



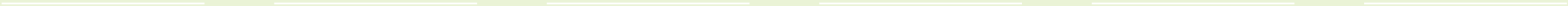
Bayerische Milchindustrie eG

ANNUAL REPORT* 2024

Actively Shaping Transformation

*This is a shortened version of the German annual report.

CONTENTS



More for you to discover: The table of contents on this page and the navigation at the top of each subsequent page are interactive elements. Simply click on a topic to jump to the corresponding page.

FOREWORD

**Dear Members, dear Milk Producers,
dear Ladies and Gentlemen,**

Two years after launching our first sustainability report, we are pleased to present our second report alongside our 2024 annual report. Our first report bore the title "Only those who know their destination will find the way." We have pursued our goals with great dedication. The path has not always been straight—and at times we may not have taken the perfect turn right away. But our direction is clear, and our purpose remains strong. In this report, we share where we stand today.

For several years now, BMi has been undergoing a transformation. We have consolidated our locations and streamlined our product portfolio. BMi is a specialist in innovative ingredients and high quality cheese products, produced from milk and whey—with a clear preference for organic quality—for customers across the globe. In the 2024 financial year, besides focusing on day-to-day operations, BMi invested much effort into preparing for major strategic projects in line with its Strategy 2030. This included further development of our "Masterplan Ingredients" at the Zapfendorf site, the creation of transformation concepts for our three largest plants and preparations for the rollout of a new ERP system.

In an increasingly unsettled world, unexpected challenges remain a constant. Early in 2024, a cyberattack—which was successfully repelled—nonetheless demanded considerable effort and investment in cybersecurity. At the beginning of 2025, we were confronted with a further major challenge: the outbreak of foot-and-mouth disease (FMD) in Brandenburg. Practically overnight, our entire third-country business came to a standstill, as veterinary authorities ceased issuing the essential FMD-free certificates. Warehouses quickly filled up and liquidity came under temporary pressure. Nevertheless, our performance in the first quarter remains very encouraging.

We extend our sincere thanks to our customers for their loyalty and support, to our employees for rising to the many challenges we faced, and to our milk and secondary raw material partners for their continued trust and the high quality of their supplies.

Kind regards,



Dr. Thomas Obersojer
Chief Executive Officer



Winfried Meier
Managing Board



Chief Executive Officer
Dr. Thomas Obersojer
and Managing Board
Winfried Meier



The 2024 Financial Year

TRANSFORMATION WITH A CLEAR STRATEGIC FOCUS

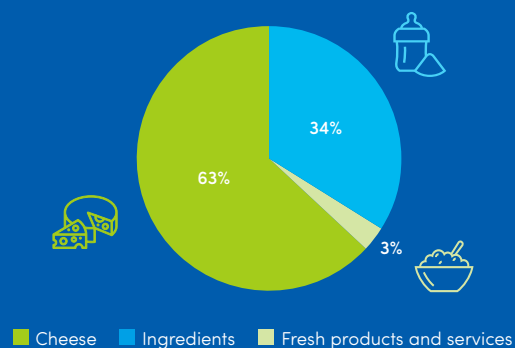
Despite a challenging year and external pressures, BMi is showing a notably positive trend. In addition, we have laid the foundations for future success by setting deliberate strategic priorities and making targeted investments.

Image: Zapfendorf plant

OUR 2024 FISCAL YEAR AT A GLANCE

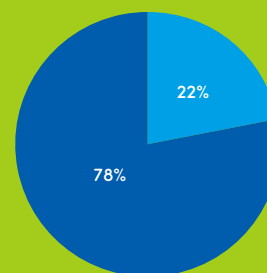
581.6

million euros in revenue for 2024,
4 percent increase in revenue
compared to the previous year



2,762.8

million kg of raw materials delivered



■ Milk and whey raw materials ■ Raw milk

Around 25 percent of milk and whey raw materials
come from processed raw milk supplied by BMi.



859

Employees



57

Countries to which we export worldwide



53%

More than half of our revenue
is generated through exports.

Our strongest markets in terms of sales are
Italy, the Netherlands, the People's Republic of
China, France, Poland, Serbia, Japan, as well
as Bosnia and Herzegovina.



27

BMi currently employs apprentices
in 7 different training occupations.



