



# Sustainability report 2017/2018

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## About this report

GoodMills Deutschland GmbH started on a path towards greater sustainability in 2013 with its seven-point sustainability programme. This programme is continuously being developed. Specific sustainability goals were formulated in the 2017/18 financial year. This sustainability report specifically describes the goals and all sustainability initiatives for the first time. The economic, ecological and social actions and their effects are all documented.

### Scope

This sustainability report relates to GoodMills Deutschland GmbH and its subsidiaries.

### Principles of report preparation

The 2017/18 sustainability report was prepared in line with GRI standard: core option. The table on page 30 is a voluntary comparison with the GRI criteria catalogue which take into account the key topics when selecting the specific standard information. No external audit was carried out.

### Principles of reporting

In order to prepare this sustainability report, a team was first formed which then created the stakeholder matrix during a workshop and verified and finalised it in discussion with employee and the management. The data for the report were collected during the current financial year. The financial figures were compared with those from the previous annual report for the 2017/18 financial year, which was published in the Federal Gazette. The sustainability goals were drafted in a workshop by the team and the management and were adopted. The report was prepared by means of a number of discussions with those responsible in the various specialist departments, subjected to a multi-level testing process and then passed by the management.

## Statement from the management

Dear readers,

Sustainability has a long tradition in our company and is much more than just a trend. Our company has been supplying high quality ground cereal products, grain-based ingredients, rice and pulses for pleasurable and valuable nutrition to people in our country since 1883. Grains, for example, are rich in complex carbohydrates and a significant source of energy, while pulses provide more protein than any other plant-based food without being high calorie. The combination of pulses and grains is particularly valuable as the proteins in this combination create high quality proteins from a nutritional physiology perspective.

These first-rate contributions to nutrition and the fact that one in five baked goods produced in Germany uses flour processed in our mills is both an obligation and an incentive. We are constantly developing innovative products, investing in modernising our mills and working continuously to increase the quality and safety of our products at all of our locations. We are aware that our corporate activities are associated with some harm to the environment. We place a responsibility to act in an environmentally responsible manner as far as possible on ourselves, and we work hard at this.

By combining a central corporate management with a decentralised location structure of the mills operated in Germany, we are able to supply domestic customers with high quality flour products based on regional raw materials.

Economic success with a sparing use of natural resources is both a requirement and an ambition for us. The efficient and economical use of energy that has been in place in our facilities for decades is an example of our sparing use of resources. The best energy is unused energy.

We want to make our claim that we work sustainably both specific and tangible. This is why we developed our sustainability programme. We set out priorities for sustainable actions in an open dialogue with our employees, customers, suppliers and partners, and from this derived specific goals that make us feel bound.

GoodMills Deutschland GmbH and its employees already work in a targeted and effective sustainable manner in the most varied of areas. These include successful activities in areas of further training, consumer protection and occupational health and safety.

Transparent documentation aims to show precisely where we still want to develop. In this way, we create trust and can continuously expand and improve our sustainability programme. We are looking forward to it!

Best wishes,

Gunnar Steffek

Markus Green

Christoph Klöpffer

## Vision and mission

### Vision

As part of the GoodMills Group, we make a significant contribution to the nourishment – sustainable, valuable and economically successful. This makes us the first choice for our customers, employees and other stakeholders.

### Mission

We exist because we contribute to supplying consumers in Germany with high quality food every day.

The eight pillars of our corporate philosophy are:

- Good handling of raw materials
- Good corporate ethics
- Good employees
- Good specialist knowledge
- Good products
- Good customer relationships
- Good local anchoring
- Good international collaboration

### Corporate structure

GoodMills Deutschland GmbH (hereinafter referred to as GoodMills Germany) is the managing holding of the GoodMills Germany Group, registered in the Hamburg commercial register under HRB 133482.

It belongs 100% to the Austrian GoodMills Group GmbH, Europe's largest milling company, which is a wholly owned subsidiary of LEIPNIK LUNDENBURGER INVEST Beteiligungs Aktiengesellschaft (LLI), Vienna, Austria.

No governments are involved in the ownership structures. The company headquarters of GoodMills Germany is in Hamburg. It is the heart of GoodMills Germany and controls all of the central areas of the corporate group, such as finance, accounting, controlling, HR, IT and the management.

In addition to the company headquarters, GoodMills Germany also includes the seven mill locations that come under the mill division, Müller's Mühle GmbH, Aurora Mühlen GmbH and GoodMills Innovation GmbH.

# Our locations

## GoodMills Deutschland GmbH



## Certifications

All of the GoodMills Germany location are comprehensively certified. The individual certificates are listed in the following table.

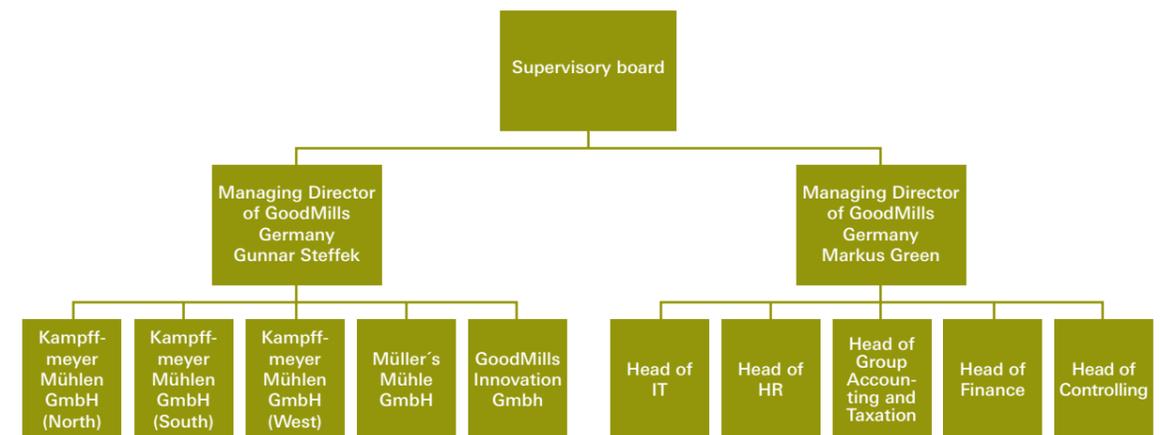
	Aurora Mühle Hamburg	Schüttmühle Berlin	Hildebrandmühle Mannheim	Hildebrandmühle Frankfurt	Nordland Mühle Jarmen	Ellmühle Köln	Rosenmühle Ergolding	Müller's Mühle	Aurora Mühlen	Goodmills Innovation
IFS Food	✓	✓	✓		✓	✓	✓	✓		✓
Q+S	✓	✓		✓	✓	✓	✓			
GMP+B2			✓					✓		
FSSC 22000				✓						
EGM	✓	✓	✓	✓	✓	✓	✓			✓
DIN EN ISO 50001:2011	✓	✓	✓	✓	✓	✓	✓	✓		
Kosher	✓	✓	✓	✓	✓	✓	✓	✓		✓
Halal						✓	✓	✓		✓
BCS-Öko-Garantie								✓		✓
IFS Broker									✓	
Hamburg environmental partnership	✓									

## Leadership structure

GoodMills Deutschland is led by the two managing directors, Gunnar Steffek and Markus Green. The extended management team consists of the managing directors of Müller's Mühle GmbH, the managing directors of the mill group and GoodMills Innovation and the heads of the HR, IT and Group Accounting and Taxation departments.

A managing directors' meeting takes place at least once a month with the operational and strategic challenges of the company being discussed and decided. The supervisory board of GoodMills Germany consists of two representatives of the GoodMills Group, two employee representatives and an external member. The supervisory board meets four times a year to advise the GoodMills Deutschland GmbH management, to carry out assessments and to make decisions.

Ms Claudia Schulz has been appointed Compliance Manager and Ms Anita Strietzel as Sustainability Officer. These people report directly to the management in these roles.



