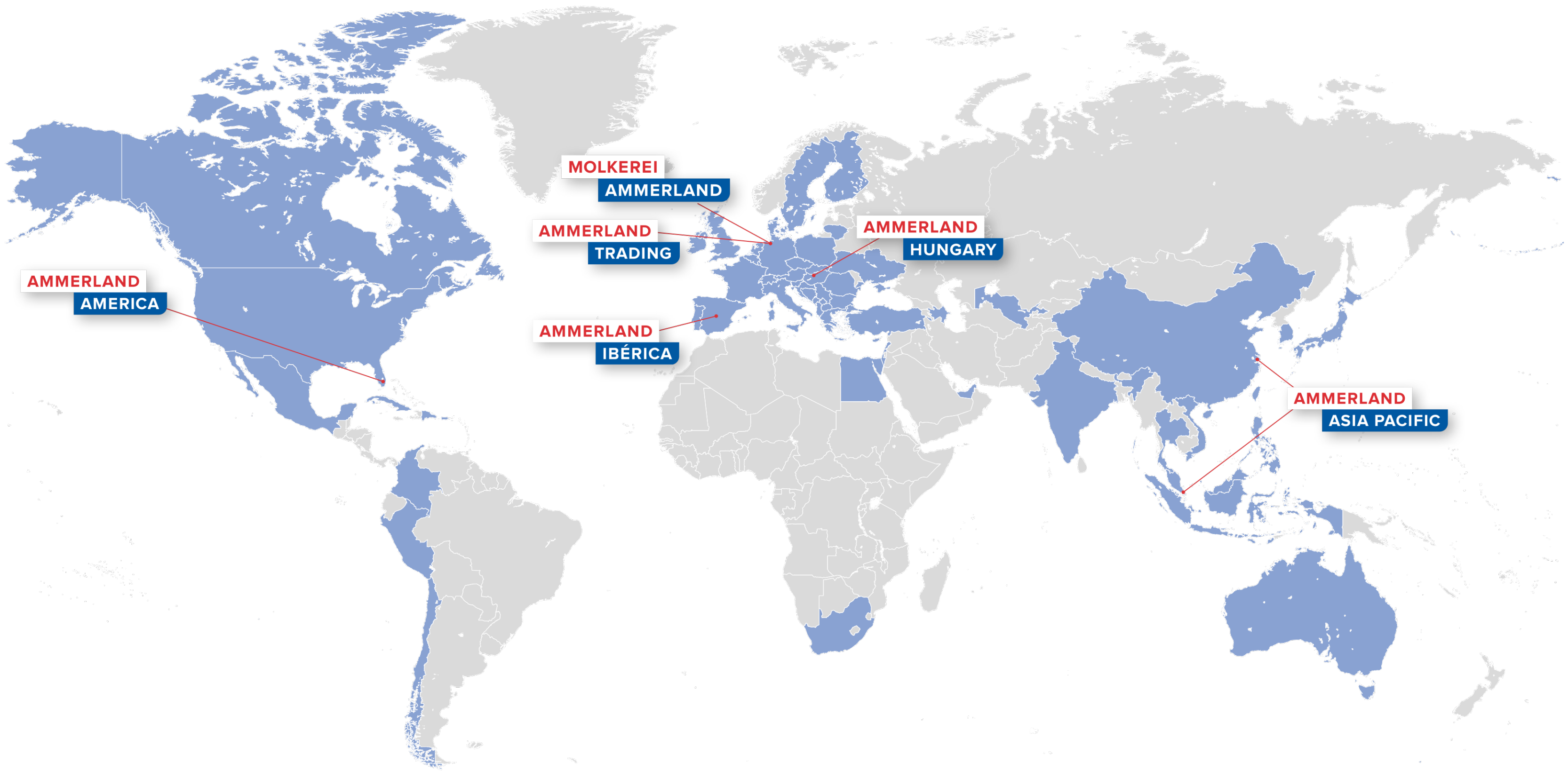
United Arab Emirates

United Kingdom

USA

Uzbekistan

Vietnam



Countries in which we are represented by sales subsidiaries are highlighted in blue



# General Disclosures

## GRI content index

This sustainability report has been prepared in accordance with the GRI Standards: Core option. As part of the Materiality Disclosures Service GRI confirmed that the GRI Content Index was depicted in an understandable way and the references for disclosures 102-40 through 102-49 are in keeping with the relevant sections of the report. The service was performed on the German version of the report. All GRI standards listed in the GRI Content Index below were published in 2016.



## GRI 101: Foundation

## GRI 102: General Disclosures

### Organizational profile

**102-1 Name of the organization**  
Molkerei Ammerland eG

**102-2 Activities, brands, products, and services**  
Molkerei Ammerland processes regionally produced raw milk at the Wiefelstede-Dringenburg and Oldenburg production sites, producing sliced cheese, butter, milk and whey powder, concentrates, cream, drinking milk (ESL), buttermilk, UHT milk, and organic milk (according to the specifications of Bioland e. V.). We also produce drinking milk (ESL), buttermilk, butter, and various types of cheese from pasture milk according to the PRO WEIDELAND standard [↗](#). Our dairy products are either sold at retail outlets or used as ingredients by other companies and processed to make other foods or feeds. We also market our products regionally and worldwide under our private label “Ammerländer.”

**102-3 Location of headquarters**  
Molkerei Ammerland is headquartered in Wiefelstede-Dringenburg.

**102-4 Location of operation**  
Molkerei Ammerland operates at three locations in Germany: Wiefelstede-Dringenburg (headquarters and production site), Oldenburg (production site), and Brinkum (warehouse site) in East Frisia. Internationally, we are represented by four subsidiaries: Ammerland Hungary Kft. (Budapest), Ammerland Asia Pacific Pte. Ltd., (Singapore and Beijing), Ammerland Ibérica S. L. U. (Madrid), and Ammerland America Corporation (Miami). Ammerland Trading GmbH, which is based at the Wiefelstede-Dringenburg site, supports the work of our international subsidiaries.

**102-5 Ownership and legal form**  
Molkerei Ammerland is one of northern Germany’s oldest dairy cooperatives. We had an average of 1,930 active milk suppliers in 2019. They are the owners of the company. The Board of Management and Supervisory Board of our cooperative are composed exclusively of dairy producers.

**102-6 Markets served**  
The dairy products produced by Molkerei Ammerland have customers worldwide, in over 60 coun-

tries. Exports account for about 50 percent of our products. Our four international subsidiaries, based in Hungary, Spain, Singapore, China, and the U.S., help to market our products across the globe. For an overview of our locations and the countries where our products are marketed, please see the [brief portrait](#) [↗](#).

**102-7 Scale of the organization**  
We have 528 employees (of whom 46 are apprentices/trainees) at our three locations in northwestern Germany. In 2019, Molkerei Ammerland processed 1,965.7 million kilograms of raw milk into high-quality dairy products. There were 78 (2019) and 87 (2018) product varieties in all during this reporting period. Turnover came to 998.6 million euros for the 2019 fiscal year. The balance sheet total stood at 315.7 million euros, and equity at 136.4 million euros, as of December 31, 2019. For further information, please see the [2019 annual report](#) [↗](#) (pp. 8–10 and 36–37, German only).

**102-8 Information on employees and other workers**  
As of December 31, 2019, Molkerei Ammerland had 528 employees (170 female, 358 male). The employee headcount is not subject to any major fluctuations during the year. For additional information, please see the [key indicator table](#) [↗](#). Key indicators are established in cooperation with the HR depart-



ment using a software program designed for this purpose and relate to December 31 as the reference date in each case.

*Omission: No reporting according to fixed-term and unlimited-term employment contracts. All employees on fixed-term contracts are typically hired when their contracts expire. Determining these employee figures separately would require disproportionate time and effort. All of the dairy's locations are in Germany (Lower Saxony). This means a breakdown by region is not relevant.*

102-9 Supply chain

Our approximately 2,000 milk suppliers are the most important link in the value chain. Located within a radius of about 80 kilometers around our two plants, the Wiefelstede-Dringenburg and Oldenburg locations, they produce the only raw material that Molkerei Ammerland processes: raw milk. The approximately 40 milk tankers operated by our subsidiary AMT Ammerländer Milchtransport GmbH are responsible for transporting the milk to the production sites. These tankers collect milk from farms 24 hours a day. Strict separation between conven-

tionally produced milk, pasture milk, and organic milk is already observed at this point. Appropriate route planning practices ensure that this process can take place efficiently and with minimum impact on resources.

The Wiefelstede-Dringenburg site processes the raw milk into cheese, butter, milk powder and whey powder, cream, and concentrates. The Oldenburg site produces drinking milk (ESL), buttermilk, cream, and UHT milk. The raw milk is delivered separately according to the production method (conventional, pasture, organic) and then passes through the production lines separately as well. The processing and production of the goods also require packaging, additional and auxiliary substances like cultures and enzymes, cleaning agents and disinfectants, and other materials that we source from external suppliers. Our products go directly to store shelves or to companies that process them further, both in Germany and internationally. Some are placed in interim storage at the Brinkum site. Products from Molkerei Ammerland are supplied to over 60 countries. Exports account for about 50 percent. Our dairy products are either sold at retail outlets or






used as ingredients by other companies and processed to make other foods or feeds.

102-10 Significant changes to the organization and its supply chain


Capacity at the high bay warehouse at the Wiefelstede-Dringenburg headquarters was expanded by 24,500 storage positions during this reporting period, to stand at approximately 44,000 now. The warehouse enlargement was commissioned in early 2020.

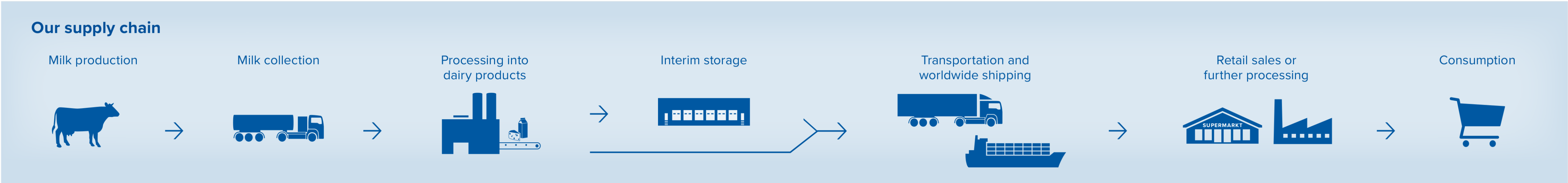
102-11 Precautionary Principle or approach

Preserving the ecosystem, protecting the climate, and good stewardship of natural resources are all key priorities for Molkerei Ammerland. Through our efforts, we aim to help conserve the landscape where our company and the area where we source our milk are located. This is not only because the Ammerland region and surrounding areas offer optimum climatic and geographic conditions for dairy farming, and thus for our sole raw material, but also because we believe everyone who uses our planet's resources should also actively help to conserve them.

Within our environmental policy, we pursue a two-pronged strategic approach. First, we support improvements in our milk suppliers' agricultural production systems – both to protect the environment and to ensure the social and economic well-being of the members of our cooperative. Second, we are committed within our organization to efficient production methods that reduce environmental impact at every stage of production. We pay special attention to using water (GRI 303: Water ) and energy sparingly (GRI 302: Energy ) , lowering the loads of pollutants in our wastewater, minimizing waste (GRI 306: Effluents and Waste ) , reducing emissions (GRI 305: Emissions ) , and making increasing use of environmentally friendly packaging (GRI 301: Materials ) .

102-12 External initiatives

Molkerei Ammerland has been participating in the **Dairy Sustainability Tool** ) since early 2017. This project was developed by the Thünen Institute, QM-Milch e.V. ("QM Milk" registered association) and its backers, Deutscher Bauernverband (German Farmer's Federation), Deutscher Raiffeisenverband (German Raiffeisen Association), and Milchindus-





trie-Verband (German Dairy Association), along with Projektbüro Land und Markt (Project office) with the participation of Landeskontrollverband Nordrhein-Westfalen (State control association North Rhine-Westphalia). This tool is based on a list of questions used to collect data on 84 scientific criteria from the areas of the economics, ecology, social issues, and animal welfare. The first step is to gain a detailed picture of sustainability performance on the individual farms and visualize strengths and areas where there are still reserves as well. The goal is to use this as a basis for opening up a dialogue that prompts to fully tap into existing potential and ultimately leads to a continuous improvement process. The three-year pilot phase concluded in early 2020. During this period, 1,060 dairy producers from our cooperative participated. A summary of the results is available in our [fact sheet](#). Molkerei Ammerland is also participating in the nationwide continuation of the Dairy Sustainability Tool, which is scheduled to run from July 1, 2020, until June 30, 2023.

To support pasture farming and highlight the ecological benefits of pasture and grassland, we are a transfer partner of **Grünlandzentrum Niedersachsen/Bremen** and support the **PRO WEIDELAND** label. The coastal regions where we operate, which boast a high percentage of permanent pasture and grassland, offer optimum conditions for pasture farming. Protecting these landscapes is the focus of **PRO WEIDELAND**, which aims to strengthen the cultural landscape in all its many dimensions. Grazing cows on pastureland has beneficial effects on the animals' health and welfare, but that's not all. It also promotes biodiversity because pastures are an im-

portant habitat for many plants and animals. At the same time, they also capture large amounts of carbon. About half of our 1,930 active farmers produce pasture milk; the total for 2019 was 761.5 million kilograms. Molkerei Ammerland has been producing pasture milk products according to **PRO WEIDELAND's** specifications since 2017. The volume of milk produced with this certification has more than doubled since then.

In September 2017, we became the first large producer in Lower Saxony to begin processing organic milk produced according to the specifications of **Bioland e.V.** (German only) Bioland e.V. is an ideal, dependable partner to Molkerei Ammerland. A leading association for organic agriculture in Germany, Bioland e.V. is recognized by consumers and upholds high standards. Its philosophy is based on the seven Bioland principles for the agriculture of the future: ensuring a circular economy; promoting soil fertility; keeping animals humanely; producing nutritious food; promoting biodiversity; preserving natural resources; and helping to give people a future worth living. In 2019, a total of 30.8 million kilograms (2018: 26.0 million kilograms) of raw milk was produced according to the Bioland standard.