Our Foundation

SHAPING THE FUTURE TOGETHER

The cooperative partnership with our milk supplier groups, milk and whey suppliers, and financing members provides the foundation for the success of our cooperative. Our leadership, management and governing bodies are guiding BMI through this transformation—firmly grounded in our shared values. Even in times of change, food safety, consumer protection and uncompromising quality remain top priorities for us.



Image: cheese factory, Jessen plant

THE FOUNDATION OF OUR COOPERATIVE

Corporate Governance and Management

BMi's foundation is formed by the members of our cooperative. They include milk producer groups, milk and whey suppliers, and other financing members. Three governing bodies are responsible for the development and management of BMi.

The General Assembly is the highest decision-making body and, in accordance with the Articles of Association, is informed annually about the activities and profits of BMi. It decides on the approval of the annual financial statements and the appropriation of profits. In addition, it formally approves the actions of the Managing Board and Supervisory Board and elects its representatives to the Supervisory Board.

On 25 June 2024, Martin Boschet was elected as Chair of the Supervisory Board.

In addition to Supervisory Board meetings, regular sessions of the Economic and Finance Committee are held.

The Managing Board manages the cooperative on its own responsibility. Its responsibilities include identifying and evaluating the company's risks and opportunities, and taking appropriate action.

In 2024, the Managing Board developed and presented Strategy 2030, which defines the long-term direction of the company. This corporate strategy was subsequently approved by the Supervisory Board and contributes to the sustainable development of BMi.

Our day-to-day actions are guided by clear corporate principles that reflect our ambition and our responsibilities:

- **Quality** – The highest standards for our products and processes.
- **Innovation** – Continuous development and improvement.
- **Safety** – Responsibility for our employees and products.
- **Credibility and compliance** – Integrity, transparency, and compliance with legal requirements.
- **Loyalty** – Reliability and responsibility toward members, customers, and partners.
- **Legality** – Compliance with all applicable laws and regulations.
- **Sustainability** – Ecological, social, and economic action in line with our values.

These principles guide our business decisions and form the basis for sustainable and responsible corporate governance.



From left to right: Managing Board Winfried Meier with new Supervisory Board Chair Martin Boschet, and Chief Executive Officer Dr. Thomas Obersojer

OUR COOPERATIVE MEMBERS



Groups of
milk producers

Elsterland Milchliefer-
genossenschaft eG

Erzeugergemeinschaft
„Qualitätsmilch Elbe-
Saale“ w. V.

Milchwirtschaftliche
Beteiligungs-AG
Heilbronn

48 voting rights Δ 33.57%



Milk and
whey suppliers

Andechser Molkerei
Scheitz GmbH

Bayernland eG

HIPP GmbH & Co.
Vertrieb KG

Hohenloher Molkerei eG

Milchverwertung
Ostallgäu eG

Milchwerke Berchtesga-
dener Land-Chiemgau eG

Milchwerke Oberfranken
West eG

Naabtaler Milchwerke
GmbH & Co. KG

Privatmolkerei Bechtel

Pinzgau Milch Produktions
GmbH

50 voting rights Δ 34.96%



Financing /
investing
members

Financing members:

Allgäuer Bergbauern-Milch
Sonnhofen-Schönau eG

Berglandmilch eGen

Bio-Milcherzeugergemein-
schaft der Mittelgebirgsbauern
w. V.

Frankenmilch-Verwertung
Langenfeld-Uffenheim eG

Hartmann, Peter

Hofmeister Käsewerk
GmbH & Co. KG

MeG Milchoase Auerbach
Franken-Pfalz w. V.

Meier, Winfried

Milchhof Landshut eG

Molkereigenossenschaft
Pleystein eG

Molkereigenossenschaft
Rothenburg-Schillings-
fürst eG

Dr. Obersojer, Thomas

Investing Members:

Milchhof Tirschenreuth eG

Milchliefergenossenschaft
Marktrechwitz-Selb eG

Milchversorgung Hof/
Saale eG

Milchwerke Mainfranken eG

45 voting rights Δ 31.47%

143 voting rights Δ 100%

Share of business capital

33.40%

30.61%

35.99%



The new Supervisory Board of BMi together with the two Managing Board members Dr. Thomas Obersojer and Winfried Meier (from left to right): Martin Boschet, Daniel Elsner, Ludwig Weiß, Torsten Maier, Nadine Reichenberg, Achim Schaller, Irene Harrer, Dr. Thomas Obersojer, Kurt Haberl, Christine Bauer, Walter Bauer, Norbert Münch, Winfried Meier