Source: own information

## Facts and figures

Number of employees: 686 (FY 2017/18)

Total number of operations: 9

Revenue in the financial year: 432 million euros (FY 2017/18)

## Brands and products

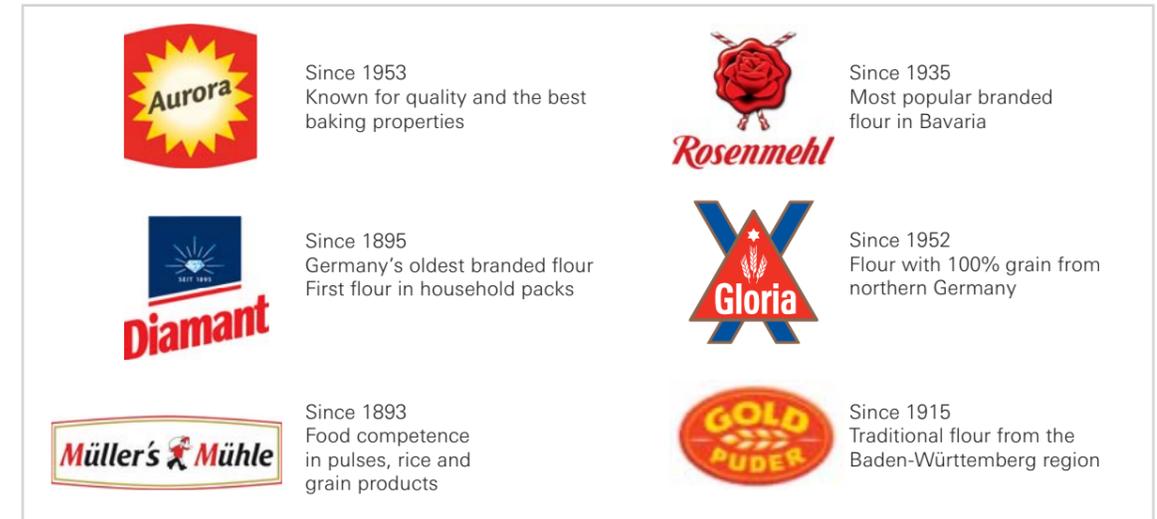
The core competencies of GoodMills Germany lie in the grinding of grain, the processing of rice and pulses (“husking”) and the functionalisation of special innovative, grain-based products. GoodMills Germany offers an extensive range of high quality products for end consumers, the food industry and the baking industry, which currently consists of 2074 different items.

High quality ground cereal products for the most varied of requirements in the food and baking industries are produced in the mills division. In addition to the classic superfine flours, specially developed products are produced for the most varied of applications, because a different quality of flour is needed for the industrial production of a pizza than to produce cakes and waffles. The same also applies to the production of snacks or the processing of sourdough. As well as bread grains, Müller’s Mühle also processes various pulses and types of rice for both industrial and home use. Quality, health and naturalness are the focuses of all of our products.

The product range includes:

- Wheat flour products: superfine flours, wholegrain flours and grist, fine semolinas, regular semolinas and seeds
- Spelt flour products
- Durum wheat semolinas in different granulations
- Masa flour based on cooked polenta for tortilla chips
- Rye flour products: superfine flours, wholegrain flours and grits
- Functional flours (single origin, thermally and hydrothermally refined, seed reduced, technical problem solutions)
- Baking mixtures for breads and small pastries, cakes and fine baked goods, pizzas and snacks
- Baking agents based on enzymes, sourdough, emulsifiers, stabilisers (also available as clean label products)
- Textured proteins (based on wheat protein)
- Pulses: lentils, beans and peas
- Pulse flours: red lentil flour, green pea flour and chickpea flour
- Rice: basmati, risotto, jasmine, rice for rice pudding, long grain and wild rice and rice flour and rice semolinas
- Others: cous cous, bulgur, quinoa, millet, pearl barley, popcorn corn and tartary buckwheat.

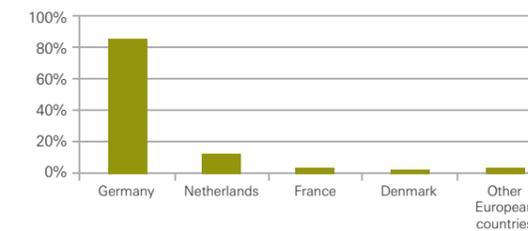
GoodMills Germany has some of the oldest and most popular brands in the country. As the largest provider of branded flours, it covers all of the regions in Germany. With “Müller’s Mühle” it is the leading market provider of pulses.



## Markets served

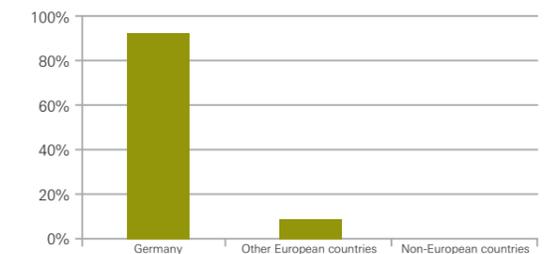
The core business of GoodMills Germany is in Germany. In the business-to-business operations, high quality cereal flour products are provided to the food industry and the baking industry. Small percentages are also supplied to customers in the Netherlands, France and other surrounding European countries.

Distribution of the markets for flour and by-products in the 2017/18 FY



Source: own information (quantity)

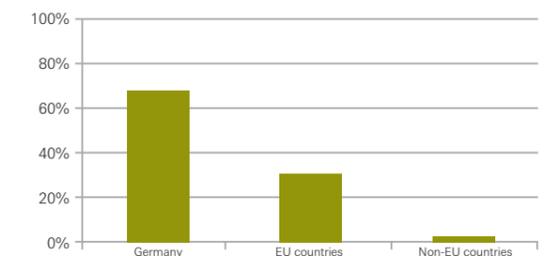
Distribution of the markets for Müller's Mühle in the 2017/18 FY



Source: own information (quantity)

In the business-to-consumer operations of Müller's Mühle, cereal flour products, pulses and rice are sold to end consumers in Germany and other European countries through food retailers. The market of GoodMills Innovation comprises business-to-business partners across Europe and around the globe. In addition to the baking trade, the business also concentrates on supplying the food industry and large bakeries. The export of goods for all business areas is currently just under 15% of the total revenue.

Distribution of the markets for GoodMills Innovation in the 2017/18 FY



Source: own information (quantity)

## Stakeholders

The possible stakeholders were identified by the “sustainability” working group on the basis of an analysis of the corporate activities and scientific knowledge about the topic of stakeholder management. This list was then prioritised during a workshop and an analysis was then carried out of which stakeholders dialogues have already been carried out or should be carried out and what the priorities are for this.

The result is shown in the following table:

Stakeholders	Key themes	Dialogue
Employees	Occupational health and safety, further training, compliance, pension scheme, fair pay safe workplace, flexible working hours model	<ul style="list-style-type: none"> <li>• at a work level at least 1 x weekly</li> <li>• 1 x annually in the performance reviews</li> <li>• there are also works councils at every location</li> <li>• 1 x annually general meeting of the works council</li> <li>• quarterly meetings at a company level</li> <li>• 1 x annually in the works meeting</li> </ul>
Consumers (B2C)	Safety and quality, emissions, labelling of products and services, product diversity, product innovations	in the event of consumer questions of any kind or cooking or baking events and as part of market research studies
Trade (bulk consumers, food retailers)	Procurement practices, economic performance, labelling of products and services, compliance	min. 1 x annually (annual discussion)
Customers (B2B: food, feed)	Product safety and quality, customer health and safety, emissions, labelling of products and services	min. 1 x annually (quality discussions, harvest discussions, annual discussions or similar)
Suppliers: grain trade, farmers, industry (LM components, packaging), energy	Procurement practices, economic success	multiple times a year (contract negotiations, stock exchange discussions, annual discussions)
Residents (inhabitants of locations, local administration/authorities)	Emissions, compliance	only when necessary as a result of events
Shareholders	Economic performance, energy, emissions, compliance	4 x annually
Service providers (freight forwarders, HR service providers, specialist companies, consultants etc.)	Economic performance, energy, emissions, compliance	in day-to-day operations
Trade union	Occupational health and safety protection, workplace safety, further training, payment	in tariff negotiations, joint works meetings

GoodMills Germany aims to achieve intensive dialogue with all stakeholders. The fixed deadlines in the year are the focus. Day-to-day business requires daily communication for example between employees and customers, employees and service providers or managers and employees. Here, the focus is an open dialogue in line with the corporate values. No additional discussions with stakeholders were carried out to prepare this report.