Molkerei Ammerland joined the internationally recognized database platform **Sedex** in 2012. This platform's mission is to help improve transparency in the long-term social commitment and involvement of businesses along the supply chain through the sharing of data in the areas of labor/occupational safety, business ethics, and the environment. An ethics audit was performed at our Wiefelstede-

Dringenburg plant again in May 2019. In the process, our dairy was able to show again, as it had in 2015, that it respects ethical and social principles and takes protecting the environment into account in its actions as a company.

In the **Sustainable Development Goals** (SDGs), the United Nations has set global benchmarks for priorities and goals of sustainable development for the period up to 2030. The SDGs encompass 17 goals, which are then further subdivided into 169 specific sub-goals. These goals address a broad range of economic, ecological, and social topics relating to sustainability. Molkerei Ammerland supports the implementation of the SDGs by making specific contributions.

**102-13 Membership of associations**

Molkerei Ammerland maintains extensive dialogue with its stakeholder groups. One key element of our stakeholder dialogue is membership in associations and interest groups. This section lists our most important memberships:



*Arbeitgeberverband Agrar, Genossenschaften, Ernährung Niedersachsen e.V. (AGE):* With over 500 members, AGE is one of the major associations in Lower Saxony. It represents the interests of the food and agriculture sector and advises member companies on all matters relating to labor and employment law, works constitution law, and social law. Justus Ackermann, Chairman of the Supervisory Board of Molkerei Ammerland, is the deputy chair of AGE.



*Deutscher Raiffeisenverband (DRV):* DRV is an umbrella association representing the interests of cooperative businesses in the German agriculture and food sector at the national, European, and international levels in dealings with policymakers, administrative bodies, business partners, and the general public.



*Fachverband der Milchwirtschaftler in Niedersachsen und Sachsen-Anhalt e.V.:* This association is dedicated to the development of professions in the



dairy industry. It represents the interests of the dairy industry on matters of vocational training and continuing education. Molkerei Ammerland is a supporting member. Klaus Rohlfing, head of HR at Molkerei Ammerland, is a member of the association’s board.



*Genossenschaftsverband Weser-Ems e.V.:* Genossenschaftsverband Weser-Ems represents the interests of its member companies as one of six regional associations under the umbrella of Deutscher Genossenschafts- und Raiffeisenverband. It is a statutory auditing and cooperative advising association.



*Grünlandzentrum Niedersachsen/Bremen e.V.:* This nonprofit organization brings together the fields of agriculture, trade, and industry along with research, administration, and public policy to develop forward-looking solutions for pastureland regions with an eye to achieving more-sustainable economic growth, defusing the competition for land, and preserving the area’s specific cultural landscape.



*Landesvereinigung der Milchwirtschaft Niedersachsen e.V. (LVN):* LVN represents the interests of all associations and organizations that are involved in the dairy industry in Lower Saxony, whether through production, processing, retail, or consumption. Herbert Heyen, Chairman of the Board of Management of Molkerei Ammerland, is the deputy chairman of the board of LVN. Molkerei Ammerland is represented in LVN through Genossenschaftsverband Weser-Ems e.V.



*Milchindustrie-Verband e.V. (MIV):* MIV is the umbrella organization for the German dairy industry. The association acts as a representative of the industry’s interests and a service provider at the regional, national, European, and international levels. Ralf Hinrichs, Managing Director of Molkerei Ammerland, is a member of the board of MIV.



*Sustainable Agriculture Initiative (SAI) Platform:* The SAI Platform is a global initiative in support of sus-

tainable agriculture within the value chain for food and drinks. Its work focuses on harmonizing and implementing sustainable activities in the area of agricultural production. Molkerei Ammerland participates in the SAI Platform Dairy Working Group.



*Sedex (Supplier Ethical Data Exchange):* Sedex is a nonprofit organization that provides its members with a database to share information in the areas of labor rights, health and occupational safety, the environment, and business ethics. Molkerei Ammerland has been a member since 2012.

Strategy

**102-14 Statement from senior decision-maker**  
The introduction by Ralf Hinrichs, Managing Director of Molkerei Ammerland, is available [here](#) ↗.

Ethics and integrity

**102-16 Values, principles, standards, and norms of behavior**  
In our [sustainability mission statement](#) ↗, we pledge to be good stewards of people, animals, and the environment. It defines sustainability as a dynamic process of learning, action, and further development. This approach is firmly rooted in our

strategy and [corporate policy](#) ↗ and is also reflected in our milk delivery regulations. Our milk producers take these requirements into account in their day-to-day work, thereby actively supporting the realization of our sustainability mission statement. This relates to aspects such as species-appropriate keeping and feeding conditions for animals, general animal welfare, and energy-efficient business operations. The sustainability management practices of Molkerei Ammerland extend not only to overarching planning and management, but also to five action fields: milk production, production and products, employees, the environment, and society. We set specific goals for further development in each of these fields.

The specifications set down in the **code of conduct** ↗ reflect the values and philosophy of Molkerei Ammerland. These rules help us to identify the merest suggestion of illegal conduct early on and take decisive countermeasures while developing measures to prevent these kinds of problems on a lasting basis. The code of conduct is based on the Base Code published by the Ethical Trading Initiative (ETI), the standards laid out by the Business Social Compliance Initiative (BSCI), and the United Nations Global Compact. The principles outlined apply to all employees. Our managers are obligated to keep informed of the legal provisions that apply in their areas of responsibility. The code of conduct has been provided to all employees. New employees receive a printed copy when they start work.

Our expectations of our **suppliers** include not only high levels of quality, dependability, and flexibility,



but also ethical conduct based on compliance with the law and geared toward the principles laid out in our code of conduct.

Governance

102-18 Governance structure

Within Molkerei Ammerland, operational responsibility for the topic of sustainability rests with the **Managing Director**, who in turn reports to the **Board of Management**, the highest decision-making body. The Board of Management is composed exclusively of dairy producers. It decides on strategic and policy-making matters. The members of the Board of Management and the Supervisory Board participated in two workshops on the Dairy Sustainability Tool during this reporting period. In the course of these activities, they used the results to analyze the current status and identified key steps toward further improving sustainable development at producer farms and within the cooperative as a whole.

Responsibility for operational management rests with the **sustainability officer** of Molkerei Ammerland, who reports directly to the Managing Director as part of close, regular dialogue. This officer acts as a point of contact and driver for this topic, monitoring and supporting the shift in the corporate culture through activities such as suggestions to the company management for sustainable development directions or by identifying measures and approaches to take, for example in the case of the Dairy Sustainability Tool. He also acts as an instructor for employee training sessions, represents the

dairy in industry initiatives in this field, and is responsible for sustainability reporting. With support from other areas of the company, he organizes Molkerei Ammerland’s participation in the Sedex database platform, which makes companies’ sustainability activities transparent. We have been a member since 2012. In cooperation with the relevant specific departments, the company began collecting and analyzing relevant key indicators via a cloud-based software solution in 2019.

The topic of sustainability is so important at Molkerei Ammerland that almost **all areas of the company** have some contact with it. For example, the production team works to ensure that the raw milk is processed with as little environmental impact as possible. Sales works with partners from the industry and the retail sector to develop shared sustainability initiatives. The milk producer advisory team supports our milk suppliers in close, ongoing dialogue as they increasingly gear their operations toward sustainability. Sustainability aspects relating to employees are handled by HR.

Stakeholder engagement

102-40 List of stakeholder groups



The following are currently among our most important stakeholder groups: Our dairy producers and employees, suppliers, customers (within Germany and internationally), consumers, the regional environment, the German Federation/Communes, NGOs, industry associations, and banks.

102-41 Collective bargaining agreements

All employees of Molkerei Ammerland are covered by collective bargaining. In keeping with the annual agreements reached between the employers’ association and the Gewerkschaft Nahrung-Genuss-Gaststätten (NGG) trade union, we pay all employees a uniform collectively agreed wage.

102-42 Identifying and selecting stakeholders

To be able to act sustainably and do business successfully, we need to identify our relevant stakeholders, their standards, and how they affect the dairy’s business activities. We systematically pinpointed our key stakeholder groups according to DIN ISO 26000 when we began publishing sustainability reports, in 2011. We assess the individual stakeholders at regular intervals with an eye to their importance to our cooperative.

We view dialogue and cooperation as key elements in jointly developing and implementing solutions to meet the challenges of doing business sustainably. With that in mind, we are involved in various initiatives at the regional, national, and international levels and in organizations that are committed to sustainable development ([102-12 External initiatives](#) , [102-13 Membership of associations](#) ).

102-43 Approach to stakeholder engagement

Molkerei Ammerland engages in dialogue with its key stakeholders through a number of formats. Our working climate, which is characterized by trust and confidence, tolerance and constructive dialogue, forms the basis for our relations with our **employees**. Our managers’ doors are always open, and they are

always available to their employees for questions, suggestions, criticism, or issues, either in personal discussions or at team meetings. We also hold employee performance reviews with the employees of the dairy. Regular training activities offer opportunities to contribute ideas. The executive management is available on a day-to-day basis and also takes questions from employees at plant meetings.

We stay in touch with our approximately 2,000 **milk producers** through various channels. In the annual district meetings, which are spread around the entire area where we source our milk, and at the general meeting alike, Molkerei Ammerland provides information on the cooperative’s economic situation and on developments in the field of sustainability. Our producer advising activities focus on topics such as raw milk quality and feeding of livestock along with operational development from the sustainability standpoint and responsible use of resources. In addition to our monthly Milchinfo information sheet, we have also been making increasing use of digital forms of communication since the introduction in late 2018 of our supplier information system for the Ammerland region, or **LISA** for short. This allows us to reach our milk suppliers even faster, in greater breadth, and in a clearer and more readily understood format, including about developments on the milk market. To offer suggestions for a more pronounced sustainable alignment of our dairy producers’ operations, we also use Milchinfo and **LISA** to highlight positive examples from around our cooperative on topics such as hoof health and the need for sufficient space in barns.



Our sales team is in regular, close contact with our **customers**. We take the opportunity for personal dialogue at trade fairs, such as the *Anuga* [🔗](#) event, which is held every two years. We also engage in joint sustainability initiatives with partners from around the industry and the retail sector.

We engage in dialogue with **NGOs** via memberships and joint projects ([102-12 External initiatives](#) [🔗](#), [102-13 Membership of associations](#) [🔗](#)).

**102-44 Key topics and concerns raised**

Topics relating to sustainability are drawing more and more attention across society. Customers from the industrial and retail sectors have a growing need for sustainably produced raw materials. A rising number of consumers are interested in where their food comes from and the conditions under which it is produced and processed. This is also making sustainability an increasingly important competitive factor. We take these developments into account in our strategic alignment by gearing our efforts toward sustainability not only toward processing, but increasingly also toward milk production, and by offering product varieties to meet these needs, such as pasture milk and organic milk, within the scope of our added value concepts ([GRI 417: Marketing and Labeling](#) [🔗](#)).

We identified our stakeholders’ specific concerns and needs in early 2020 through a comprehensive, broad-based survey (see *102-46 Defining report content and topic Boundaries*). Our customers are especially interested in aspects relating to animal welfare, in milk production methods and activities

that help to preserve the climate, and in a working environment that puts occupational safety and our employees’ health front and center. From the perspective of dairy producers, payment of a stable, above-average milk price is the most important factor. The employees who responded indicated that topics relating directly to their work (job security, corporate culture, labor conditions, health and occupational safety) were high priorities, alongside environmental topics and regional economic development, including the price of milk.

**Reporting practice**

**102-45 Entities included in the consolidated financial statements**

The content and key indicators set out in this report relate to Molkerei Ammerland eG. Subsidiaries are not considered in this report. Any exceptions are designated accordingly.

**102-46 Defining report content and topic Boundaries**

The topics of the report arise from our materiality analysis, which we further developed and placed on a broader basis in early 2020. Building on the analysis from the previous reporting period, our first step was to identify sustainability-related topics where Molkerei Ammerland has the largest economic, environmental, and social impact. In addition, we supplemented our previous analyses by drawing on various sources, such as general standards (e.g., Global Reporting Initiative), industry-

specific frameworks (e.g., Dairy Sustainability Framework), studies, and market analyses. This gave rise to a number of topics, which we have grouped together using our action fields: corporate management, milk production, production and products, employees, environment, and society. This summary led to a list of 22 relevant topics in all, which Molkerei Ammerland views as essential to sustainability management because there are opportunities for a concrete impact in these areas.

To be able to take our stakeholders’ expectations into account even more effectively, we conducted an online survey of stakeholders in March/April 2020. Over 100 representatives of stakeholder groups were invited to rate the importance of the topics we had identified and provide us with additional information.

In their responses (response rate: 75 percent), our stakeholders confirmed that we had brought up the right topics. An overview is shown in the summary under GRI 102-47 below.