GENERAL ASSEMBLY / COMMITTEE

Status on: 31.12.2024

28 members

Supervisory Board

Chair

Martin Boschet
(as of 06/25/2024)
Klaus Schönfeldt
(until 06/25/2024)

Deputy Chair

Walter Bauer
Norbert Münch (t)
(as of 25.06.2024)

Honorary Chair

Karl Beck

Members

Christine Bauer
Stefan Hipp
Torsten Maier (as of
25.06.2024), Marko Mattner
Ludwig Weiß

Employee Representatives

Daniel Elsner
Kurt Haberl
Irene Harrer
Nadine Reichenberg
Achim Schaller

Managing Board

Chair

Dr. Thomas Obersojer

Deputy Chair

Winfried Meier

SITES

Bayerische Milchindustrie eG is represented at five production sites in Bavaria and Saxony-Anhalt. The head office is located in Landshut, Lower Bavaria, and the central laboratory is 17 km away in Wang-Spörrerau. Since 2024, the laboratory, known as the “Bavarian Dairy Lab,” has been offering its services to other companies as well.

At the production sites in Jessen, Peiting, Windsbach, Winzer, and Zapfendorf, we manufacture high-quality cheese products and whey-based ingredients. To continue meeting the evolving needs of our customers and to maintain and enhance the competitiveness of our products, we are making consistent investments in our production sites.

Key milestones in 2024 included the strategic further development of the dairy plant in Jessen, Saxony-Anhalt, and the modification in Winzer, Bavaria. However, our largest upcoming project is our “Masterplan Ingredients” for our Zapfendorf site.



Cheese



Ingredients



Fresh products



Laboratory / research



Head office



More for you to discover:

The map on this page contains interactive elements. Simply click on the locations to access additional information. For the best interactive experience, we recommend using a desktop computer or laptop.



QUALITY AND INNOVATION

Food safety, consumer protection, and uncompromising quality are our top priorities. Only by upholding the highest standards, embracing continuous improvement, and driving ongoing innovation can we ensure that our products meet rising customer expectations while being produced sustainably and responsibly. This commitment is reflected in our strong culture of food safety and quality.

As a company that processes a natural product, we bear a particular responsibility—to the environment, to our employees, and to the animals within our value chain. We are committed to environmentally friendly processes and to conserving natural resources. Safe working conditions, job security and continuous professional development are key pillars that strengthen our business in the long term.

Promoting customer satisfaction

For us, delivering flawless quality means fully meeting our customers' expectations. In addition to process and product quality, we place great importance on responding to inquiries quickly and accurately.

In 2024, a total of 578 customer inquiries were processed. Despite increasing demands, the average processing time was maintained at the previous year's level.

To drive targeted improvements, another customer survey was conducted at the beginning of 2025. In the overall assessment, more than two thirds of respondents were very satisfied or satisfied with BMi's performance parameters. The survey provides valuable insights for an even stronger alignment with customer requirements in order to further improve customer satisfaction.

BMi holds the following certifications and awards:



Sedex Member



We regard food safety and quality as fundamental commitments.

OUR VALUE CHAIN



*Industry

**Wholesale, food retail

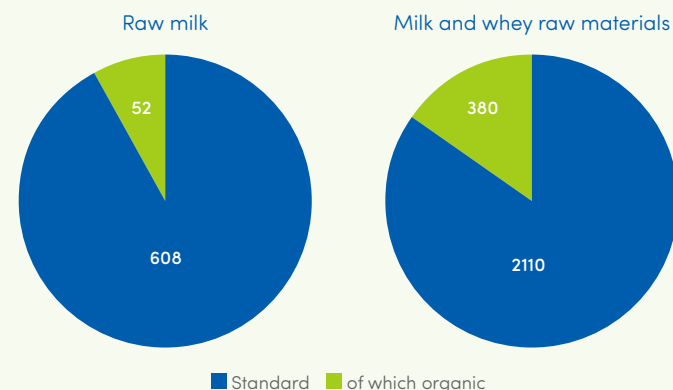
2024 RAW MATERIAL SOURCING

In 2024, a total of 2,762.8 million kg of milk and whey were delivered to BMi sites, which is roughly the same as in the previous year (–3.8 million kg). The slight reduction in total volume is essentially due to a decrease in raw milk, which declined by 9.4 million kg.