## Materiality analysis

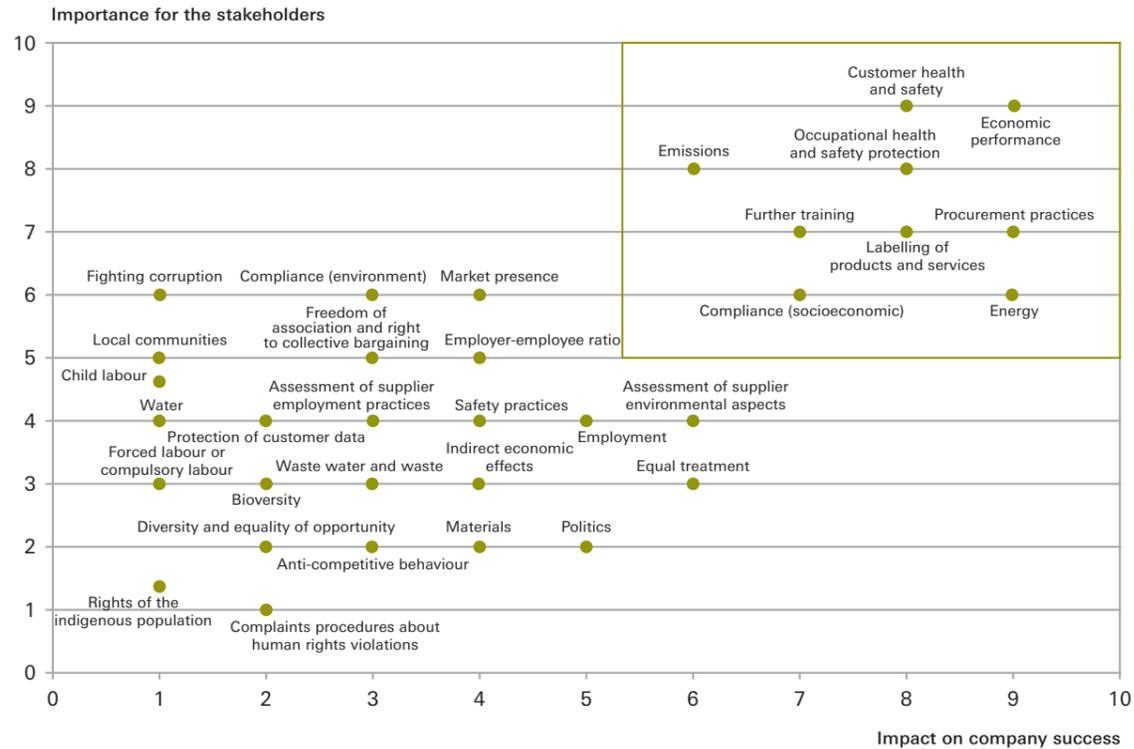
In order to carry out the materiality analysis, a determination was made of which sustainability topics are particularly relevant to GoodMills Germany. The topics specified by the Global Reporting Initiative were weighted by the sustainability team based on the results of the permanent stakeholder dialogue in reference to their importance to the stakeholders on a scale from 10 = “very important” to 1 = “not important at all”. All of the topics were then rated for their impact on corporate success from 10 = “most significant impact” to 1 = “has no impact at all” in a workshop with the management.

Nine topics were identified which were both very important to stakeholders and have a significant impact on corporate success:

- Procurement practices
- Occupational health and safety protection
- Further training
- Economic performance
- Energy
- Emissions
- Customer health and safety
- Labelling of products and services
- Compliance

Specific goals were identified for these nine topics, and these are set out in the individual chapters. As a responsible company in the food industry, GoodMills Germany feels obliged to follow the precautionary principle when making business decisions, the aim of which is to act cautiously despite a lack of certainty about the type, extent or likelihood of possible damage in order to prevent this damage from the outset.

## Stakeholder matrix



## Procurement practices

GoodMills Germany essentially uses the agricultural raw materials to be ground or prepared, water, energy and packaging materials. These make up more than 99% of the raw materials used. The following raw materials are used in all production locations:

### Water

Water is obtained from local water works in the mill locations. Used in the production process, it mostly evaporates in the process and only small quantities (less than 2% service water) fed into the public wastewater network. A total of 82,591m<sup>3</sup> of water was used in the 2017/18 financial year.

### Energy

Energy is obtained from local power grid operators at the mill locations. The electricity consumption in the 2017/18 financial year was 136,166 MWh. Due to the high level of automation of energy generation and distribution in Germany, the work intensity is low.

## Packaging materials

On average, around 27-28% of products are not delivered in silo trucks but rather in big bags with a filling weight of up to 1000 kg, in sacks with a filling weight of 10-25 kg and in small packs with a filling quantity of 500 g to 10 kg (compared to 28% in the 2015/16 FY; 27.4% in the 2016/17 FY). The packaging material used in the field of ground products in sacks and small packages consists of multilayer kraft paper made of fresh fibres which is printed with water-based dyes. Recognised and certified packaging material providers are used.

In the Müller's Mühle division, folding boxes made of fresh fibre cardboard printed with MAG dyes, valve bags made of fresh fibres, transparent bags/polybags, monofilms and corrugated cardboard, recycled paper and mixed fresh fibres with water-soluble dyes that are harmless to foods are also used.

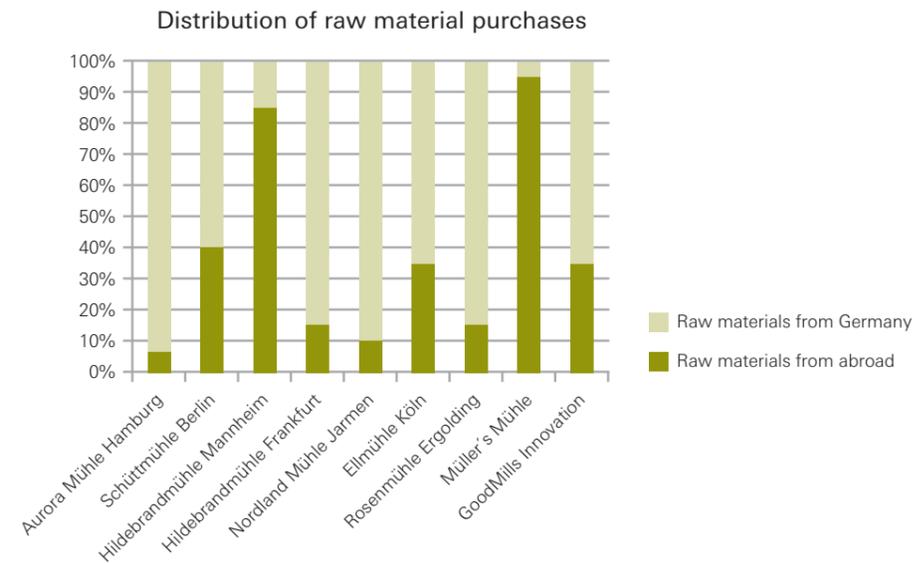
The volume of packaging material used was 2,038,819 kg in 2017. The manufacture of this packaging material is classified as not very work intensive by the packaging suppliers. The quantities of packaging material used are shown in the following table and are explained in detail in the Green Dot annual report.

Location	Quantity of packaging material
Schüttmühle Berlin	116,097 kg
Aurora Mühle Hamburg	116,075 kg
Ellmühle Köln	117,297 kg
Nordlandmühle Jarmen	51,460 kg
Hildebrandmühle Frankfurt	2046 kg
Hildebrandmühle Mannheim	44,175 kg
Rosenmühle Ergolding	21,960 kg
GoodMills Innovation	173,971 kg
Müller's Mühle	1,395,738 kg (of which 914,842 kg Aurora Mühlen GmbH)

Source: test certificate from the network of chambers of industry and commerce declaration of compliance register, DSD certificates (Grüner Punkt-Duales System Deutschland GmbH [Green Dot Dual System Germany])

## Raw materials

The types of grain used in the mills include common wheat, rye, durum wheat and spelt. A total of 1.2 million tonnes of grain were ground in the 2017/18 financial year. The grain was purchased from farmers, cooperatives or private grain traders. Regional purchasing takes priority provided the weather conditions in the respective harvest year allow for this. A total of 62% of all of the raw materials used in the 2017/18 financial year came from Germany. A very significant portion of grain production in Germany is automated.



Source: own information

At Müller's Mühle, pulses, rice, nutriment, pseudograins such as quinoa and amaranth and grain products are sold and some are ground into flours. Due to the lack of local availability, more than 95% of the raw materials in this division are purchased from international partners, primarily in America and Asia. The total purchase volume is around 53,000 tonnes per year.