**102-47 List of material topics**

The material topics arise from our materiality analysis (see *102-46 Defining report content and topic Boundaries*). They are summarized in the following table:



Topic	Derived GRI standards (materiality within (i) and outside (o))
Corporate management	
<i>Integrity and compliance:</i> Compliance with all applicable laws, regulations, and guidelines that are directly or indirectly associated with the business activities of Molkerei Ammerland.	<ul style="list-style-type: none"><li>• GRI 205: Anti-corruption (i)</li><li>• GRI 206: Anti-competitive Behavior (i)</li><li>• GRI 307: Environmental Compliance (i, o)</li><li>• GRI 419: Socioeconomic Compliance (i)</li></ul>
<i>Dialogue with stakeholders:</i> Ongoing dialogue with Molkerei Ammerland's stakeholder groups on topics relating to sustainability.	<ul style="list-style-type: none"><li>• 102-43 Approach to stakeholder engagement (i, o)</li></ul>
<i>Responsible purchasing:</i> Aspects relating to sustainability in the supply chain are considered when sourcing materials.	<ul style="list-style-type: none"><li>• GRI 204: Procurement Practices (o)</li><li>• GRI 308: Supplier Environmental Assessment (i, o)</li></ul>
<i>Regional development:</i> Molkerei Ammerland's contribution to economic development within the area where it sources milk (= radius of about 80 kilometers around our Wiefelstede-Dringen-burg and Oldenburg sites), e.g., as an employer or by taking regional suppliers into account.	<ul style="list-style-type: none"><li>• GRI 202: Market Presence (i, o)</li><li>• GRI 204: Procurement Practices (o)</li></ul>
Milk production	
<i>Milk price:</i> Payment of a stable, above-average milk price to Molkerei Ammerland's milk producers.	<ul style="list-style-type: none"><li>• GRI 201: Economic Performance (i)</li></ul>
<i>Information on the milk market:</i> Transparency regarding develop-ments on the milk market for dairy producers through provision of appropriate information.	<ul style="list-style-type: none"><li>• 102-43 Approach to stakeholder engagement (i, o)</li></ul>
<i>Milk producer advising:</i> Consideration of sustainability-related aspects, including responsible use of resources, in the advice we provide for producers.	<ul style="list-style-type: none"><li>• 102-43 Approach to stakeholder engagement (i, o)</li></ul>
<i>Animal welfare:</i> Consideration of animal welfare factors during milk production.	<ul style="list-style-type: none"><li>• 102-12 External initiatives (i, o), see Dairy Sustainability Tool</li></ul>

Topic	Derived GRI standards (materiality within (i) and outside (o))
Production and products	
<i>Product quality:</i> Production of high-quality, safe dairy products.	<ul style="list-style-type: none"><li>• GRI 416: Customer Health and Safety (i, o)</li><li>• GRI 418: Customer Privacy (i, o)</li></ul>
<i>Added value concepts:</i> Accommodation of rising demand for responsibly produced products through added value concepts, e.g., products made from pasture milk and organic milk products.	<ul style="list-style-type: none"><li>• GRI 417: Marketing and Labeling (o)</li></ul>
<i>Guarantee of origin/regional focus:</i> Production of products from milk produced in the same region (i.e., milk from within a radius of about 80 kilometers around the dairy's two locations).	<ul style="list-style-type: none"><li>• GRI 301: Materials (i, o)</li></ul>
<i>A high-performance partner:</i> Reliability, flexibility, and excellent service in our work with customers.	<ul style="list-style-type: none"><li>• GRI 201: Economic Performance (i, o)</li></ul>
<i>Product information (consumer protection):</i> Compliance with the requirements of food law and product labeling in keeping with the legal specifications.	<ul style="list-style-type: none"><li>• GRI 417: Marketing and Labeling (i, o)</li></ul>
Employees	
<i>Job security:</i> Provision of secure jobs for employees.	<ul style="list-style-type: none"><li>• GRI 401: Employment (i)</li><li>• GRI 201: Economic Performance (i)</li></ul>
<i>Corporate culture:</i> Dealing with each other in a spirit of appreciation and respect, working climate characterized by trust and confidence, tolerance and constructive dialogue.	<ul style="list-style-type: none"><li>• GRI 402: Labor/Management Relations (i)</li><li>• GRI 406: Non-discrimination (i)</li><li>• GRI 407: Freedom of Association and Collective Bargaining (i)</li></ul>
<i>Working conditions:</i> Design of attractive jobs, e.g., through interes-ting tasks, good pay, and opportunities for further development.	<ul style="list-style-type: none"><li>• GRI 404: Training and Education (i)</li><li>• GRI 401: Employment (i)</li></ul>
<i>Health and occupational safety:</i> Creation of a work environment where occupational safety and employee health are top priorities.	<ul style="list-style-type: none"><li>• GRI 403: Occupational Health and Safety (i)</li></ul>



Topic	Derived GRI standards (materiality within (i) and outside (o))
Environment	
Greenhouse gas emissions in milk production: Collection of information on greenhouse gas emissions and tapping into potential for reductions.	• GRI 305: Emissions (i, o)
Permanent grassland (at farms): Maintain and preserve pasture and grassland through pasture farming, which promotes habitats for plants and animals.	• GRI 304: Biodiversity (i, o)
Energy (in production): Optimized use of energy in working and production processes. This also lowers emissions.	• GRI 302: Energy (i, o) • GRI 305: Emissions (i, o)
Packaging: Use of sustainable packaging alternatives for the Ammerländer brand product range.	• GRI 301: Materials (i, o)
Society	
Social engagement: Support for social projects and organizations, presence at and support for regional events, in the catchment area of the dairy locations.	• GRI 202: Market Presence (o)

Although we did not identify water and waste as being top priorities with an acute need for action within the scope of our materiality analysis, we do report on the relevant information in accordance with the GRI standards. We are aware that these topics will become increasingly important in the future.

**102-48 Restatements of information**  
No major restatements of information.

**102-49 Changes in reporting**  
No major changes in reporting.

**102-50 Reporting period**  
The reporting period runs from January 1, 2018, until December 31, 2019. Beyond that, information on relevant developments and measures up to the editorial deadline, in August 2020, is also included.

**102-51 Date of most recent report**  
The last sustainability report was published in October 2018.

**102-52 Reporting cycle**  
The sustainability report of Molkerei Ammerland is published every two years. The next publication is scheduled for mid-2022. To supplement this sustainability report, Molkerei Ammerland has also published a [brochure](#)  (German only) that takes a closer look at important sustainability-related topics.

**102-53 Contact point for questions regarding the report**

The contact points for questions regarding the report or general questions on sustainability at Molkerei Ammerland are:

Dr. Klaus Gehrke  
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**102-54 Claims of reporting in accordance with the GRI Standards**

This report has been prepared in accordance with the GRI Standards: Core option.

**102-55 GRI content index**

This sustainability report is also the GRI Content Index.

**102-56 External assurance**

No external audit was performed.



# Specific standard disclosures

## Key Topics



# Economic

## GRI 201: Economic Performance

### GRI 103: Management approach (103-1, 103-2, 103-3)

Molkerei Ammerland is one of northern Germany’s oldest dairy cooperatives. We trace our roots back to 1885. Today, we are among Europe’s largest and most advanced dairy operations ([brief portrait](#) ☺). We produce high-quality dairy products for our customers from the wholesale and industrial sectors. Regionality is a key principle for our company. The farms that supply our raw milk are all located within a radius of 80 kilometers around our locations in Wiefelstede-Dringenburg und Oldenburg.

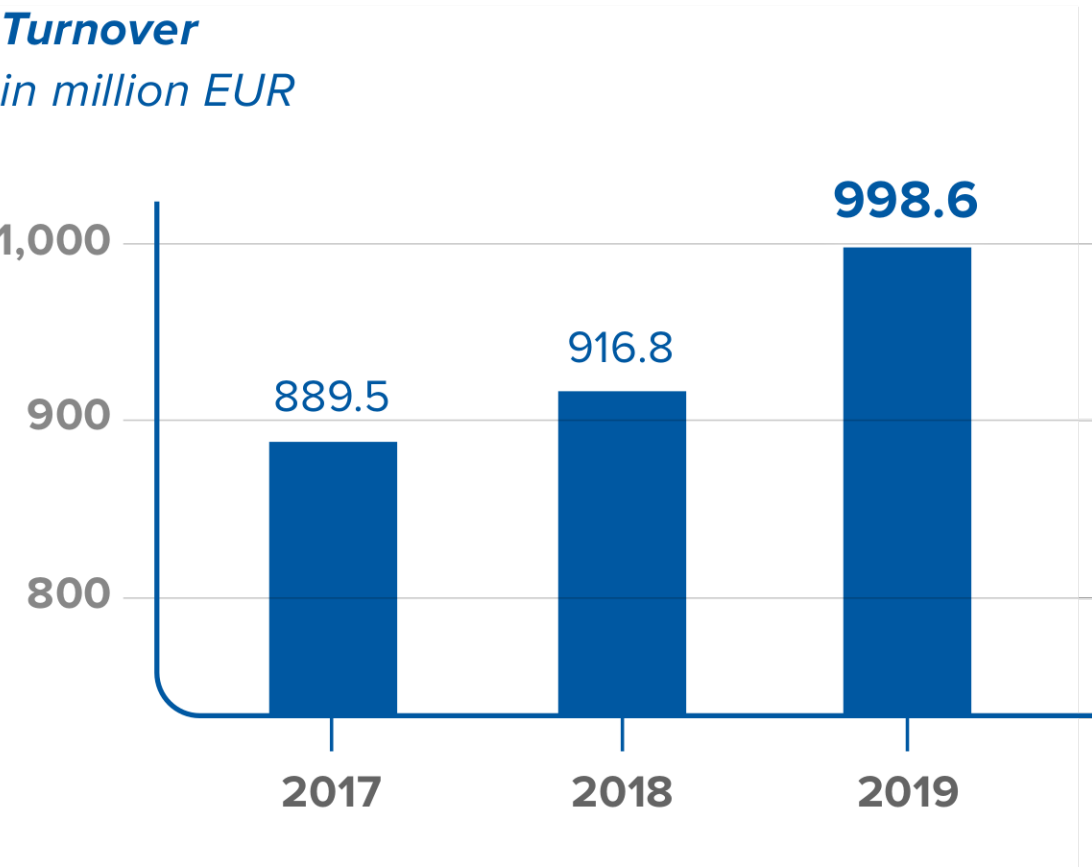
One key factor in our economic success is our excellent working relationships with business partners. Commitment and a focus on excellent service are integral elements of everything we do. Thanks to low turnover and high staff continuity, our customers have typically known their contact persons for years. A high level of mutual trust has developed over the course of long-lasting business relationships.

One of our cooperative’s main concerns is maintaining a stable, good milk price for producers, which also helps make it possible for our members to operate sustainably. As a result, achieving a milk

price for producers that is above the average, at least regionally, is a top priority at Molkerei Ammerland. During this reporting period, it was above the average for the state of Lower Saxony at all times.

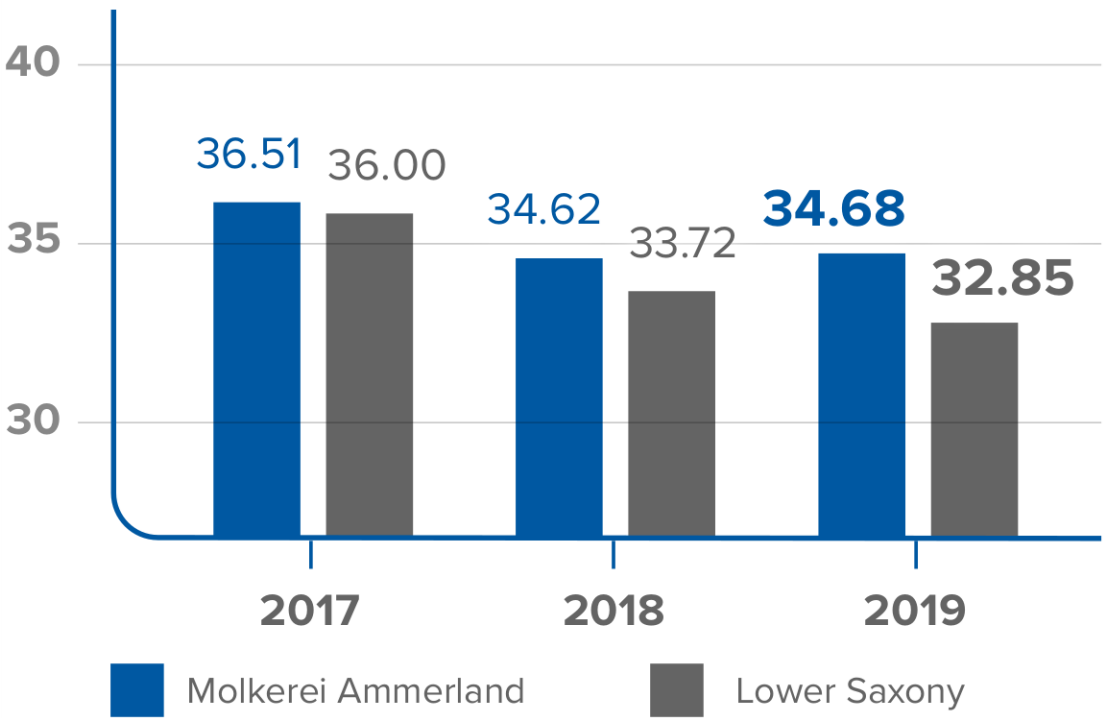
### 201-1 Direct economic value generated and distributed

Please consult the graphics below for information on trends in turnover and milk prices.



Also see the [profit and loss statement on page 39 of the 2019 annual report](#) ☞ (German only).

### Milk price paid to producers *4.0 % fat, 3.4 % protein in ct/kg, net*



## GRI 202: Market Presence

### GRI 103: Management approach (103-1, 103-2, 103-3)

The Molkerei Ammerland success story depends on our people. Here at Molkerei Ammerland, everyone shares in the responsibility for achieving the company’s goals, along with the ongoing sustainable development of the cooperative. Especially in a rural region like the Ammerland area, it is important for our dairy operation to be an attractive employer. To cover our needs for skilled workers, we train a

significant portion of our future employees ourselves (GRI 404: Training and Education ☺). Molkerei Ammerland is an important employer in the region, a fact that is also apparent from where our employees live. 91 percent live in the same radius where we source our milk, meaning within 80 kilometers of our locations in Wiefelstede-Dringenburg and Oldenburg. 23 percent commute 20 kilometers or less (round-trip).

Molkerei Ammerland’s contribution to regional development goes beyond its role as an employer. In the catchment area of our locations, we support social projects and attend or support events. Our milk suppliers are also involved in the community and actively engage with the public. One in four farms invites visitors at regular intervals, for example within the framework of farm festivals, and brings the work of a farm closer to the guests.

### 202-1 Ratios of standard entry level wage by gender compared to local minimum wage

In keeping with the annual agreements reached between the employers’ association and the Food, Beverages and Catering Industry Trade Union (Gewerkschaft Nahrung-Genuss-Gaststätten, NGG), we pay a uniform collectively agreed wage that is above the minimum wage stipulated by law. All of our employees receive the same employer-provided



benefits. We do not differentiate between full-time or part-time employees, those on fixed-term contracts, or male and female employees.

202-2 Proportion of senior management hired from the local community

Without exception, the managers of Molkerei Ammerland come from the area around our plants in Wiefelstede-Dringenburg and Oldenburg (meaning they are all local to northwestern Germany).

GRI 204: Procurement Practices

GRI 103: Management approach (103-1, 103-2, 103-3)

The only raw material processed at Molkerei Ammerland is raw milk. To produce drinking milk and milk products, however, we do need other supplies. These range from packaging, cleaning agents, and disinfectants to additional and auxiliary substances like cultures and enzymes. We also source the materials we need to operate our machines and equipment. Packaging is the largest source of external purchases. We also keep sustainability aspects in mind when purchasing packaging materials, paying special attention to the use of recyclable components (GRI 301: Materials [🔗](#)).