In 2024, raw milk was also purchased from third parties as in the previous year. This purchase increased by 5.0 percent compared to the previous year. At the same time, the share of internal milk and whey deliveries as well as whey purchases decreased slightly overall by 0.2 percent. External whey purchases increased by 38 million kg. The organic share of whey was 18.0 percent in the reporting year—a stable contribution to BMi’s ecologically oriented raw material supply.

2024 Raw Materials

in million kg



Sustainability in Raw Material Sourcing

Since 2021, BMi’s raw material sourcing has changed significantly. As a result of the sale of the fresh products division and the closure of the Ebermannstadt site—both of which specialised in processing raw milk—the number of suppliers has declined. At the same time, BMi has increasingly focused on the processing of whey.

In the course of this development, the vision for agriculture, as formulated in the previous Sustainability Report, has been further developed and adapted to the current supplier structure. In 2024, the focus in the area of sustainable sourcing of raw materials was on three key topics: participation in the “QM-Nachhaltigkeitsmodul Milch”, fostering partnerships with our milk producers, and accounting for greenhouse gas emissions on agricultural farms.

Promoting Sustainable Agriculture and Animal Welfare

A goal set in 2021—the ongoing participation of our farmers in the “QM-Nachhaltigkeitsmodul Milch” and thus the continuous collection of data—was successfully continued in 2024.

Maintaining an active dialogue with our milk producers is very important to us



The sustainability module provides detailed insights into agricultural practices across four key areas: economy, ecology, animal welfare, and social aspects. To ensure the long-term attractiveness of the module, an innovation process was initiated in 2024 in which BMi actively participated.

Partnership-Based Cooperation with Our Milk Suppliers

We focus on expanding a partnership-based network between milk producers, the dairy, and the scientific community. The monthly producer newsletter provides concise and structured content on relevant topics. In addition, we provide our farmers with access to information events and advisory services.

We also offer exclusive training for milk producers, such as on greenhouse gas accounting.





Our Sustainability Journey

WE ACTIVELY PROMOTE OUR SUSTAINABLE DEVELOPMENT

In our last report, we adopted the guiding motto: "Only those who know their destination will find the way." This guiding principle continues to shape our journey towards a responsible future.

In the following chapter, we outline our efforts to develop BMi holistically in line with the principles of sustainability—across the three dimensions of environmental, economic and social responsibility. We place particular emphasis on animal welfare, which we regard as an integral part of our sustainable responsibility.

The chapter also includes a comparison of our developments with those outlined in the previous sustainability report. Specific examples include the gradual increase in the share of renewable energies, responsible use of resources such as water, and targeted measures to promote employee satisfaction.



DOUBLE MATERIALITY

Sustainable corporate development plays a central role in our Strategy 2030. For us, sustainability means integrating and embodying the triad of economy, ecology, and social responsibility within our business processes. Our focus is always on the added value we aim to deliver to our customers through our products.

In 2021, we conducted a materiality analysis as part of the development of our sustainability strategy. The aim of this analysis was to identify and prioritise the areas of action most relevant to our business. Both internal company perspectives and the expectations of external stakeholders were taken into account. The results have since served as an important foundation for our strategic direction and the ongoing development of our sustainability measures. Although the legal framework for the new requirements under the Corporate Sustainability Reporting Directive (CSRD) had not yet been fully finalised at the time of reporting, we have already revised our materiality matrix and aligned it with the principle of double materiality.

Double Materiality Assessment Process

The concept of double materiality considers both the financial implications of external developments on the company (outside-in) and the impact of our business activities on people and the environment (inside-out) across the entire value chain. Topics are deemed material if they are considered significant from an impact perspective, a financial perspective, or both.

For the analysis, the entire value chain was divided into the following areas: upstream value creation, the company's own business area, and downstream value creation.

In the upstream stage, the focus is on agricultural production, supplier selection, and the sourcing of raw materials. Within the company's own business area, topics such as energy and resource efficiency, emissions, occupational and product safety, and quality assurance are taken into consideration. Downstream value creation includes packaging, transport, further processing, customer use, and recycling.

Material topics were evaluated in terms of their impact, scope, irreversibility, and likelihood in order to prioritise the most relevant topics within the meaning of double materiality.