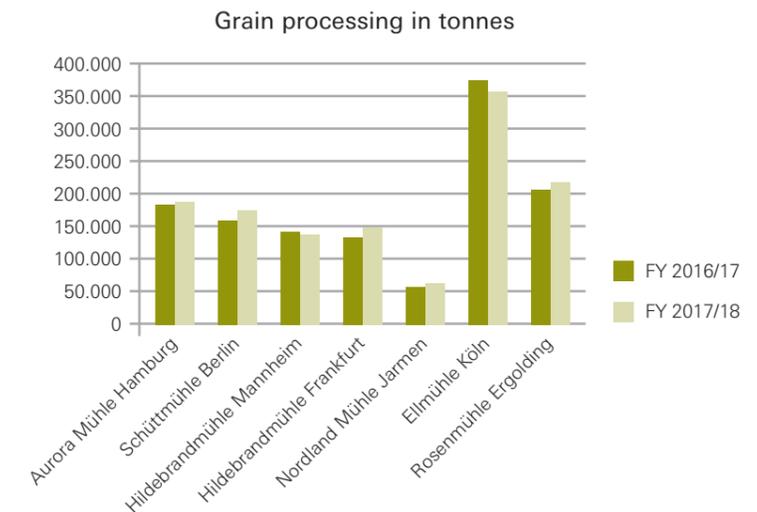
The supply chain starts with the suppliers, who in turn purchase their raw materials from farmers or agricultural cooperatives and process them in a first production step (rice) or carry out a preliminary cleaning (pulses) there. The work intensity varies considerably depending on the origin, as the infrastructure in Asia (India, Cambodia) is significantly behind European and in most cases (South) American standards. A manual workforce is used in many Asian countries.

The materials are either loaded into containers with liner bags or big bags of 1000 kg at the suppliers' premises. The freight parity negotiated in the purchase contract sets out the extent to which the supplier is responsible for transport and the moment from which Müller's Mühle becomes responsible for the transport. All overseas deliveries are carried out on the basis of CFR or CIF Antwerp/Rotterdam contract agreements, so Müller's Mühle or the company commissioned with the transport are responsible for the delivery from the point at which it arrives in the sea port. The containers are generally loaded onto Rhine ships and sent to Duisburg, and from there transported to Gelsenkirchen by land or (depending on the size of the batch) reloaded in the sea port and shipped to Gelsenkirchen as loose goods by barge.

Goods of a European origin are primarily sent via intermodal transport, which means that the containers/trailers are driven to the loading station by truck and the goods then travel by rail to (mostly) Duisburg, where they are again transported by truck to Gelsenkirchen.

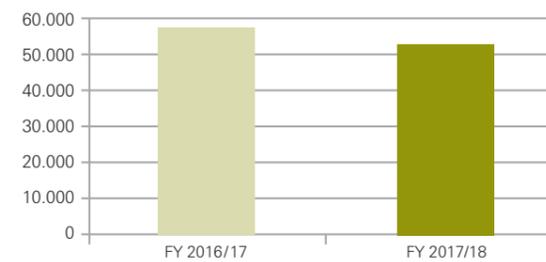
Carriage free deliveries are mostly limited to big bag loads via truck from Germany or neighbouring European countries.

The material costs for the raw materials, auxiliary materials and operating materials used, goods procured and expenses for services purchased in the 2017/18 financial year was EUR 316 million. The work intensity<sup>1</sup> at GoodMills Deutschland GmbH was 39% in the 2017/18 financial year.

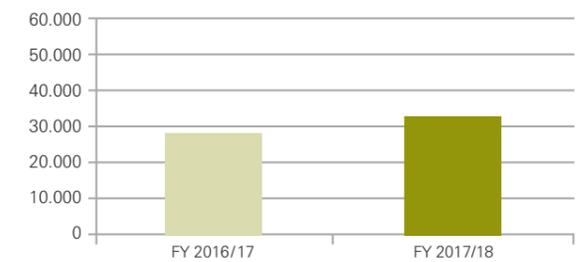


Source: own information

**Müller's Mühle production quantity in tonnes**



**GoodMills Innovation production quantity in tonnes**



Source: own information

GoodMills Innovation produced thermally and hydrothermally treated flours, fermented flours (sourdough, open wholemeal flours) and mixtures (baking agents and lean production mixtures) at its Hamburg headquarters. The business programme includes various commodities manufactured by the sister companies or purchased from third parties (e.g. malted flakes from malting plants).

<sup>1</sup> The work intensity shows the ration of current assets to total assets. It is calculated as follows:  
Work intensity = current assets/total assets \* 100%

## Procedure

The procurement channels are flexibly adjusted every financial year and can change very quickly. They are affected by the respective availability, raw material quality and market prices.

Deliveries for the corresponding product qualities are agreed by telephone or email on an almost daily basis. There is also a regular dialogue about the quantities needed, qualities and the current market information. This also occurs at industry meetings (multiple times a year) to which suppliers, traders, representatives of the mills and the feed industry are all invited. The selection of suppliers is carefully planned. Most supplier relationships are very long-lasting as the market only changes slowly (for example by small companies being taken over by larger competitors). Payments are made immediately in the case of ship deliveries and within 14 days for deliveries by truck. Changes and cancellations are accepted at short notice and can be re-coordinated thanks to good inventory management.

Another key point is the traceability of all raw materials. This can always be carried out in a very short time back to the supplier. The traceability of grain beyond the direct supplier is managed as needed. Since we primarily purchase goods from certified suppliers, specifications and figures for the traceability can be requested at any time. The quality description of the raw materials is defined by specifications or contracts.

The budget for the purchase is not directly defined. It results from a calculated purchase price for the respective business transaction. Purchase contracts for ground products are, for example, generally concluded by the Hamburg location for which around 185,000 t of grain are needed (8500 t of which is rye while the rest is wheat). Ninety-five percent of the wheat comes from Germany and is purchased locally while 70% of the rye has to be purchased transregionally due to availability. Local purchases are made within a radius of around 150-200 km of the location.

Climate change may have a negative effect on the grain qualities and harvest quantities in Germany. In the event of these negative effects, increased transregional supplies will be necessary in the future so transregional procurement will be necessary. This will result in an increase in prices since, among other things, it will be necessary to pay for the longer delivery routes (parity differences). Grain purchasing may be able to counteract this development, for example by optimising freight (e.g. replacing truck deliveries by ships and trains), thereby cushioning the additional costs. In addition to this, however, there is also the anticipated poorer quality such as the 1000 kernel weight. These poorer qualities will change, for example, the yield from a mill as generally more grain needs to be used to produce the same quantity.

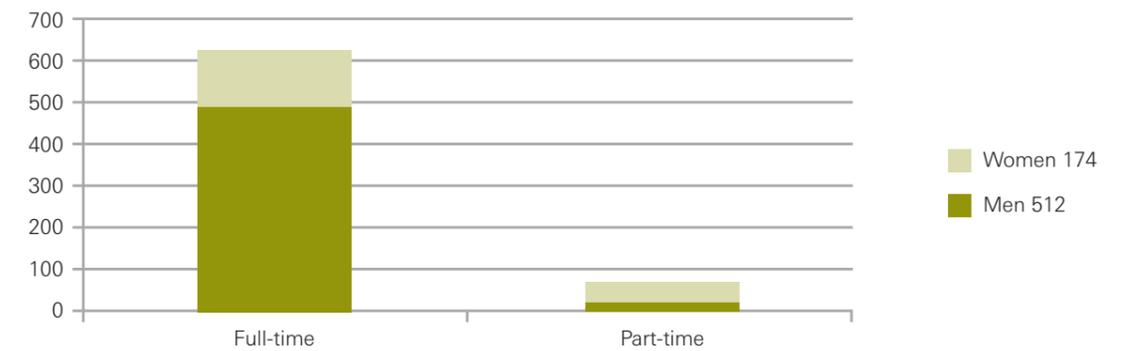
The updated Fertiliser Act and the revised Fertiliser Regulation will also have an impact on the regional grain market. Among other things, the quantity of nitrogen in the fertiliser will be reduced, which will result in a reduction of the protein content in the grain to be harvested in the future. The continuously declining use of plant protection agents will also have an effect, but it is not yet possible to determine the final effects.