Our criteria for purchasing products and services include more than just quality and price. We also take care to ensure our providers have an environmental and/or energy management system, have

established a code of conduct, and follow recognized social and sustainability standards. All of Molkerei Ammerland’s suppliers respect the rights of their employees as a basic principle. We also urge them to take recognized codes or standards (such as a code of conduct, BSCI, or ISO 26000) into account and communicate our own [code of conduct](#) [🔗](#). In 2019, about 85 percent worked according to a standard like this. The discussions we have conducted have also helped to raise awareness of sustainability among our suppliers. In the process, it became apparent that it is a good idea to approach specific areas of emphasis and discuss them individually.

Molkerei Ammerland evaluates its suppliers in detail every year. Our audits include compliance with ethical standards. For example, if it turns out that a business partner does not observe the requirements set out in the Ethical Trading Initiative (ETI) Base Code in its business activities, we end the supplier relationship unless the partner takes jointly agreed corrective action. Thus far, however, we have not had to take this step.

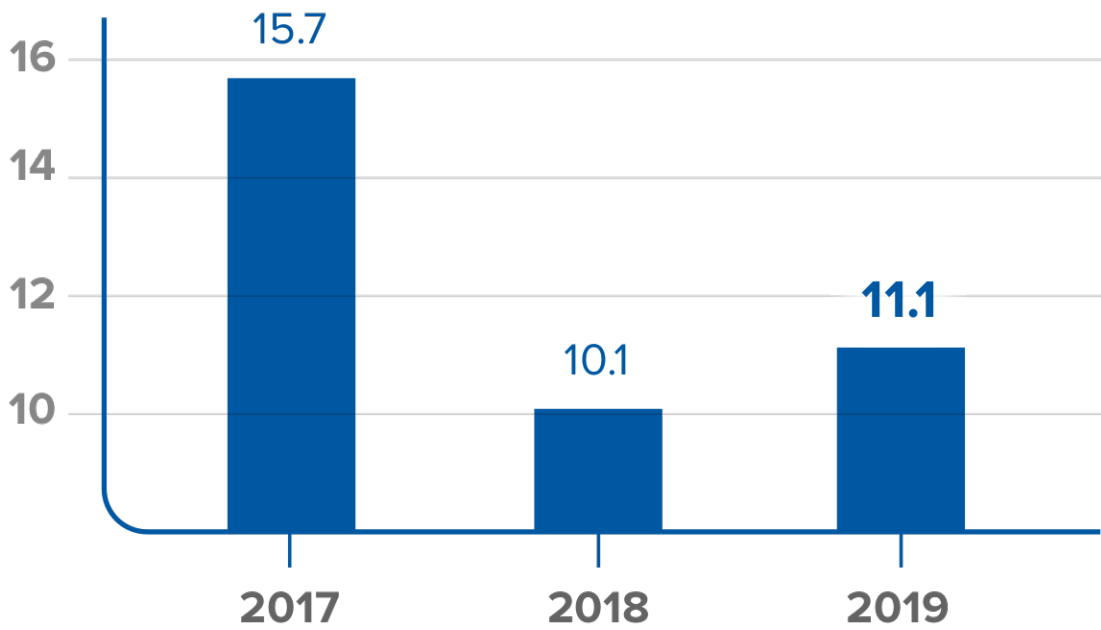
204-1 Proportion of spending on local suppliers

Molkerei Ammerland procures goods from 45 providers. The purchasing volume of items in stock stood at 28.8 million euros in 2019 and 27.6 million euros in 2018. If possible and reasonable in economic terms, we rely on regional companies. In 2019, 11.1 percent of our turnover was attributable to suppliers located within a radius of about 80 kilometers around our production sites. The fluctuations in the percentage of turnover attribut-

able to regional suppliers reflected in the graphic below are largely due to delivery capability and logistical aspects.

Regional suppliers

Turnover attributable to regional<sup>1)</sup> suppliers in percent



<sup>1)</sup> “Regional” means within a radius of 80 kilometers from our production sites in Dringenburg and Oldenburg

*This figure relates solely to suppliers other than milk suppliers. Our cooperative members’ farms are all located within a radius of about 80 kilometers around our two plants, which are located in Wiefelstede-Dringenburg and Oldenburg.*

GRI 205: Anti-corruption

GRI 103: Management approach (103-1, 103-2, 103-3)

Molkerei Ammerland has a [code of conduct](#) [🔗](#) and complies with all laws and regulations relevant to it. This fundamental stance is rooted in our values as a cooperative and forms the basis of our corporate

policy. We undergo an annual audit of legal compliance and strict adherence to ethical principles by Genossenschaftsverband Weser-Ems e.V. (Weser-Ems Cooperative Association) at the end of the fiscal year.

We firmly reject all forms of corruption. Gifts and perquisites associated with business activity that are geared toward personal benefit and lie outside the legal rules are strictly prohibited. These principles are also set down in our code of conduct. The rules listed there are binding for all employees. Beyond that, we apply the “four eyes principle” to all contracts signed. We have also established signing rules for specific values so there are clear responsibilities for legal transactions.

205-3 Confirmed incidents of corruption and actions taken


There were no corruption incidents at Molkerei Ammerland during this reporting period.

GRI 206: Anti-competitive Behavior

GRI 103: Management approach (103-1, 103-2, 103-3)

Credibility and transparency are among the bedrock principles of our corporate policies. Molkerei Ammerland’s business practices are founded on care, integrity, honesty, and fairness. We work with our customers in a spirit of openness and value them as partners, treating them with respect, trans-



parency, and objectivity. Our company’s strategy is geared toward strengthening its competitiveness in the long term to the benefit of all members of the cooperative. We support free, authentic competition as a central element of our approach to the market economy. Our dealings with competitors are always unbiased, fair, and in keeping with applicable laws. We aim to win customers over through efficiency, performance, product safety, and quality. These principles are also described in our [code of conduct](#) , which is binding on all employees of Molkerei Ammerland.

**206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices**  
There were no proceedings concerning anticompetitive behavior or violations of antitrust or monopoly law at Molkerei Ammerland during this reporting period.



# Environmental

## GRI 301: Materials

**GRI 103: Management approach (103-1, 103-2, 103-3)**  
Safeguarding the ecosystem, protecting the climate, and good stewardship of natural resources are all key priorities for our dairy. We pursue a two-pronged strategic approach in our environmental policies. First, we support improvements in the agricultural production systems used by our milk suppliers in order to protect the environment while also ensuring the social and economic welfare of our cooperative’s members. At the same time, we are committed to efficient and resource-conserving production methods at every level.

The only raw material we process is **raw milk**. The milk is produced by our approximately 2,000 milk suppliers, all located within a radius of about 80 kilometers of our two plants in Wiefelstede-Dringenburg and Oldenburg. To respond to changes in consumer buying habits and rising demand for responsibly produced products, Molkerei Ammerland relies on concepts for adding value. We create added value for our consumers and farmers, for example, by producing products made from pasture milk according to the PRO WEIDELAND standard or from organic milk according to the specifications of Bioland e. V.

Most of the products made by Molkerei Ammerland require **packaging**. The only exceptions are liquid shipping of milk, cream, buttermilk, whey, and concentrates, which takes place by tanker, and transportation of whey powder, which is handled by silo vehicles. This means the number of packages required does not always rise in proportion to the volume of milk processed. Instead, it depends on the way the milk is used and the desired packaging size.

Except for loose goods, we exclusively use single-use packaging for all our products. Our beverage cartons are made of paper produced using responsible forestry practices. However, not all customers these days necessarily want to see FSC certification on their packaging. As a result, the percentage of FSC-certified cartons used for drinking milk and buttermilk stood at 96 percent in 2018 (up from 95 percent in 2017), but declined to 88 percent a year later. All beverage packaging used by Molkerei Ammerland for its private label products is FSC-certified.

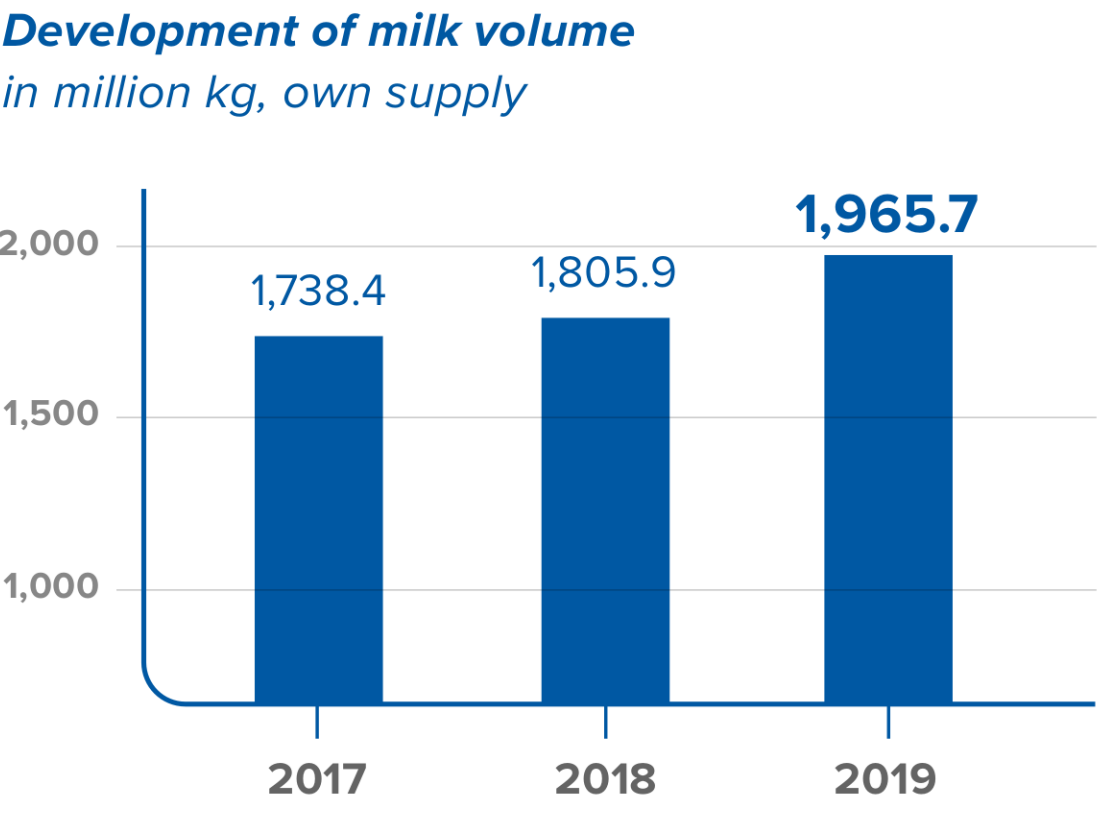
In keeping with the German Packaging Ordinance (Verordnung über die Vermeidung und Verwertung von Verpackungsabfällen), we regularly report the volumes of packaging placed in circulation to the waste collection and disposal companies that participate in the system and pay an appropriate


licensing fee. During the reporting period, the total weight of packages requiring licensing was 6,545 metric tons. Duales System Deutschland (DSD) accounted for 30 percent. Our customers are increasingly making their own arrangements for licensing of packaging under a dual system. That reduces the amount of packaging material we use within the scope of the DSD.

We are increasingly using **sustainably produced packaging** for the products marketed under our Ammerländer brand. The carton and screw top used for Ammerländer organic milk, launched in October 2018, are made of bioplastic, which means they are made from 100 percent renewable materials. The packaging is 4.8 percent lighter and generates about 17 percent lower carbon dioxide emissions. In September 2019, we switched to this type of packaging for all our pasture milk and pasture buttermilk as well. The same is also true of our organic UHT milk, which was launched on the market in early 2020.

**301-1 Materials used by weight or volume**  
During this reporting period, the volume of milk processed rose steadily, increasing by 3.9 percent from 2017 to 2018 and another 8.8 percent from 2018 to 2019. This development is attributable to increases in milk production at our cooperative members’

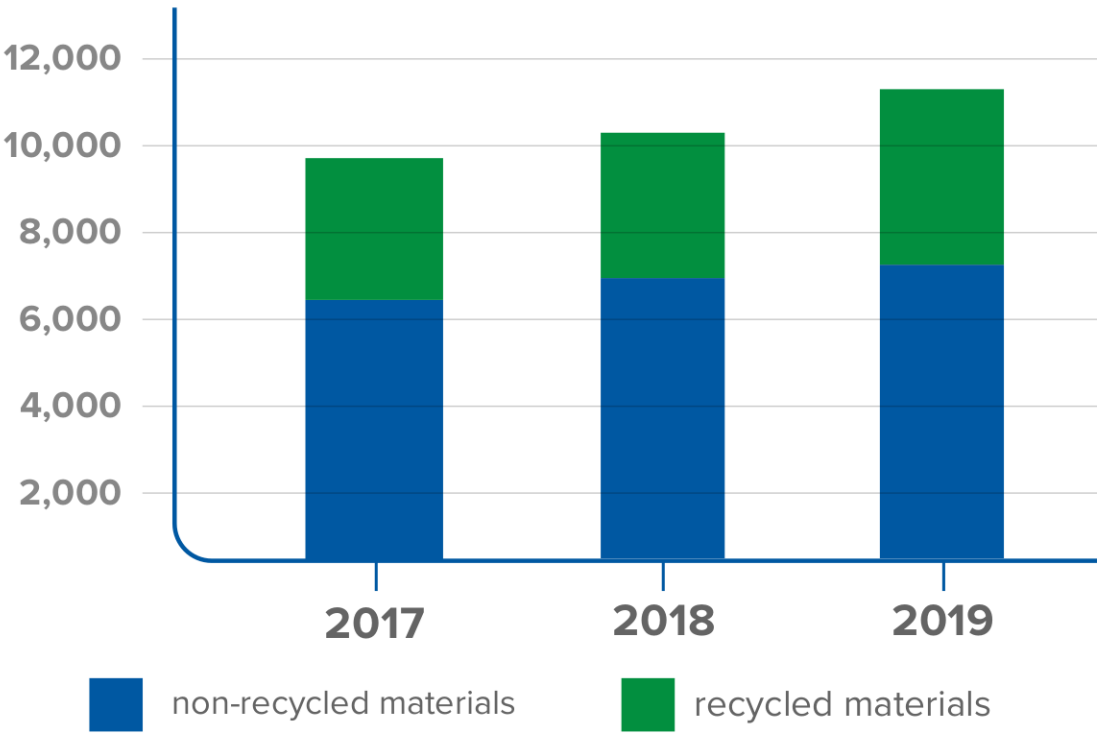
farms. The higher production volumes also drove increases in the demand for packaging materials during this reporting period.