## Employees

### Structure of the workforce

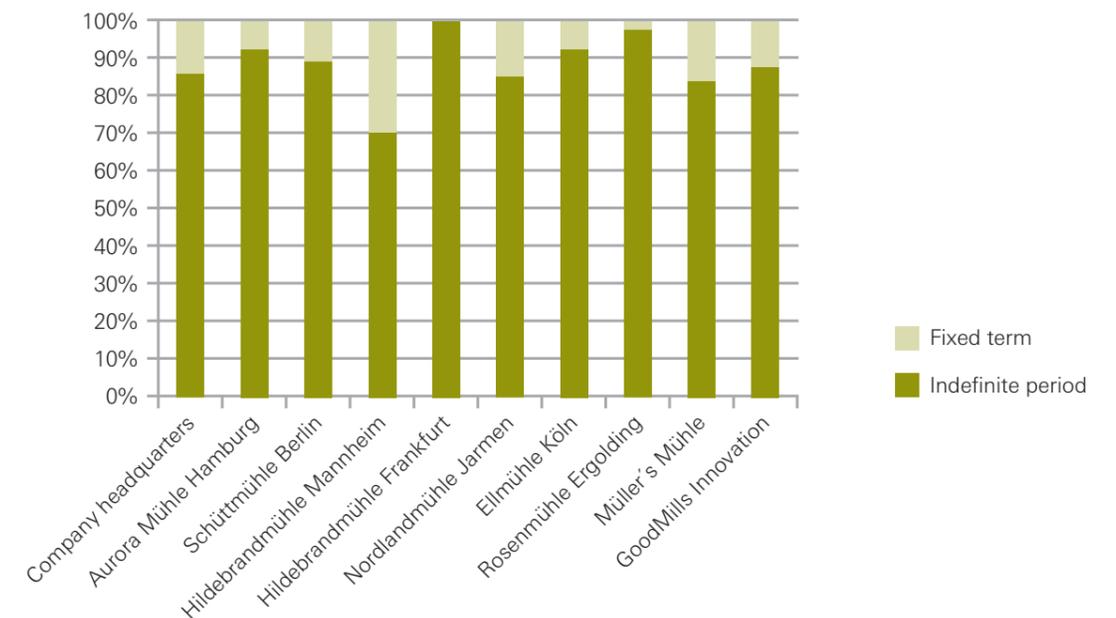
GoodMills Germany currently employs 686 (FY 2017/18) people. Of these, 89.9% have permanent contracts and just 10.1% have fixed-term contracts. All of the employees except executives and the management are covered by collective agreements or their contracts are based on these. This corresponds to 95.77% of all employees.

Distribution of employees by employment relationship and gender



Source: own information

Total number of employees by employment relationship and gender



Source: own information

These data were collected by checking the contractual relationships, the invoices, the staff requirement plans and the experience values.

## Occupational health and safety protection

Occupational health and safety protection is an elementary area of GoodMills Germany to prevent accidents and maintain a good working environment. The wellbeing of employees takes a high priority at GoodMills, and also has an effect on performance and proper production.

Individual employment-related diseases can be prevented through occupational health management. There is a health officer at each location who is available as a contact for all employees and plans and implements the individual activities. Part of this health management is, for example, a weekly fruit basket for the employees, regular prevention programmes such as back exercises or autogenic training, a flu vaccination or the offer of a work bicycle for all employees with a fixed-term contract. Participation in these campaigns is voluntary on the part of the employees.

Responsibility for occupational health and safety protection as a whole lies with the management at GoodMills Germany. Each plant has safety officers who represent them and check compliance with occupational health and safety guidelines and if necessary propose improvements to optimise the existing system.

The absence rate as a result of work-related accidents was 0.41% in the reporting period from October 2017 to August 2018. There were no work-related deaths.

Injury rate by region in FY 2017/18	
Aurora Mühle Hamburg	0,37 %
Schüttmühle Berlin	0,84 %
Hildebrandmühle Mannheim	0,87 %
Hildebrandmühle Frankfurt	0,20 %
Nordlandmühle Jarmen	0,30 %
Ellmühle Köln	0,94 %
Rosenmühle Ergolding	0 %
Müller's Mühle inkl. Aurora Mühlen	0,32 %
GoodMills Innovation	0,04 %

Source: own information

Absence from work starts from the first day. After three days, a report must be made to the employers' liability insurance association, otherwise it can be entered into the first aid log.

There are workplaces with a permanent noise level over 85 db in each production operation, resulting in a risk of damage to hearing. All employees in these workplaces must be given hearing protection and have compulsory hearing tests. Individually adapted hearing protection called disposable hearing protection with high wearing comfort or capsule hearing protection are available. The tests and the individual hearing protection are optional for all other employees who do not spend all of their time in these workplaces. Alternatively, disposable hearing protection is available and must be worn in the relevant areas.

In addition to the known risks, across the company a "psyche" risk assessment is carried out in all places where work is in shifts, in which sources of mental health risks in the workplace are identified. This means preventative measures can be taken, for example to reduce stress-related illnesses.

In order to reduce general risks of accidents, there is an option to participate in eye tests, tests of the ability to work at a height and forklift suitability tests that can help employees assess their own skills.

There are no formal additional agreements with the trade unions on occupational health and safety protection.

Occupational health and safety protection		
Goals	To be achieved by	Status
Continuation of all previous projects and measures	ongoing	



## Pension scheme

The employees are offered membership of the mill pension fund as a pension scheme. All employees, regardless of whether they are trainees or full-time or part-time employees get a contribution from the company of EUR 40 per month. The only requirement for this is that the employee is a member of the mill pension fund and is making a monthly contribution themselves. In addition to this, a contribution is also paid depending on the plant and the working hours, and this increases after a six-month probation period. The mill pension fund offers above-average returns to its members because of the low administrative costs.

## Further training

GoodMills Germany offers the following occupations that require training:

- Specialist in food technology
- Process engineer in the mill and feed industry (Müller)
- IT specialist
- Industrial clerk
- Machine and system operator
- Specialist in storage logistics

There are currently (as of August 2018) 17 apprentices and three trainees in the company. The average number of hours of further training taken up by employees during the reporting period was not recorded.

A management training programme and specialist training for all groups of employees are available for further training.

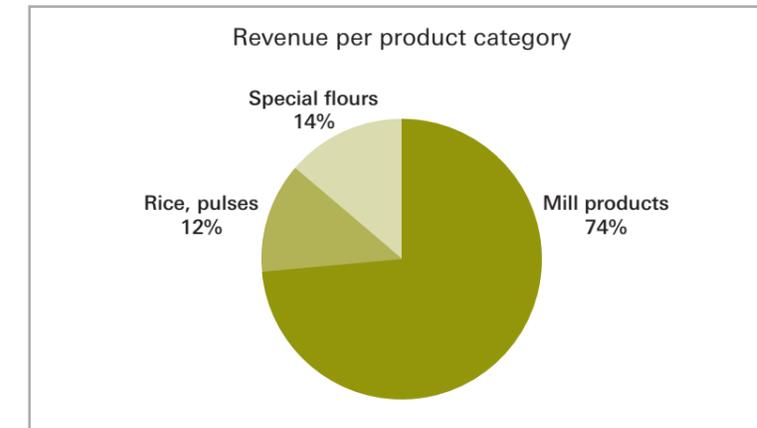
Performance appraisals and the resulting improvement measures are currently carried out with all first and second level employees.

Further training		
Goals	To be achieved by	Status
Taking on all trainees	2019/2020	○
Taking on at least 12 trainees per financial year	ongoing	◐
Carrying out performance reviews at least 1 x per financial year	ongoing	◐
Further development of the corporate and leadership culture	ongoing	◐

## Economic performance

### Figures

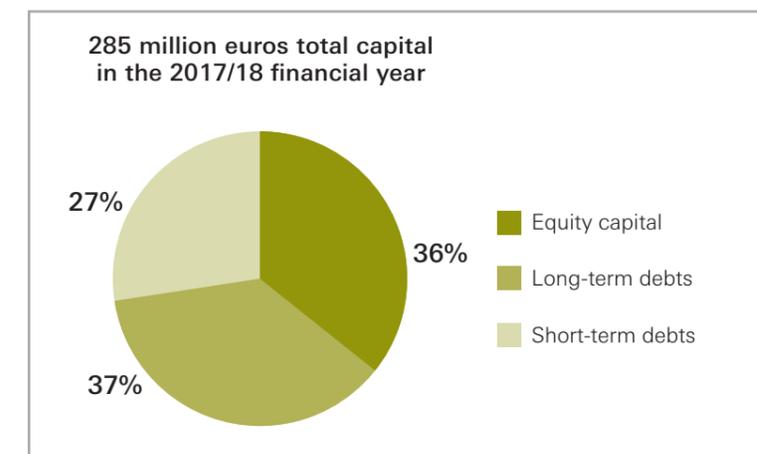
The revenue in the 2017/18 financial year was EUR 432 million. Milled products contribute the highest percentage at 74%.



Source: own data: 2017/18 FY economic report

The consolidated group result in the 2017/18 financial year was EUR 13.4 million. The profit and loss account is published in the Federal Gazette. The reporting for GoodMills Deutschland GmbH includes VK Grundbesitz GmbH, Kampffmeyer Mühlen GmbH, Müller's Mühle GmbH, Aurora Mühlen GmbH and GoodMills Innovation GmbH as subsidiary companies.