*For further information on the milk volume, please see the [key indicator table](#) .*



Packaging materials  
in tons



301-3 Reclaimed products and their packaging materials

Food laws prohibit the use of recycled or reclaimed materials in primary packaging with direct product contact in order to prevent undesirable substances from leaching into foods. For outer packaging – which is not subject to the same restrictions – we try to use as much recycled material as possible. Since the market determines what we produce, however, and because our customers often have very specific expectations for the nature of our packaging, our influence on the amount of material used is only an indirect one. This means the recycling rate fluctuates. The share of recycled materials of the packaging materials accounted for 35.7 percent in 2019 (2018: 32.6 percent),

Statements regarding this indicator can only refer to the packaging materials used, since Molkerei

Ammerland produces foods exclusively. It is not possible to recycle or reclaim our products.

GRI 302: Energy

**GRI 103: Management approach (103-1, 103-2, 103-3)** Processing of milk requires relatively large amounts of energy. Since it is part of our philosophy to always keep a close eye on the environmental impact of our business activities, we have pledged to reduce our energy consumption on a long-term basis and boost our energy efficiency. We have practiced systematic **energy management** since 2009 and first earned certification under DIN EN ISO 50001 in 2012, followed since then by regular recertification.

Molkerei Ammerland’s production activities use not only electricity, but also natural gas as a primary source of energy for generating heat and steam. Production of milk powder is especially energy-intensive. The goal of our **energy policy** is to increase energy efficiency by 5 percent in all during the period from 2018 through 2020. We had already managed to reach a 3 percent increase by the end of 2019. To achieve our targets, we use energy-efficient products and services wherever economically reasonable, and we provide the resources needed to do so.

Energy efficiency teams at both production sites support the energy management officer of Molkerei Ammerland. Team members meet regularly to plan and implement energy conservation measures. We

hold required training activities annually to inform our employees of current developments relating to the energy management system and of measures that have already been taken, as well as those that will be taken in the future. We also urge our employees to contribute their own suggestions for improvements. In the relevant areas of production, we inform the staff individually of possible ways to conserve energy. For example, our employees learn how they can operate machines using less energy. We plan to continue expanding on these kinds of events in the future through activities such as idea competitions relating to energy management.

Thirty-nine milk tankers operated by our subsidiary Ammerländer Milchtransport GmbH (AMT) are available to **transport raw milk** from our producers’ farms to our two production sites, which are located in Dringenburg and Oldenburg. To keep diesel fuel consumption as low as possible, we provide our drivers with regular training on energy-conserving driving. We also use telematics systems and optimize route planning on an ongoing basis. In 2019,

our vehicles averaged 1.44 liters of diesel used (2018: 1.46) per metric ton of raw milk.

302-1 Energy consumption within the organization

As Molkerei Ammerland is growing, total consumption of energy was up during the reporting period. This is attributable chiefly to larger volumes of whey powder and skimmed milk powder, which require relatively energy-intensive processes to produce.

302-3 Energy intensity

Energy consumption rose slightly<sup>2</sup> in relation to the volume of milk processed between 2017 and 2018. This indicator was back down again slightly in 2019, thanks to further process optimization.

302-4 Reduction of energy consumption

The Wiefelstede-Dringenburg site conserved about 1 million kWh of energy in 2019 by commissioning a third reverse osmosis system for the production of whey concentrate and by optimizing capacity utilization. Modernization activities at the Oldenburg

Energy consumption in total and in relation to volume of milk processed

Unit		2017	2018	2019
Energy consumption	kWh	210,872,739	231,158,594	249,866,518
	kWh/kg vMm	0.1213	0.1280	0.1271
of which electricity	kWh	70,124,766	74,457,885	80,506,892
	kWh/kg vMm	0.0403	0.0412	0.0410
of which gas	kWh	140,747,973	156,700,709	169,359,626
	kWh/kg vMm	0.0810	0.0868	0.0862

<sup>2)</sup> Increased by 0.007 kWh/kg vMm – by comparison, a clothes dryer with energy efficiency label A consumes a bit over 2 kWh for one drying cycle.



location (in milk filling and the central compressed air system, for example) lowered energy consumption by about 400,000 kWh.

## GRI 303: Water

**GRI 103: Management approach (103-1, 103-2, 103-3)**  
Water is a universal production material for Molkerei Ammerland. We receive our water from the regional supply and pump it from our own wells. The majority of our water comes from the municipal supply. Water is an essential part of cleaning activities in production. Our added value concepts require strict separation of products (for example, pasture milk is kept separate from conventionally produced raw milk). This requires additional equipment cleanings between production processes, driving up our consumption of water.

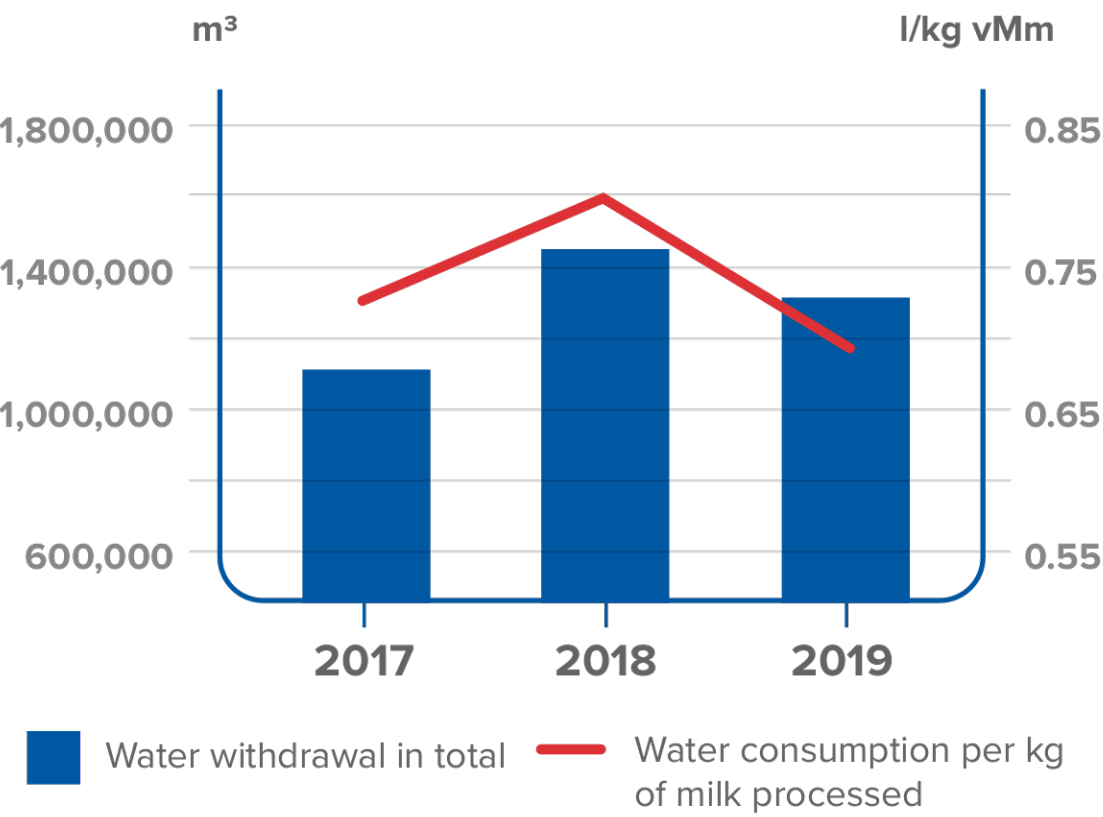
All of our production activities are geared toward good stewardship of water as a precious resource. For example, we optimize cleaning cycles on an ongoing basis. We have lowered our long-term use of well water in relation to the volume of milk processed on an ongoing basis in past years.

To continue the successful trend in the area of water savings, we plan to develop a management system for this purpose by the third quarter of 2020 based on a thesis project we initiated and co-supervised. The results are available since the beginning of 2020. Two employees have been assigned to implement and further shape the water manage-

ment system. By feeding cooling water and process water back into the groundwater system, we hope to reduce our water consumption, thereby also helping to lower the amount of wastewater.

**303-1 Water withdrawal by source**  
Owing to our dairy’s ongoing growth, we used increasing amounts of water up until 2018, both in absolute terms and in relation to the volume of milk processed. In 2019, we managed to lower our water use by 90,570,000 l in absolute terms and by 0.1 l per kg of milk processed compared to 2018. The savings we achieved were mainly the result of the use of condensate (from the water inherently present in the milk and arising during evaporation and/or drying) instead of well water or water from the municipal supply.

### Water consumption



For further information on water consumption, please see the [key indicator table](#)

## GRI 304: Biodiversity

**GRI 103: Management approach (103-1, 103-2, 103-3)**  
An unspoiled natural world is the basis for functioning agriculture, and thus for our products as well. Good stewardship of the ecosystem is a top priority for us. We are a transfer partner of **Grünlandzentrum Niedersachsen/Bremen e.V.** ([102-12 External initiatives](#) ) and support the protection and conservation of grassland. Pasture farming has a positive effect on biodiversity in these environments. For example, animals kept on pastures create certain patterns in the vegetation structure that shape many insect species’ habitats<sup>3</sup>.

In 2019, we used the high profile of our Ammerländer brand in the region to raise awareness of biodiversity. As part of the **“Ammerländer Bienen-schmaus initiative”** (feeding honey bees), aimed at helping bees, we urged consumers to plant wild-flowers to improve the habitat for insects. About 100,000 packages of seeds were distributed to consumers at retail stores in our sales area in north-western Germany as part of the campaign. Sixteen thousand social media users contacted the dairy and received free seeds for the initiative. Molkerei Ammerland also contributed by planting 10 hectares of meadow flowers on the Wiefelstede-Dringen-burg plant grounds. In cooperation with NABU, we implemented further measures to **improve the environment** on the grounds in 2019 and 2020. These include installing numerous aids to nesting for various bird species, such as common swifts. As part of an initiative involving our first-year apprentices, we also planted 30 fruit trees in early 2020.

**304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas**  
The locations of Molkerei Ammerland are not located in protected areas. They are not adjacent to protected areas or to areas of high biodiversity value that are not designated as protected areas.

<sup>3)</sup> Long-term experiment of the University of Göttingen ([https://www.uni-goettingen.de/de/3240.html?archive=true&archive\\_source=presse&archive\\_id=4909](https://www.uni-goettingen.de/de/3240.html?archive=true&archive_source=presse&archive_id=4909) )



## GRI 305: Emissions

### GRI 103: Management approach (103-1, 103-2, 103-3)

Within the scope of our **production processes**, we take care to use energy sparingly and reduce emissions. Molkerei Ammerland regularly collects information on its energy streams in accordance with DIN EN ISO 50001. We do not produce any electricity of our own; all our electricity is sourced from suppliers, who notify us of the carbon dioxide emissions generated. Electricity is responsible for some 50 percent of our CO<sub>2</sub> emissions, with gas accounting for about 40 percent, and diesel fuel for just under 10 percent. Total emissions amounted to 88,027 t CO<sub>2</sub> e in 2019 (2018: 82,258 t CO<sub>2</sub> e).

The operational level is not the only place where we keep an eye on our carbon footprint. We also urge our farmers to monitor their own greenhouse gas emissions. Building on a 2016 pilot project, we will be establishing individual climate assessments [↗](#) at about 25 farms in the summer and fall with support from the Chamber of Agriculture of Lower Saxony [↗](#). When these assessments are prepared,

we will also point out possible ways to reduce greenhouse gas emissions and give the farmers recommendations for lowering these emissions within their operations. Molkerei Ammerland plans to review the results at the cooperative level and see whether good examples can be scaled up, and if so, to what extent.

### 305-1 Direct (Scope 1) GHG emissions

Because Molkerei Ammerland is growing and energy consumption is increasing as a result, CO<sub>2</sub> emissions were up during the reporting period. The total for 2019 was 88,027 t CO<sub>2</sub> e. We use data from Forschungsstelle für Energiewirtschaft e. V. to calculate our CO<sub>2</sub> emissions.

### 305-2 Energy indirect (Scope 2) GHG emissions

See *305-1 Direct (Scope 1) GHG emissions*

### 305-4 GHG emissions intensity

The intensity of GHG emissions – calculated from consumption of electricity, gas, and diesel – in relation to 1 kilogram of milk processed (vMm) was 0.0448 t CO<sub>2</sub> e/kg vMm in 2019.

### CO<sub>2</sub> emissions in total and in relation to the volume of milk processed

	Unit	2017	2018	2019
CO <sub>2</sub> emissions	t CO <sub>2</sub> e	73,959	81,544	88,027
	t CO <sub>2</sub> e/kg vMm	0.0424	0.0455	0.0448
of which from electricity	t CO <sub>2</sub> e	38,919	41,101	44,440
gas	t CO <sub>2</sub> e	28,341	33,058	35,802
diesel	t CO <sub>2</sub> e	6,499	7,385	7,785

## GRI 306: Effluents and Waste

### GRI 103: Management approach (103-1, 103-2, 103-3)

Molkerei Ammerland continues to strive to do business efficiently and as a good steward of resources at every stage of production. This also includes lowering wastewater volumes and minimizing waste. The water management system that is soon to be introduced (GRI 303: Water [↗](#)) will help us systematically tap into potential for further reducing the amount of wastewater we generate.