### Financing



Source: own data

Total capital 2017/2018			
Equity capital	Long-term debts	Short-term debts	Total capital
102.384.000 €	105.062.000 €	77.940.000 €	285.386.000 €

Further information is available in the Federal Gazette.

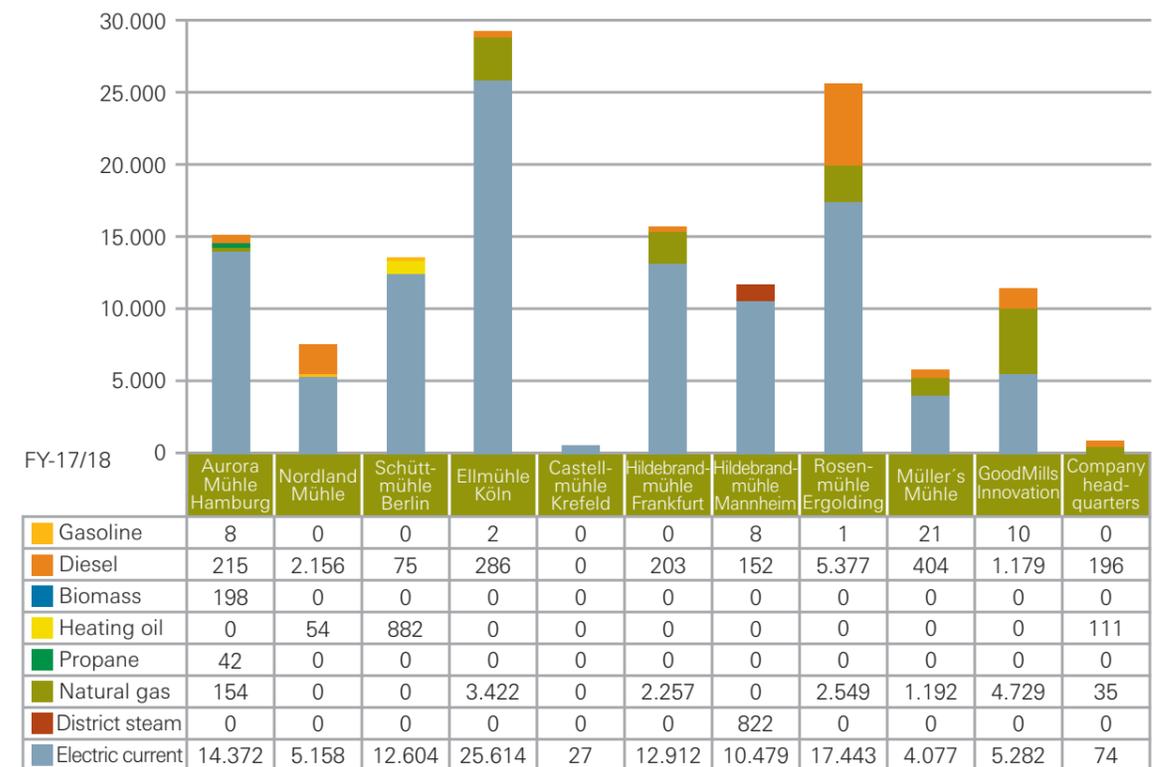
Economic performance		
Goals	To be achieved by	Status
Achieving the business plan for the respective financial year	ongoing	

## Energy

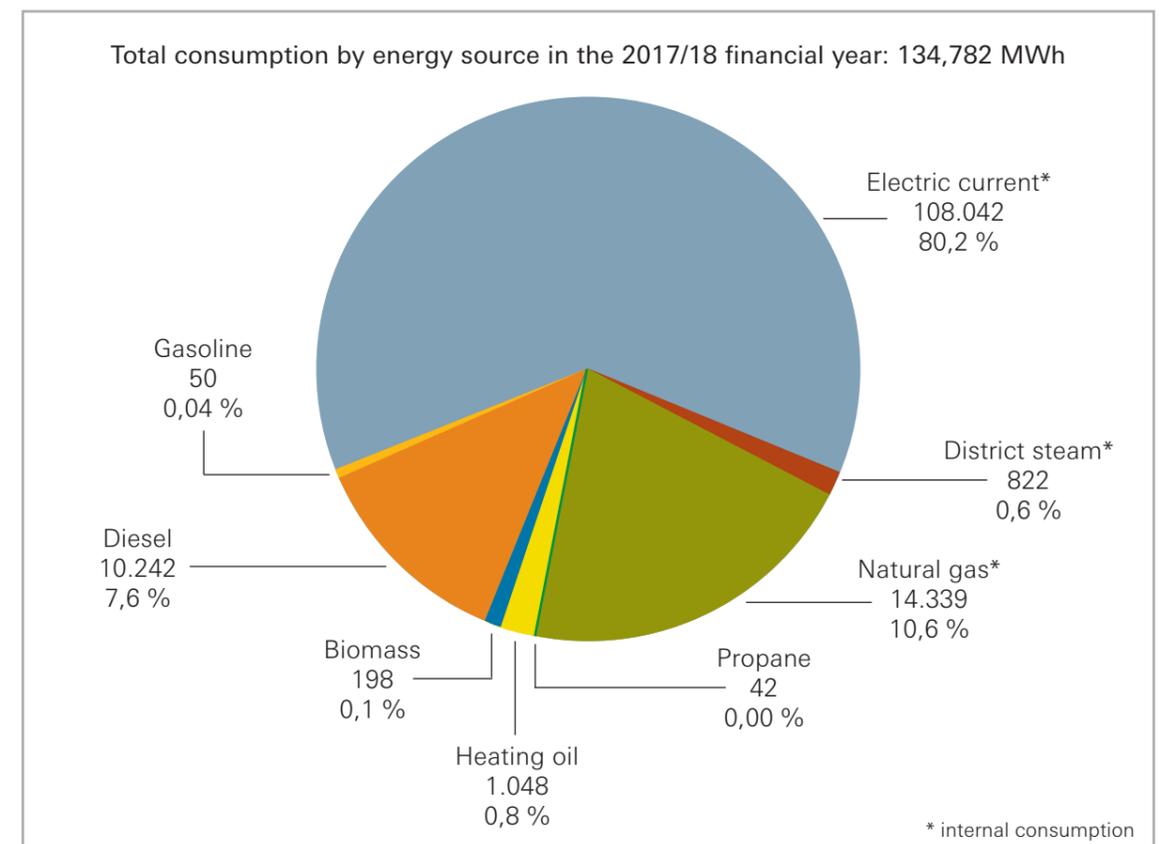
The most significant energy source is electricity, which is essentially used to drive the grinding systems and the pneumatic conveyance of products.

It is primarily natural gas and in some isolated cases heating oil that is used to provide process heat for pelleting, hydrothermal applications and room heating. Seventy percent of the diesel is used for the company's own fleet of trucks and for company cars. The total energy consumption at GoodMills Deutschland GmbH in the 2017/18 financial year was 134,782 MWh.

Final energy consumption in MWh/a



Source: Media quantities according to the supplier; energy contents according to the Federal Office of Economics and Export Control/the Environment Agency



Source: Media quantities according to the supplier; energy contents according to the Federal Office of Economics and Export Control/ the Environment Agency

Energy		
Goals	To be achieved by	Status
The figure "kWh of electricity consumption per tonne of product" is recorded in the management's central monthly report to assess the relevant energy source of electric current and this is tracked.	Monthly from QII/2018	
The opportunities to increase the hours of full utilisation and reduce the peak loads in the purchase of electricity by changing the time of non-continuous production processes and plant components without impairing production performance and product quality should be explored; a consumption assessment including hours of full utilisation of the purchase of electricity should be used for the assessment.	Every calendar year: ongoing	
For parameters relevant to process air plants, the use of infinitely variable ventilators for provide needs-based quantities of air should be looked at. In addition to the statistical amortisation of the procurement costs, the total costs including energy consumption costs over the technical useful life should be taken into account to assess the economic benefit.	By project: ongoing	
Operating and load hours should be recorded in a resilient manner for al mill systems and extrusion and HT plants to ensure the optimal productive operating time.	2018	
Central monitoring should be agreed for all compressed air systems in operational contracting by establishing a monthly report on delivery quantities, consumption of electricity and average production pressure for all operating facilities with compressed air contracting.	2018	
The opportunity for the economic use of electronic vehicles where the driving profile is suitable (e.g. in urban areas) should be evaluated and technically and economically sensible loading infrastructure taken into account.	Mid-2020	

## Emissions

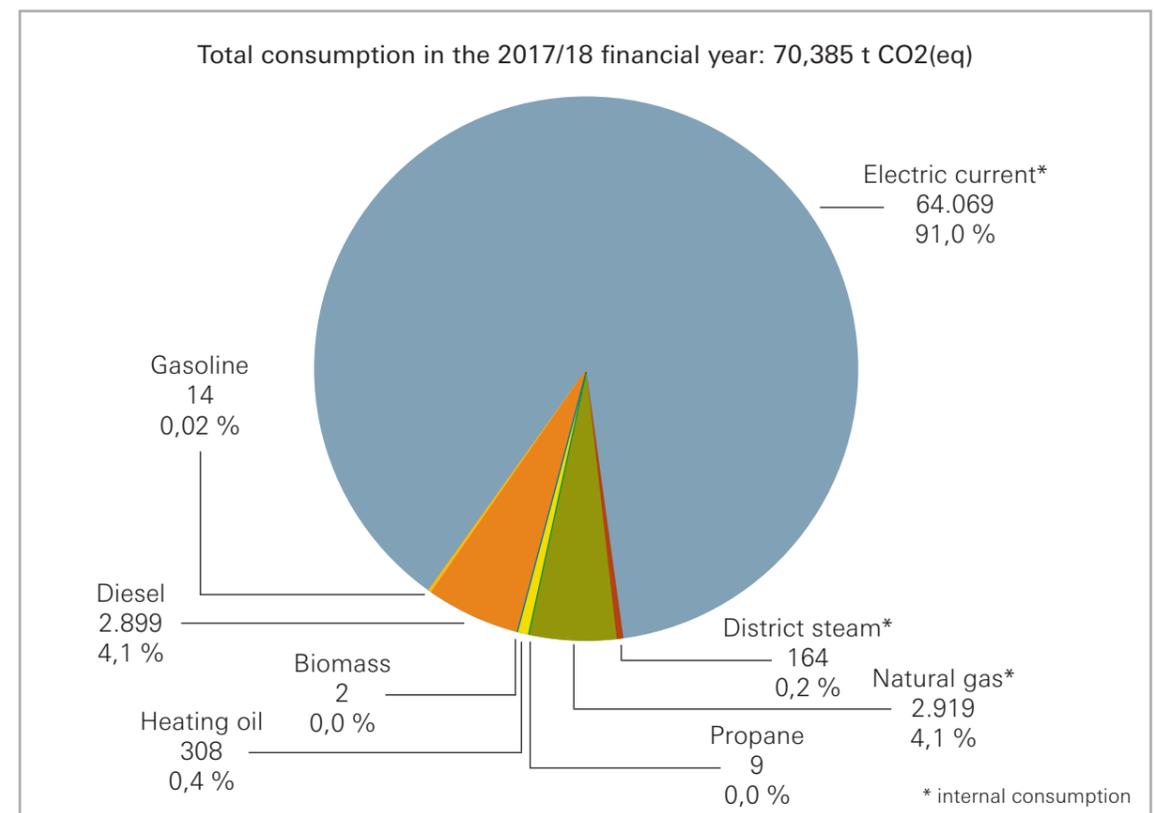
CO2(e) balance sheet: Fixed CO2(e) factors place the "ecological efficacy" of the individual energy sources on a uniform assessment scale. The values are constantly being recorded to make "internal" effects on energy use and efficiency visible – different prior carriage charges, for example ecologically generated electricity from regenerative sources are not taken into account at this point.

### Parameters: CO2 (e) factors with literature sources

Factor: Fuel value to heating value

	CO2 (e)	Hs/Hi	Fuel value	Data source
Energy source	kg CO2 / MWh (Hs)	-	Hs value, unit	-
Electric current*	593	1,00	1,00	BAFA 2017 (UBA 2013)
District steam	200	1,00	1,00	KfW 2013 (UBA 2011)
Natural gas*	204	1,11	11,2 kWh/m <sup>3</sup> _n	BAFA 2017 (UBA 2013)
Propane	215	1,09	14,2 kWh/kg	BAFA 2017 (UBA 2013)
Heating oil (light)	294	1,06	10,6 kWh/l	BAFA 2017 (UBA 2013)
Biomass	11	1,08	3,7 kWh/l	BAFA 2017 (UBA 2013)
Diesel	283	1,06	10,6 kWh/l	BAFA 2017 (UBA 2013)
Gasoline	277	1,08	9,7 kWh/l	BAFA 2017 (UBA 2013)

Source: 17/18 FY energy management report



Source: Media quantities according to the supplier; energy quantities according to the Federal Office of Economics and Export Control

Total electricity consumption per operation based on the production quantity (according to the cost payer, production)

Period	Grain mills	Aurora Mühle Hamburg	Nordland Mühle Jarmen	Schüttmühle Berlin	Ellmühle Köln	Castellmühle Krefeld	Hildebrandmühle Frankfurt	Hildebrandmühle Mannheim	Rosenmühle Ergolding	Müller's Mühle Gelsenkirchen	Goodmills Innovation, Hamburg	Goodmills Deutschland
2015/16 FY	76,7	77,0	84,6	73,5	68,4		92,0	75,8	84,4	76,2	168,8	78,6
2016/17 FY	76,4	75,2	86,0	72,2	68,3	-	90,4	75,6	84,0	77,4	166,8	78,4
2017/18 FY	77,6	77,9	87,1	72,2	72,7	-	87,6	76,6	81,1	81,3	159,9	79,8
relative change for each location												
17/18 vs.15/16	1,2%	1,2%	2,9%	-1,7%	6,3%		-4,7%	1,1%	-0,8%	6,7%	-5,3%	1,5%

Source: According to the cost payer, production; data including third party consumers

Emissions		
Goals	To be achieved by	Status
Reduction in noise and dust emissions at the Aurora Mühle Hamburg	ongoing	

Customer health and safety

The safety of our products and therefore the protection of consumers plays a key role at GoodMills Germany. Quality management is very broadly positioned at GoodMills Germany and reports directly to managing director to ensure full product safety. Well trained quality managers work at each location. Regular further training ensures that they always have the latest knowledge about all requirements. The quality managers at the individual locations are supported and managed by the national quality management team, which among other things checks and prepares all new or updated food law topics. The national quality management team also shapes the GoodMills quality system which regulates the handling and assessment of risk-related topics.

The health and safety effects of products and services are checked across the entire life cycle, from the development of the product concept, the R&D, the certification, in manufacturing and production, in marketing, storage, sales and delivery. There is also a particular focus on the use and recycling of packaging material.

All production locations at GoodMills Germany have an installed established and individual HACCP system which is constantly checked and monitored. This means that the health and safety effects of products and services are monitored and ensured across the entire life cycle and comprehensively checked for potential areas of improvement.

In the case of new product developments, checks to ensure customer safety and customer health are also a fixed component of the HACCP system. The entire chain from the raw material to the finished product is considered in detail. The new product is only released for sale once the safety has been comprehensively checked.

In addition to this, all operations within GoodMills Germany complete what are known as certification audits, in some cases unannounced, voluntarily and at least once a year in which external, independent experts check the existing processes and safety systems. Internal auditors check the safety systems over the entire process chain in the GoodMills Germany companies at least once a year while maintaining neutrality. The results of all internal and external tests are fed into the CIP system and are used to maintain customer safety and customer health.

In addition to the measures mentioned, the company is also an initiator and fixed part of European grain monitoring team which monitors and rates the quality of the raw materials and milled products for undesirable substances, so any risk topics that occur are identified early and can be avoided.

GoodMills Germany has a team of specialists who support customers with the processing or use of the products, for example through consultancy. New products developed by customers or consumer queries are also supported by this team in many ways.

There were no breaches of regulations or codes of conduct during the reporting period.

Customer health and safety		
Goals	To be achieved by	Status
Expansion of the IT-supported company-wide QM communication platform and deletion of individual systems	ongoing	
Reduction of the use of chemical pest control agents	ongoing	
Improvement in customer communication by using an optimised database taking into account the GDPR	2019/2020	

## Labelling of products and services

All customers receive correct and appropriate information about the products from the packaging design or the products data sheets. Proof of origin is printed directly on the packaging for all Gloria gain products manufactured for food retail. There was an externally certified origin concept for Gloria bagged and loose goods on 11 June 2018 which was temporarily stopped due to the situation on the north German grain market.

Internal specialists work closely with marketing to check the packaging of all products in small packs for information content, accuracy and compliance with the law. The product composition and allergen information, for example, can be found in the respective list of ingredients.

Information on the safe use of the products, for example the requirement to heat the products by baking before consuming them, and disposal information (Green Point) are also given. In the case of loose goods, customers receive a product specification that contains all necessary information.