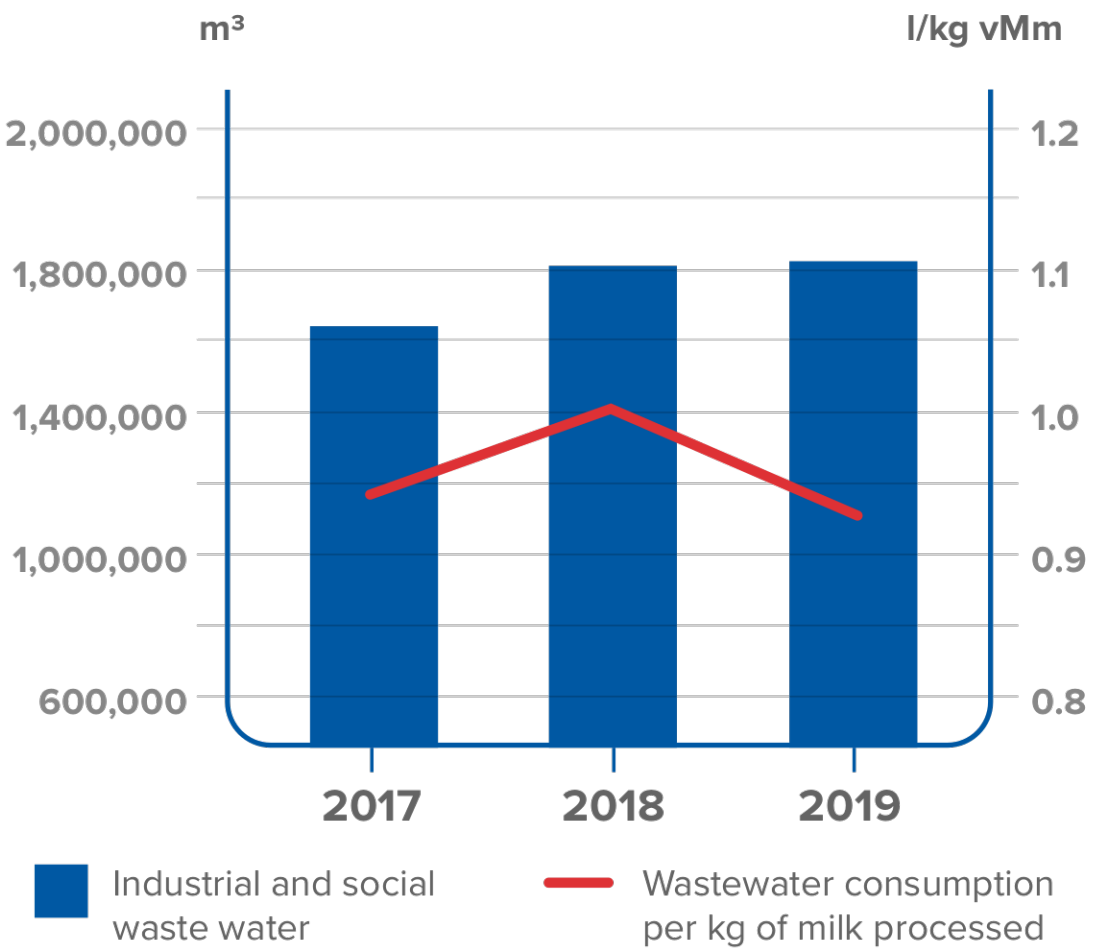
In the future, measures to reduce waste volumes will be identified and implemented under the leadership of a waste officer. The staffing requirements for this are currently being put in place.

### 306-1 Water discharge by quality and destination

As production volumes rose during the reporting period, so did the volume of wastewater generated, albeit by a moderate amount. In relation to the volume of milk processed, wastewater volumes were down (see figure titled “Wastewater generated”). Here as well, the main cause of the savings was the use (separation) of the water arising during evaporation and/or drying (condensate).

At the Oldenburg and Brinkum sites, wastewater is discharged into the public sewer network. The Dringenburg plant has a water treatment facility. The only wastewater discharged into the public sewer here is from the plumbing system. All discharge operations meet the statutory requirements and are monitored accordingly on an ongoing basis.

### Wastewater generated



### 306-2 Waste by type and disposal method

The waste generated is shown in the following table, organized by type, for the period from 2017 to 2019. According to these figures, the volume of waste generated rose as the dairy continued to grow. However, the increase was smaller than in the last reporting period. Recyclables approximately doubled by weight from 2017 to 2019. This is attributable to the larger scope of disposal of used materials. The volume of other non-hazardous waste was reduced through further optimization of production processes. A certain volatility was noted in the case of hazardous waste. The fluctuations are the result of shifts in the frequency of pickup (pickup rhythms) for the individual substances. Disposal was handled exclusively through qualified specialized companies.



Waste volumes

	Unit	2017	2018	2019
Waste for disposal	t	1,106.44	1,114.01	1,215.94
of which non-hazardous waste	t	1,056.69	1,058.51	1,176.11
of which recyclables	t	305.84	587.52	629.34
household waste	t	413.04	317.74	361.14
other non-hazardous waste	t	337.81	153.25	185.63
of which hazardous waste	t	49.75	55.50	39.83
of which oils and lubricants	t	3.80	19.70	3.65
other hazardous waste	t	45.95	35.80	36.18

machines and equipment. The majority of our purchases from external suppliers, some 80 percent by purchase value, fall within the packaging segment. Sustainability criteria are part of our selection and assessment of suppliers. Because of this, we check whether a supplier has an environmental and energy management system, has established a code of conduct, and follows recognized social standards and sustainability standards. In addition, we urge our suppliers to take recognized codes or standards (such as a code of conduct, BSCI, ISO 26000) into account.

308-1 New suppliers that were screened using environmental criteria

All new suppliers provided information on whether they have an environmental and energy management system during this reporting period. In all, 26 of our 45 suppliers have an environmental and/or energy management system.

GRI 307: Environmental Compliance

**GRI 103: Management approach (103-1, 103-2, 103-3)**  
Molkerei Ammerland pledges to comply with all applicable laws, regulations, and guidelines that are directly or indirectly associated with its business activities ([GRI 205: Anti-corruption](#) ☞, [GRI 206: Anti-competitive Behavior](#) ☞). This also concerns environmental protection laws and regulations. Managers stay abreast of the legal provisions applicable in their areas of responsibility and ensure that they are implemented in a timely fashion. They have all of the necessary aids (subscriptions, newsletters, access to relevant sources via the Internet) at their disposal for this. Our legal department also provides support in obtaining information.

307-1 Non-compliance with environmental laws and regulations

There were no cases of non-compliance with environmental protection laws and regulations during this reporting period.

GRI 308: Supplier Environmental Assessment

**GRI 103: Management approach (103-1, 103-2, 103-3)**  
Molkerei Ammerland currently procures goods from 45 providers. These range from packaging, cleaning agents, and disinfectants to additional and auxiliary substances like cultures and enzymes. We also source the materials we need to operate our



# Social

## GRI 401: Employment

**GRI 103: Management approach (103-1, 103-2, 103-3)**

Our employees, people with skill and expertise but also feelings and emotions, are the key to our success. Molkerei Ammerland’s consistently positive development would be impossible without them. To maintain their passionate commitment to our co-operative’s interests and concerns, our company’s employees need to feel comfortable on the job, just like they need opportunities for personal and professional growth. With the goal of remaining an attractive employer, we keep the topics that are relevant to our employees front and center in everything we do. We want our people to have a secure job with us that offers them a pleasant working climate, interesting tasks, good pay, and recognition, along with an environment that puts occupational safety and health first as priorities.

To be able to continue our successful course, we want to retain our employees and, if necessary, strengthen the workforce by adding more specialists. The dairy cultivates a family-like atmosphere, with flat hierarchies and close connections, as a special incentive. We also practice human resources management geared toward different stages of life. That means we work with our individual employees to identify solutions within the range of options

available to meet their personal needs at different stages of life. To help our employees achieve optimum work-life balance, we have created options for flexible working hours. Rather than using standard models, we work with individual employees to craft solutions for them. About 8 percent of our employees work part-time. We also keep an eye on work-life balance for our staff so that we can offer appropriate solutions where possible when there is a need.

The HR department – which is where everything relating to personnel planning, recruitment, staff development, management, and administration comes together – bears primary responsibility for matters concerning our employees. However, personnel management is not just a task for one department. Within our organization, it runs through the activities of all management positions. That means all executive staff are involved, along with the executive management. Together, they work to make sure our leadership principles and the focus on employees arising from our company policies are implemented.

**401-1 New employee hires and employee turnover**

Our growth is also reflected in the rising number of members of the Ammerland family, which continued to grow during the reporting period and now stands at 528 employees (2018: 526, 2017: 485). The aver-

age tenure of employees at Molkerei Ammerland is nine years. Employee turnover stood at 2.1 percent in 2018 and 2.3 percent in 2019. These low figures are a reflection of how satisfied our team is. We firmly believe this is also an important result of our corporate policies and culture.

*Omission: A breakdown by region is not relevant because all locations are in Germany. Owing to the low employee turnover, differentiating by age group and gender is viewed as being immaterial.*

**401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees**

All of our employees receive the same employer-provided benefits. We do not differentiate between full-time and part-time employees or those on fixed-term contracts. As a growing company, we have to be able to respond flexibly to peaks in orders. We therefore rely on temporary workers at times. When we do so, we are careful to make sure these workers are fully integrated into life within the organization during their time with us. They receive the same

**New employee hires and employee turnover**

Unit		2017	2018	2019
Number of new hires		77	59	38
New hire percentage	%	15.9	11.2	7.2
of which female		25	22	11
male		52	37	27
of which under 30 years	%	64.9	52.5	47.4
30 to 50 years	%	19.5	35.6	39.5
over 50 years	%	15.6	11.9	13.2
Employee turnover (number)		8	11	12
Turnover rate	%	1.6	2.1	2.3



pay and employer-provided benefits as permanent employees, wear the same work clothing, and are also invited to all company celebrations as a matter of course.

## GRI 402: Labor / Management Relations

### GRI 103: Management approach (103-1, 103-2, 103-3)

Here at Molkerei Ammerland, everyone – employees and cooperative members alike – shares in the responsibility for achieving the company’s goals, along with the ongoing sustainable development of the cooperative. A solid community and a strong sense of cohesion are especially important to us. In line with this view, cooperative behavior and interpersonal relations characterized by respect, dignity, and equal opportunity are key aspects of the operating and working climate at the dairy. Our managers’ doors are always open. They are always available to their employees for questions, suggestions, criticism, or issues.

A works council was instituted in the mid-1970s to represent our employees’ interests within the scope of the legal specifications. The company works together with the people and bodies representing our employees in a spirit of mutual trust and confidence. Constructive discussions are held with an eye to balancing everyone’s interests in a way that is productive for all sides.

### 402-1 Minimum notice periods regarding operational changes

We comply with the legal deadlines for notification of operational changes. Notices are typically provided in person or via postings made by the company management or works council.

## GRI 403: Occupational Health and Safety

### GRI 103: Management approach (103-1, 103-2, 103-3)

At Molkerei Ammerland, our employees’ health and a safe, secure working environment are the top priority. We make every effort to protect our employees from injury due to accidents and from work-related ill health and other harmful influences. Our working conditions meet all the legal requirements, are in keeping with the state of the art, and are constantly subject to further development.

We conduct regular training activities in the areas of occupational safety and health and monitor the work environment on an ongoing basis. An occupational safety specialist and 17 safety officers – ten for the Wiefelstede-Dringenburg plant, six for the location in Oldenburg, and one for the warehouse in Brinkum – help us to identify and document risks of accident and health risks, eliminate defects where identified, and develop effective preventive measures. We train people in first aid so as to be well prepared for emergencies. Across all of our locations, we have 83 people trained in first aid

(15 percent of all employees) who are ready to step in and help.

The Berufsgenossenschaft Nahrungsmittel und Gastgewerbe (BGN – German Employers' Liability Insurance Association for the Food and Hotel Industry) affirmed again this reporting period that we meet high occupational health and safety standards. This institution has certified annually since 2015 that our existing occupational health and safety measures far exceed the standard required by law.

In the area of personal protective equipment, we also offer individual solutions for our employees, such as allowances for specially made hearing protection or different widths of safety shoes for optimum fit. To improve ergonomic working conditions, employees who work at a desk can request adjustable-height desks as needed. In cooperation with our company physician, we reviewed the ergonomics and technical features of our office workstations in mid-2020 and made improvements where necessary. During this reporting period, we conducted an employee survey regarding potential mental strain<sup>4</sup> in the workplace. After analyzing and inter-

preting the results, we are developing suitable measures intended to bolster the positive effects of the work environment, such as the nature and scope of internal communications. Plans call for these measures to be fully in place by the end of 2021. To raise awareness of the importance of physical activity, we offer our employees the option to lease a company bike. To go along with this, we teamed up with BGN during this reporting period to offer bike safety training geared especially toward electric bikes. Our cafeteria at the Dringenburg site serves fresh and varied lunches to employees there, with the dairy subsidizing the price. We also provide hot and cold beverages at no cost. Our employees can enjoy the dairy’s own products during their breaks.

### 403-2 Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities

The number of occupational accidents reported and the injury rate both fell sharply during this reporting period. The number of days lost per employee show a slightly declining trend in 2019. Our figures are well below the national average stated by the health insurer [Techniker Krankenkasse](#)  (German only) (2018: 15.5, 2019: 15.4).

### Occupational safety

	Unit	2017	2018	2019
Occupational accidents	–	42	43	28
Days lost (per 100 employees)	–	10.4	10.5	10.4
Injury rate (injuries per 100 employees)	–	11.41	10.81	5.61
Number of work-related deaths	–	0	0	0

<sup>4)</sup> More about mental strain can be found [here](#)  (German only)



*Omission: A breakdown by region is not relevant because all locations are in Germany. No breakdown by gender, as there are no gender-specific potential risks.*

**403-3 Workers with high incidence or high risk of diseases related to their occupation**

There are no jobs at Molkerei Ammerland that could lead to a high rate of ill health or health risks.

**GRI 404: Training and Education**

**GRI 103: Management approach (103-1, 103-2, 103-3)**

With demographic change and a shortage of skilled workers looming over Germany, vocational training is highly important to Molkerei Ammerland. Especially in rural areas, companies have a hard time meeting their need for skilled workers. With this in mind, we train a large portion of our future employees ourselves. Our apprentices get to know the requirements relating to sustainability in the dairy industry in detail within our organization and receive full gear for their future tasks. In this way, we offer career prospects for young people in our home region.