Specific information about the ecological and social effects of the raw materials used are only needed for cocoa powder and palm oil. However, since these are not used in significant quantities for individual products, this is not necessary.

All of the products in small packs available are subject to this process and checked for compliance.

A large amount of information for the end consumer is also available on websites (e.g. [www.back-momente.de](http://www.back-momente.de)). Here, interested parties can find product information, the purpose of use of various products, information on the manufacture and recipe ideas.

There were no breaches or offences against regulations or voluntary codes of conduct that resulted in a fine in relation to the labelling, labelling obligations or in connection with marketing and communication over the reporting period.

Labelling of products and services		
Goals	To be achieved by	Status
Optimisation of the testing and approval of end product packaging using a final artwork database	2020/21	

## Compliance

A code of conduct applies to all employees of GoodMills Germany and its subsidiary companies which sets out 10 fundamental rules for behaviour in commercial practice and collaboration within the company. These are:

1. Fair competition
2. Ban on corruption and granting advantages
3. Health, safety and environmental responsibility
4. Social responsibility
5. Ban on discrimination
6. Protection of third party property, intellectual property and trade secrets
7. Avoidance of conflicts of interest
8. Lawful, complete and truthful accounting
9. Economical handling of company resources
10. Ambassadors for the company

Before joining the company, each employee at GoodMills Germany confirms in writing that they will observe the compliance regulations of Leipnik-Lundenburger Invest Beteiligungs AG and its subsidiary companies.

These include regulations on fundamental requirements such as compliance with laws and the ban on discrimination. Fair competition, granting and accepting inadmissible advantages, gifts and invitations and conflicts of interest and the handling of investments and secondary employment are also regulated.

The handling of donations, sponsoring and corporate property and information are also subject to fixed regulations.

There are regular employee training sessions on this. There were no breaches of the compliance guidelines in the last financial year.

Compliance		
Goals	To be achieved by	Status
Observance of the compliance guidelines and therefore maintenance of the goal to have zero compliance incidents	ongoing	

## Reporting cycle

The sustainability report is prepared in a four-year cycle. The Sustainability Officer, Anita Strietzel, is available for any questions about this sustainability report and its contents.

## GRI Content Index

Indicator	Reference
<b>GRI 101 Foundation</b>	
GRI 102-1 Name of the organisation	p. 5
GRI 102-2 Activities, brands, products and services	p. 8-9
GRI 102-3 Location of headquarters	p. 5
GRI 102-4 Location of operations	p. 5-6
GRI 102-5 Ownership and legal form	p. 5
GRI 102-6 Markets served	p. 9
GRI 102-7 Scale of the organisation	p. 8
GRI 102-8 Information on employees and other workers	p. 17-18
GRI 102-9 Supply chain	p. 12-16
GRI 102-10 Significant changes to the organisation and its supply chain	n.z.
GRI 102-11 Precautionary principle or approach	p. 11
GRI 102-12 External initiatives	p. 7
GRI 102-13 Membership of associations	p. 34
GRI 102-14 Statement from senior decision-maker	p. 4
GRI 102-16 Values, principles, standards and norms of behaviour	p. 5
GRI 102-18 Governance structure	p. 7
GRI 102-40 List of the stakeholder groups	p. 10
GRI 102-41 Collective bargaining agreements	p. 17
GRI 102-42 Identification and selection of stakeholders	p. 10
GRI 102-43 Approach to stakeholder engagement	p. 10
GRI 102-44 Key topics and concerns	p. 10
GRI 102-45 Entities included on the consolidated financial statement	k.A.
GRI 102-46 Defining report content and topic boundaries	p. 3
GRI 102-47 List of material topics	p. 11-12
GRI 102-48 Restatement of information	n.z.
GRI 102-49 Changes in reporting	n.z.
GRI 102-50 Reporting period	p. 29
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GRI 102-52 Reporting cycle	p. 3
GRI 102-53 Contact point for questions regarding the report	p. 35

Indicator	Reference
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<b>GRI 200 Economic</b>	
<b>GRI 201 Economic performance</b>	p. 21-22
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GRI 201-2 Financial implications and other risks and opportunities due to climate change	p. 16
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GRI 201-4 Financial assistance received from government	k.A.
GRI 204 Procurement practices	p. 12-16
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<b>GRI 300 Ecology</b>	
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GRI 302-2 Energy consumption outside of the organisation	k.A.
GRI 302-3 Energy intensity	k.A.
GRI 302-4 Reduction of energy consumption	p. 26
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<b>GRI 305 Emissions</b>	p. 25-26
GRI 305-1 Direct (Scope 1) GHG emissions	p. 25
GRI 305-2 Energy indirect (Scope 2) GHG emissions	n.v.
GRI 305-3 Other indirect (Scope 3) GHG emissions	n.v.
GRI 305-4 GHG emissions intensity	n.v.
GRI 305-5 Reduction of the GHG emissions	n.v.
GRI 305-6 Emissions of ozone-depleting substances (ODS)	n.v.
GRI 305-7 Nitrogen oxide (NOX), sulphur oxide (SOX) and other significant air emissions	n.v.

Indicator		Reference
<b>GRI 400</b>	<b>Social</b>	
<b>GRI 403</b>	<b>Occupational health and safety</b>	p. 18-19
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GRI 404-3	Percentage of employees receiving regular performance and career development reviews	p. 20
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<b>GRI 419</b>	<b>Socioeconomic compliance</b>	p. 29
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Since reporting is based on the “core” option (see GRI 101, Table 1), only the standards that are relevant and those prioritised by the materiality analysis are listed.

Legend:

n.z. = not applicable

n.v. = no information available

k.a. = no information due to duties of confidentiality or legal prohibitions

## Unanswered questions

No information can or may be given on some requirements of GRI reporting for legal or operational reasons. The information on GRI 201-4 on economic performance are subject to operational confidentiality. With regard to the energy reporting, due to the secondary operational relevance no data are collected on electricity purchased, heating energy or steam, and due to a lack of availability of data on energy consumers outside of the company and a lack of capacity of data on decreases in energy consumption by types of fuel or products and services sold no data are collected on these either.

There are also no usable data on the reduction in energy requirement for products and services sole and scope 3 in emissions.

## Appendix

### Membership of associations

GoodMills Deutschland GmbH is a member of the following associations and groups:

#### Industry

- Foodactive Hamburg
- BVE (Bundesvereinigung der Deutschen Ernährungsindustrie)
- Bäcker- und Konditoren-Innungen
- VDB (Vereinigung der Backbranche e.V.)
- AGF (Arbeitsgemeinschaft Getreideforschung e.V.)
- Nordernährung e.V.
- Fachschulverein der Bäcker
- Bayerischer Handelsmühlenverband
- Landesinnungsverband Deutscher Bäcker
- Verband der Getreide-, Mühlen- und Stärkewirtschaft e.V.
- Bundesmühlenkontor GmbH
- Bäckerinnung Berlin
- ABE e.V. (Arbeitgeberverband der Bayrischen Ernährungswirtschaft e.V.)
- DLG Deutsche Landwirtschafts-Gesellschaft
- SEDEX Information Exchange Ltd.
- Global Pulse Confederation
- Federation of European Rice Millers
- foodRegio e.V.
- BVB - Verband der Backmittel- und Backgrundstoffhersteller e.V.
- International Association of Operative Millers
- VERN e.V.
- ESA European Snacks Association
- HEALTHGRAIN Forum
- Deutsches Tiefkühlinstitut e.V.

#### Procurement

- Bayerische Warenbörse
- Vdg e.V. (Verein der Getreidehändler der Hamburger Börse e. V.)

#### Other

- Tüv Rheinland Berlin
- Industrie- und Handelskammer
- Markenverband E.V.
- Bvbc e.V. (Bundesverband der Bilanzbuchhalter und Controller e.V.)
- DSAG e.V. (Deutschsprachige SAP® Anwendergruppe e.V.)
- Förderverein DMSB e.V. (Förderverein Deutsche Müllerschule Braunschweig e. V.)
- Mühlenvereinigung Berlin-Brandenburg e.V.
- Museum der Brotkultur e.V.
- WWK (Wasserverband Westdeutscher Kanäle)

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### Exclusion of liability

The collection and processing of the data and facts in this report were carried out with a great deal of care. Nevertheless, it is not possible to rule out errors entirely. All statements made about the future in this report are based on current assumptions and predictions.

Although these have been conscientiously developed, various influencing variables that cannot currently be predicted may lead to deviations that are generally outside of the control of GoodMills Germany. Forward-looking statements should therefore not be viewed as certain.

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