Apprentices and trainees make up about 9 percent of our workforce at present. We aim to keep this figure steady at 10 percent. The dairy offers vocational training in a range of tracks: dairy technologist, dairy industry lab technician, management assistant

in industry, electronics technician for automation technology, food technology specialist, machine and equipment operator, warehouse specialist, and IT specialist for system integration. Our apprentices are given responsibility early on so they learn to work independently and on their own responsibility. Once they complete their vocational training successfully, we hire almost all of our newly minted entry-level talent to work with us. In August 2019, we received a special award from Oldenburgische Industrie- und Handelskammer, the Oldenburg chamber of commerce and industry, in recognition of our outstanding contributions to vocational training.

We actively approach potential candidates to get young people interested in careers at our dairy. We engage in regular outreach to schools in the area, including participating in vocational orientation events there. We also aim to teach young people more about our dairy and its cooperative culture through our own activities and campaigns. Since 2016, we have held an annual Future Day (Zukunftstag) event aimed primarily at youth ages 10 to 15. Our annual Apprentice Day (Azubi-Tag) was created in 2017 to appeal to teens approaching the end of school and give them information on different vocational fields.

Continuing education allows our employees to meet the ever-rising and changing requirements that apply in their fields. Training activities not only expand on the knowledge present within the company, but also have a positive effect on our appeal as an employer. As a result, continuing and professional education for our workforce is a key priority

within our personnel management practices. All of our employees attend required training in the areas of hygiene/HACCP concepts, occupational health and safety, and energy management. During this reporting period, we broadened the range of continuing education activities offered to include additional English language classes and workshops focusing on specific software applications. We solicit evaluations from those participating in continuing education and analyze this feedback with the aim of further improving the success of our training efforts. We have been engaging in initial pilot projects since mid-2020 to see whether in-person training activities can also be held increasingly in online forms in the future, and if so, how.

**404-1 Average hours of training per year per employee**

The average hours of training per employee has held steady at a high level for years. For details, please see the table below.

*Omission: Training and continuing education is provided exclusively according to subject-specific aspects, so it is independent of gender. As a result, no gender breakdown is provided here.*

**404-3 Percentage of employees receiving regular performance and career development reviews**

In all, 83 percent (2018) and 84 percent (2019) of the staff received performance reviews during this reporting period.

*Hours of training*

	Unit	2017	2018	2019
per commercial employee	Ø h	28	28	29
per technical employee	Ø h	28	27	27

*Performance reviews*

	Unit	2017	2018	2019
Employees with regular performance reviews	%	87.0	83.0	84.0
of which commercial employees	%	19.0	19.6	20.0
technical employees	%	81.0	80.4	80.0
female	%	32.0	33.0	35.0
male	%	68.0	67.0	65.0



## GRI 405: Diversity and Equal Opportunity

**GRI 103: Management approach (103-1, 103-2, 103-3)**  
The working climate at Molkerei Ammerland is characterized by trust and confidence, tolerance, and constructive dialogue. All employees have the

same opportunities for training and advancement, regardless of their gender, origin, and social circumstances. All of them are urged to deal with each other fairly and with respect and appreciation. This approach is rooted in both our [code of conduct](#) and the management principles of Molkerei Ammerland. These principles express how we view ourselves and what values shape how we treat each

other. From the executive management to executive staff and down the line to each and every employee, everyone is called upon to work to make sure these guiding ideas are to be lived and put into practice within the company.

**405-1 Diversity of governance bodies and employees**

For information on the percentage of women and the age structure, please see the table left.

*Omission: Aside from gender and age group, no further diversity indicators are relevant to Molkerei Ammerland.*

**405-2 Ratio of basic salary and remuneration of women to men**

In keeping with the statutory provisions and collective agreements, Molkerei Ammerland pays its employees fair and competitive wages and salaries, regardless of gender.

## GRI 406: Non-discrimination

**GRI 103: Management approach (103-1, 103-2, 103-3)**  
Molkerei Ammerland does not tolerate unequal treatment in any form whatsoever. Discrimination against employees and/or business partners on the basis of age, gender, appearance, ethnic origin, disability, religion, political or philosophical views, or involvement in trade unions is ruled out. This is

also a fundamental requirement set down in our [code of conduct](#).

**406-1 Incidents of discrimination and corrective actions taken**

No incidents of discrimination during this reporting period.

## GRI 407: Freedom of Association and Collective Bargaining

**GRI 103: Management approach (103-1, 103-2, 103-3)**  
Molkerei Ammerland respects freedom of association and the right to collective bargaining without limitations. A works council was instituted in the mid-1970s to represent our employees’ interests within the scope of the legal specifications. We reach collective agreements for all employees and do not differentiate by gender, in line with the principle of equal treatment. In keeping with the annual agreements reached between the employers’ association and the employers’ association and the Food, Beverages and Catering Industry Trade Union (Gewerkschaft Nahrung-Genuss-Gaststätten, NGG), we pay a uniform collectively agreed wage.

**407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk**

No incidents or indications thereof during this reporting period.

Employees by age groups and gender

	Unit	2017	2018	2019
Percentage of management positions held by women	%	34.5	41.0	40.0
Employee age structure				
under 30 years	%	37.7	32.7	32.2
30 to 50 years	%	37.5	41.4	41.3
over 50 years	%	24.7	25.9	26.5
Percentage of women	%	35.5	35.7	32.2
Supervisory Board age structure				
under 30 years	%	0	0	0
30 to 50 years	%	52.4	47.6	57.1
over 50 years	%	47.6	52.4	42.9
Percentage of women	%	4.8	4.8	4.8
Board of Management age structure				
under 30 years	%	0	0	0
30 to 50 years	%	66.7	44.4	33.3
over 50 years	%	33.3	55.6	66.7
Percentage of women	%	0	0	0



## GRI 416: Customer Health and Safety

**GRI 103: Management approach (103-1, 103-2, 103-3)**  
Molkerei Ammerland’s products are produced to the highest standards of quality. To go above and beyond the fundamental requirements of food law, we have established an extensive quality management system. Numerous certifications attest to our stringent quality policies at all levels: Food Safety System Certification (FSSC) 22000, IFS (International Featured Standard Food, higher level), VLOG standard (without genetic engineering), EU organic/Bioland, PRO WEIDELAND, and Q+S feed, as well as halal and kosher certification. All products from our dairy are labeled in accordance with the legal requirements and are subject to official food monitoring.

From milk production through to the end product, extensive sampling and testing processes take place on specified schedules to ensure compliance with the relevant quality parameters. We also ensure 100 percent track and trace capability through extensive documentation. At our production sites, we analyze the milk and all products made from it in our own labs. Accredited external laboratories (LUFA Nord-West) also perform regular checks to confirm, among other things, that the products are marketable in terms of their chemical, microbiological, and sensory qualities, as well as the declaration. Our products garnered numerous DLG (German Agricultural Society) awards in the 2018/2019 reporting period alone: 28 gold, ten silver, and one

bronze. This underscores that we meet the stringent standards of quality that we set for ourselves and our suppliers. To ensure the utmost in food safety, we rely on the hazard analysis and critical control points (HACCP) concept, which has proven its value internationally. The system serves to identify, assess, and control health risks stemming from foods.




**416-1 Assessment of the health and safety impacts of product and service categories**  
Molkerei Ammerland sets the highest possible standards of quality for the production process, all products produced, and the entire supply chain, as described above.

**416-2 Incidents of non-compliance concerning the health and safety impacts of products and services**  
No incidents of non-compliance with regulations and/or voluntary rules of conduct concerning the health and safety impacts of products during this reporting period.

## GRI 417: Marketing and Labeling

**GRI 103: Management approach (103-1, 103-2, 103-3)**  
Molkerei Ammerland takes meticulous care to ensure that the entire product range meets all requirements under food law. Our products are labeled in accordance with the legal specifications. The accu-

racy of the labeling information is ensured through internal and external marketability tests, official food monitoring activities, and the certification of our quality management system.

Molkerei Ammerland is meeting rising demand for responsibly and ecologically produced products with added value concepts. Added value is created, for example, when we process pasture milk or organic milk from cows that do not receive any genetically modified feed. Products from our national Ammerländer pasture milk range carry the [PRO WEIDELAND](#)  label. This label guarantees that consumers who buy these products are supporting pasture farming and animal welfare. Organic milk from Molkerei Ammerland is processed in line with the requirements of [Bioland e. V.](#)  (German only) Ammerländer organic products carry this farming association’s seal. As part of our brand communication efforts, we reach out to consumers about our added value concepts and the background behind them, providing information on product packaging, on the [Ammerländer website](#)  (German only), and on social media.

We view transparency as an important quality feature, not just within the production process, but also in communications. We are happy to hear from our customers by mail, e-mail, phone, and social media (Facebook, Instagram) with any questions, suggestions, or complaints they may have. We process all inquiries as quickly as possible. This typically takes us three days. The sales and quality management teams deal directly with product complaints. We analyze the complaints received every month, in-

cluding with an eye to the volumes concerned and the costs incurred. We use the insights gleaned from this process to further optimize production, logistics, and quality assurance processes.

**417-1 Requirements for product and service information and labeling**  
The information provided about our products and product labeling fulfills all relevant legal specifications. This is confirmed time and again through regular external marketability tests. There are no rules on specific disposal information for the foods we produce.

**417-2 Incidents of non-compliance concerning product and service information and labeling**  
No incidents of non-compliance with regulations and/or voluntary rules of conduct concerning product information and/or labeling.

**417-3 Incidents of non-compliance concerning marketing communications**  
No incidents of non-compliance with regulations and/or voluntary rules of conduct concerning marketing communications, including advertising, promotion of sales, and sponsoring.

## GRI 418: Customer Privacy

**GRI 103: Management approach (103-1, 103-2, 103-3)**  
We collect customer data exclusively for the intended purpose agreed upon with the customer, for example in the case of sweepstakes or com-





plaints. Under no circumstances do we share this information with third parties. We follow all of the requirements of the EU General Data Protection Regulation (GDPR) and have put them in place in guidelines and specifications that apply within the organization.

**418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data**

No substantiated complaints concerning breaches of customer privacy and no cases of leaks, theft, or loss of customer data during this reporting period.

**GRI 419: Socioeconomic Compliance**

**GRI 103: Management approach (103-1, 103-2, 103-3)**

Molkerei Ammerland pledges to comply with all applicable laws, regulations, and guidelines that are directly or indirectly associated with its business activities, including the legal provisions of the countries where organizations or institutions with which it maintains business relations are located ([GRI 205: Anti-corruption](#) , [GRI 206: Anti-competitive Behavior](#) ). Managers stay abreast of the legal provisions applicable in their areas of responsibility and ensure that they are implemented in a timely fashion. They have all of the necessary aids (subscriptions, newsletters, access to relevant sources via the Internet) at their disposal for this. Our legal department also provides support in obtaining information.

**419-1 Non-compliance with laws and regulations in the social and economic area**

No cases of non-compliance with social and economic laws and/or regulations during this reporting period.



# Key indicators

Finance	Unit	2017	2018	2019	GRI disclosures
Turnover	Million EUR	889.5	916.8	998.6	102-7, 201-1
of which cheese	Million EUR	410.3	415.0	608.1	
butter	Million EUR	109.8	103.2	92.1	
fresh products	Million EUR	73.5	68.5	83.4	
powder	Million EUR	57.1	55.1	75.0	
other	Million EUR	238.8	275.0	140.0	

Milk production and product	Unit	2017	2018	2019	GRI disclosures
Volume of milk processed	Million kg	1,738.4	1,805.9	1,965.7	301-1
of which pasture milk	Million kg	471.3	593.8	761.6	
organic milk	Million kg	7.6	26.0	30.8	
Production volume	t	694,871	712,117	774,589	102-7
of which cheese	t	134,366	145,474	164,496	
butter	t	22,853	20,939	22,592	
fresh products	t	134,820	130,848	160,320	
powder	t	44,790	53,591	63,413	
liquid shipping	t	358,042	361,265	363,768	
Milk price paid to producers (4.0 % fat, 3.4 % protein)	ct/kg, net	36.51	34.62	34.68	
Number of active milk suppliers (annual average)		1,926	1,889	1,930	

Milk production and product	Unit	2017	2018	2019	GRI disclosures
Number of suppliers		66	43	45	
of which for packaging		27	21	23	
for additional and auxiliary substances		12	6	6	
for cleaning agents and disinfectants		17	11	11	
other		10	5	5	
Percentage of turnover attributable to regional suppliers <sup>5)</sup>	%	15.7	10.1	11.1	204-1

Employees	Unit	2017	2018	2019	GRI disclosures
Total		485	526	528	102-7
of which apprentices/trainees		51	48	46	
Vocational training rate	%	10.5	9.1	8.7	
of which female		172	188	170	102-8
male		313	338	358	102-8
of which technical employees		338	361	373	
commercial employees		96	104	110	
of which full-time		444	482	485	102-8
of which female	%	30.6	30.9	27.2	102-8
of which part-time		41	44	43	102-8
of which female	%	87.8	88.6	88.4	102-8
of which temporary workers		37	35	15	
Employees covered by collective agreements	%	100	100	100	102-41

<sup>5)</sup> “Regional” means within a radius of 80 kilometers from our production sites in Dringenburg and Oldenburg



Employees	Unit	2017	2018	2019	GRI disclosures
Number of new hires		77	59	38	401-1
New hire percentage	%	15.9	11.2	7.2	
of which female		25	22	11	
male		52	37	27	
of which under 30 years	%	64.9	52.5	47.4	
30 to 50 years	%	19.5	35.6	39.5	
over 50 years	%	15.6	11.9	13.2	
Employee turnover (number)		8	11	12	401-1
Staff turnover rate	%	1.6	2.1	2.3	401-1
Diversity					405-1
Percentage of management positions held by women	%	34.5	40.7	40.4	
Employee age structure					
under 30 years	%	37.7	32.7	32.2	
30 to 50 years	%	37.5	41.4	41.3	
over 50 years	%	24.7	25.9	26.5	
Percentage of women	%	35.5	35.7	32.2	
Supervisory Board age structure					
under 30 years	%	0	0	0	
30 to 50 years	%	52.4	47.6	57.1	
over 50 years	%	47.6	52.4	42.9	
Percentage of women	%	4.8	4.8	4.8	
Board of Management age structure					
under 30 years	%	0	0	0	
30 to 50 years	%	66.7	44.4	33.3	
over 50 years	%	33.3	56.6	66.7	
Percentage of women	%	0	0	0	

<sup>6)</sup> vMm = volume of milk processed  
<sup>7)</sup> Subsidiary Ammerländer Milchtransport GmbH (AMT)

Employees	Unit	2017	2018	2019	GRI disclosures
Hours of training provided					404-1
per commercial employee	Ø h	28	28	29	
per technical employee	Ø h	28	27	27	
Employees with regular performance reviews	%	86.6	83.3	83.5	404-3
among commercial employees	%	19.0	19.6	20.0	
technical employees	%	81.0	80.4	80.0	
female	%	32.1	33.3	34.8	
male	%	67.9	66.7	65.2	
Occupational health and safety					
Occupational accidents		42	43	28	403-2
Days lost (per 100 employees)		10.4	10.5	10.4	403-2
Injury rate (injuries per 100 employees)		11.41	10.81	5.61	403-2
Number of work-related deaths		0	0	0	403-2

Environment	Unit	2017	2018	2019	GRI disclosures
Energy consumption	kWh	210,872,739	231,158,594	249,866,518	302-1
	kWh/kg vMm <sup>6</sup>	0.1213	0.1280	0.1271	302-3
of which electricity	kWh	70,124,766	74,457,885	80,506,892	302-1
	kWh/kg vMm	0.0403	0.0412	0.0410	302-3
gas	kWh	140,747,973	156,700,709	169,359,626	302-1
	kWh/kg vMm	0.0810	0.0868	0.0862	302-3
Diesel consumption					
Milk tankers <sup>7</sup>	l	2,493,241	2,600,464	2,759,654	
	l/t milk	1.44	1.46	1.44	
Refrigerated delivery vehicles	l	181,458	188,673	186,269	
Cars	l	45,653	43,913	40,682	



Environment	Unit	2017	2018	2019	GRI disclosures
CO <sub>2</sub> emissions	t CO <sub>2</sub> e <sup>8</sup>	73,759	81,544	88,027	305-1, 305-2
	kg CO <sub>2</sub> e/kg vMm	0.0424	0.0455	0.0448	
of which from electricity	t CO <sub>2</sub> e	38,919	41,101	44,440	305-2
gas	t CO <sub>2</sub> e	28,341	33,058	35,802	305-2
diesel	t CO <sub>2</sub> e	6,499	7,385	7,785	305-1
Water and wastewater					
Water consumption	m <sup>3</sup>	1,265,677	1,454,216	1,363,646	303-1
	l/kg vMm	0.7281	0.8053	0.6937	
of which municipal water	m <sup>3</sup>	761,840	947,368	835,823	303-1
	l/kg vMm	0.4382	0.5246	0.4252	
well water	m <sup>3</sup>	503,837	506,848	527,823	303-1
	l/kg vMm	0.2898	0.2807	0.2685	
Wastewater	m <sup>3</sup>	1,638,602	1,812,475	1,827,558	306-1
	l/kg vMm	0.9426	1.0036	0.9297	
Waste for disposal	t	1,106.44	1,114.01	1,215.94	306-2
of which non-hazardous waste	t	1,056.69	1,058.51	1,176.11	
of which recyclables	t	305.84	587.52	629.34	
household waste	t	413.04	317.74	361.14	
other non-hazardous waste	t	337.81	153.25	185.63	
of which hazardous waste	t	49.75	55.50	39.83	
of which oils and lubricants	t	3.80	19.70	3.65	
other hazardous waste	t	45.95	35.80	36.18	
Packaging materials	t	9,375.5	10,300.5	11,332.7	301-1
of which recycling materials	%	35.46	32.64	35.71	301-3





Environment	Unit	2017	2018	2019	GRI disclosures
Expenditures and investments aimed at environmental protection	EUR	4,362,825	4,833,705	7,034,681	
of which waste management	EUR	94,033	90,015	1,305,268	
wastewater management	EUR	3,623,835	3,958,876	3,753,869	
noise and vibration protection	EUR	382	382	382	
clean air	EUR	32,952	136,111	109,859	
climate protection	EUR	611,624	636,777	1,742,291	
species and landscape conservation	EUR	–	1,100	14,284	
increasing energy efficiency and energy conservation measures	EUR	–	10,444	73,403	
preventing and lowering emissions	EUR	–	–	35,325	
Investments in fixed assets	EUR	3,790,678	1,098,400	29,330	














<sup>8)</sup> CO<sub>2</sub> equivalent



# Goals

Molkerei Ammerland views sustainable business as a continuous process that we pursue systematically. To achieve continuous improvement, we have defined specific goals for each of our six action fields. We will report on our progress toward these goals in the course of further sustainability reports. The most important goals and their status are shown in the table below.

-  Goal reached
-  Interim results achieved, work continues
-  In implementation
-  New goal

Goals	Measures	Deadline	Status	
Corporate management				
Further expand sustainability management at the strategic level	Revise sustainability mission statement in light of advances since initial publication in 2011	2019	Revised sustainability <a href="#">mission statement</a>  published in February 2019	
	Further develop internal structures to collect information and work on sustainability-related topics	2021	Start of processing 2020	
Expand on dialogue with stakeholders	Strengthen and stabilize dialogue on sustainability-related topics, especially with employees, milk suppliers, customers, and NGOs	ongoing	Pilot phase of Dairy Sustainability Tool continued with milk suppliers; support for external initiatives such as PRO WEIDELAND; joint projects and activities with customers	
	Conduct a stakeholder survey to further develop the materiality analysis	2019	Survey conducted in March and April 2020 ( <a href="#">102-46 Defining report content and topic Boundaries</a>  )	
Systematize the collection of key indicators	Introduce software-based solution to collect key indicators on sustainability from across the company	2019	Cloud-based software introduced in the second half of 2019; database of key indicators on sustainability since 2015 setted up	
Expand scope of report	Review of inclusion of further corporate units in reporting	2020	Initial internal exploratory talks held	
Milk production				
Achieve a stable milk price paid to producers	Achievement of a milk price paid to producers that is above average, at least at the regional level	ongoing	The milk price paid to producers was above the average for the state of Lower Saxony in 2018 and 2019 ( <a href="#">GRI 201-1: Direct economic value generated and distributed</a>  )	
Support and promote sustainable milk production	Further participation in the QM milk Dairy Sustainability Tool pilot project; survey of milk suppliers regarding sustainability in milk production	2020	Pilot phase successfully concluded in early 2020; 1,060 milk producers participated in the survey; <a href="#">results</a>  were extensively communicated with the farmers ( <a href="#">102-12 External initiatives</a>  )	



Goals	Measures	Deadline	Status	
	Participation in Dairy Sustainability Tool 2.0 from July 2020 to June 2023 as a continuation of the pilot phase	2023	Dairy Sustainability Tool 2.0 was launched on July 1, 2020. Initial discussions of the further implementation of the tool at the cooperative level have been held.	☆
	Step-by-step implementation of the minimum requirements <sup>9</sup> for sustainable milk production as formulated by the SAI Platform Dairy Working Group	ongoing	Two workshops with the Board of Management and the Supervisory Board, in the process implementing a materiality analysis and prioritizing important topics while taking into account the results of the Dairy Sustainability Tool that are on hand to date; communication regarding producer advising and Milchinfo (monthly information sheet for milk producers)	🔄✓
	Assessment of climate balance at our milk producers’ farms	ongoing	Assessment started on schedule; at selected farms, balance sheets compared with the TEKLa calculation tool of the Chamber of Agriculture of Lower Saxony and the Cool Farm Tool; initial results discussed with stakeholders	☆
Enhance value creation for the raw milk processed	Continue and expand the pasture milk and organic milk program in cooperation with the milk producers	ongoing	Volumes of pasture milk and organic milk processed increased during the reporting period (key indicators 📈)	🔄✓
Production and products				
Serve demand for sustainably produced products	Adjust product range according to the requirements of customers of Molkerei Ammerland	ongoing	Introduction of milk products made from pasture milk and organic milk for customers from the grocery, wholesale, and industry sectors	🔄✓
Market organic milk products	Introduction of additional organic milk products under our Ammerländer brand	2020	Introduction of Ammerländer organic UHT milk in early 2020	✓
Support sustainability in the supply chain	Discussions with the biggest suppliers regarding how sustainability aspects can be taken into account even more comprehensively in the supply chain	2019	Consideration of sustainability aspects in regular supplier discussions in the process, it proved to be a good idea to approach specific areas of emphasis and discuss them individually.	⋯
Employees				
Train employees	Keep vocational training rate at 10 percent on an ongoing basis	ongoing	Vocational training rate during this reporting period 9.1 percent (2018) and 8.7 percent (2019)	🔄✓
	Continuation of the measures introduced during the last reporting period to appeal to potential apprentices	ongoing	Two daylong events focusing on the future and on apprentices held during this reporting period (GRI 404: Training and Education 📈)	🔄✓
Expand continuing education	Implementation of measures to improve results of training activities; development of a high-quality pool of instructors	2019	Training evaluation system expanded and intensified; internal instructors given capabilities for training where necessary	✓
	Holding informational events on the topic of sustainability	2019	Search for suitable possibilities not yet concluded; review of establishment of an online format	⋯
	Review changing training sessions from in-person to online formats	ongoing	Initial pilot projects launched in mid-2020	☆

<sup>9)</sup> These include: the principles of the International Labour Organization (ILO), fundamental principles of animal health and animal welfare based on the “five freedoms,” compliance with relevant laws and not harming areas with high nature conservation value, no deforestation



Goals	Measures	Deadline	Status	
Improve compatibility of work and family life	Analysis of employee needs; review of possibilities for introducing offers of this kind	ongoing	Possibility of shifting 60 jobs to work from home created rapidly in the course of the coronavirus pandemic	🔄✔
Promote occupational safety and health	Maintain existing level of occupational safety	ongoing	Number of occupational accidents and injury rate reduced during this reporting period (GRI 403: Occupational Health and Safety 🔄)	🔄✔
	Measures identified based on the analysis performed for purposes of occupational health management	ongoing	Survey conducted regarding possible mental health risks; appropriate measures identified and implemented on that basis	🔄✔
Environment				
Boost energy efficiency	Enhance energy efficiency in production of milk products by 5 percent between 2018 and 2020	2020	Energy efficiency was already up 3 percent at the end of 2019.	🔄✔
Systematically control water use and waste	Implementation of management systems for the areas of water and waste	2020	Water management system: preparations in 2019 as a result of thesis project; system to be developed by Q3 2020 Waste management system: Meet staffing requirements first, then start with implementation.	⋯
Increase use of sustainable packaging	Review packaging used for the Ammerländer product range to identify more sustainable alternatives and follow up in stages	ongoing	Increased use of sustainably produced packaging for milk (GRI 301: Materials 🔄).	🔄✔
Preserve and promote pasture landscapes	Continue cooperation with Grünlandzentrum to promote the positive effects of pasture farming on animal and plant species	ongoing	Molkerei Ammerland remained active during this reporting period and continued to act as a transfer partner to Grünlandzentrum (102-12 External initiatives 🔄).	🔄✔
Society				
Support community well-being	Support projects and measures in the areas of sustainable landscape development, education, family, culture, and development aid	ongoing	Examples from this reporting period: arranged turning out of cows onto pasture as events with high public impact (in cooperation with Grünlandzentrum), support for the Frisches Frühstück (Fresh Breakfast) initiative, participation in regional events (LandTage Nord trade fair, Kochen am Schloss cooking event, Inclusion Game Day with Werder Bremen, Beach Days Borkum, Landesturnier horseback riding event in Rastede); support for demonstrations by farmers in the fall of 2019	🔄✔



# Sustainable Development Goals

This overview shows how we are contributing to various United Nations Sustainable Development Goals (SDGs).

Goals		Contributions
	End hunger, achieve food security and improved nutrition and promote sustainable agriculture	<ul style="list-style-type: none"><li>Dairy Sustainability Tool for step-by-step advances toward more sustainable milk production</li><li>Promotion of pasture-based farming for dairy operations</li><li>Possibility of producing pasture milk and organic milk</li><li>Support for the Frisches Frühstück (Fresh Breakfast) initiative to raise awareness of healthy breakfast habits among preschoolers</li></ul>
	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	<ul style="list-style-type: none"><li>Support for next-generation talent: vocational training rate of 9 percent</li><li>One in four farms that belong to our cooperative has apprentices or interns, and 4 percent support or employ at least one person with special needs or a disability</li></ul>
	Achieve gender equality and empower all women and girls	<ul style="list-style-type: none"><li>Firmly rooted principle of equal treatment of all employees</li><li>40 percent of management employees are women</li></ul>
	Ensure availability and sustainable management of water and sanitation for all	<ul style="list-style-type: none"><li>Water consciousness: Wastewater volumes have been trending downward since 2006 in relation to the volume of milk processed</li></ul>
	Ensure access to affordable, reliable, sustainable and modern energy for all	<ul style="list-style-type: none"><li>Goal: to increase energy efficiency for production of our dairy products over the next three years (2018–2020) by 5 percent (as of the end of 2019, energy efficiency had already been increased by 3 percent)</li><li>Nearly half of our dairy producers generate renewable energy or are involved in generation</li></ul>

Goals		Contributions
	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	<ul style="list-style-type: none"><li>Stable, above-average milk price paid to producers</li><li>Strategic investments and dynamic development of Molkerei Ammerland</li><li>Continuous increases in the equity base as a key element in maintaining the cooperative's independence</li></ul>
	Ensure sustainable consumption and production patterns	<ul style="list-style-type: none"><li>Processing of milk from a radius of 80 kilometers around the dairy</li><li>Production of products made from pasture milk and organic milk</li><li>Use of recycled materials and FSC-certified cardboard for packaging</li><li>Use of sustainable drinking milk packages</li></ul>
	Take urgent action to combat climate change and its impacts	<ul style="list-style-type: none"><li>CO<sub>2</sub> emissions from energy sources trending downward in relation to the volume of milk processed since 2011</li></ul>
	Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss	<ul style="list-style-type: none"><li>Transfer partnership with Grünlandzentrum Niedersachsen/ Bremen and support for PRO WEIDELAND with the goal of preserving pastures as permanent green space and habitats for plants and animals</li></ul>
	Strengthen the means of implementation and revitalize the global partnership for sustainable development	<ul style="list-style-type: none"><li>Participation in the Dairy Working Group of the Sustainable Agriculture Initiative (SAI) Platform</li></ul>



# Publishing statement

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**Forward-looking statements**

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