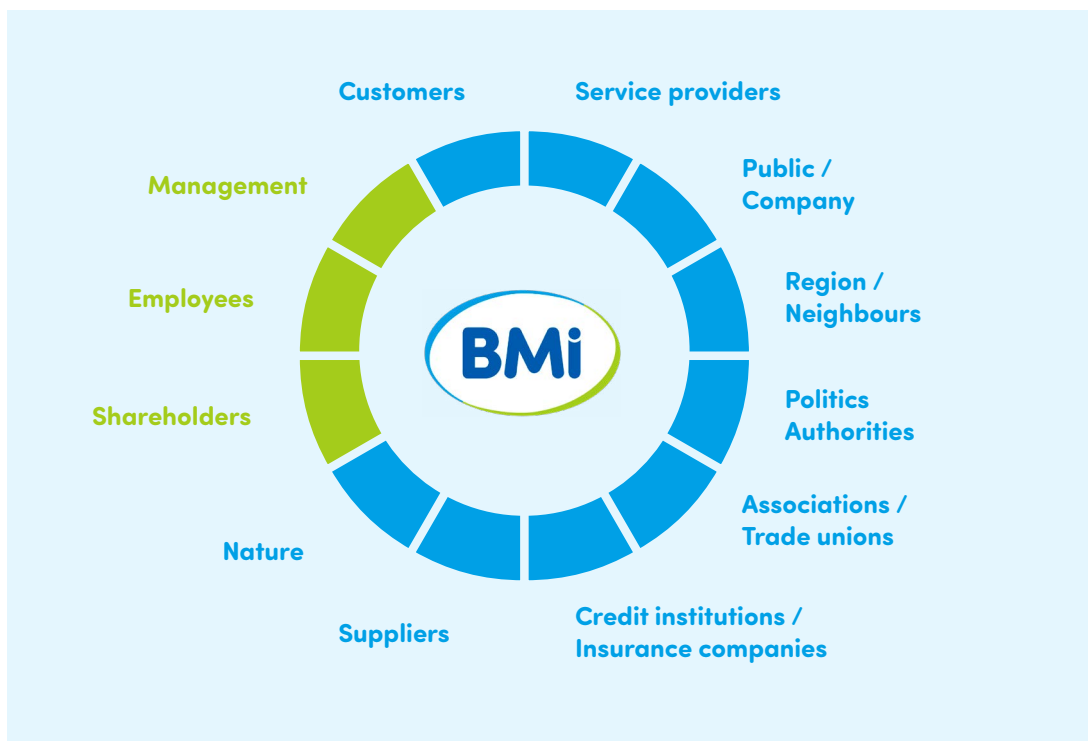
Materiality Analysis Structure

1. Literature Review

As part of the literature review, studies, publications, and reports were evaluated to gain insights and close information gaps. In doing so, the perspectives of stakeholders—including nature—were also taken into account. In addition, media priorities and relevant indices for assessing negative impacts along the value chain were analysed.



"Silent stakeholder"
of BMi—our nature



2. Involvement of Stakeholder Groups

The involvement of relevant stakeholders is a central component of materiality analysis. One key task is to systematically identify and categorise all significant stakeholder groups along the value chain and to purposefully incorporate their perspectives into the analysis process.

The basis for this was an extended evaluation from 2021, which was updated through structured feedback. In addition, Bayerische Milchindustrie eG, as a member of the Milchindustrie-Verband e. V. (MIV), adheres to the MIV sector guide for materiality analysis in order to meet industry-specific requirements.

3. Incorporation of Company Data, Quantitative Analysis

Based on the collected and aggregated information, the impacts on sustainability were assessed along with the opportunities and risks (financial materiality). First, an analysis was carried out to determine whether the impacts of a sub-topic could be assessed collectively or whether a more differentiated approach was needed.

The impact assessment was based on structured discussions with internal stakeholders, held as part of interdisciplinary workshops. Qualitative and quantitative insights were combined to provide a well-informed basis for evaluation. The general criteria applied in line with the ESRS guidance were duration, likelihood, severity, and scope, with definitions aligned with publications from the European Financial Reporting Advisory Group (EFRAG).

A topic was deemed material if the severity of its negative impact—calculated as the average of the dimensions magnitude, scale, and irremediability—multiplied by the likelihood of occurrence reached a significant value.

Financial materiality is also determined by multiplying two factors: the probability of occurrence of an event and the potential financial magnitude of the associated impacts on the company.

Keeping risks in focus—all scenarios considered through expert group assessments

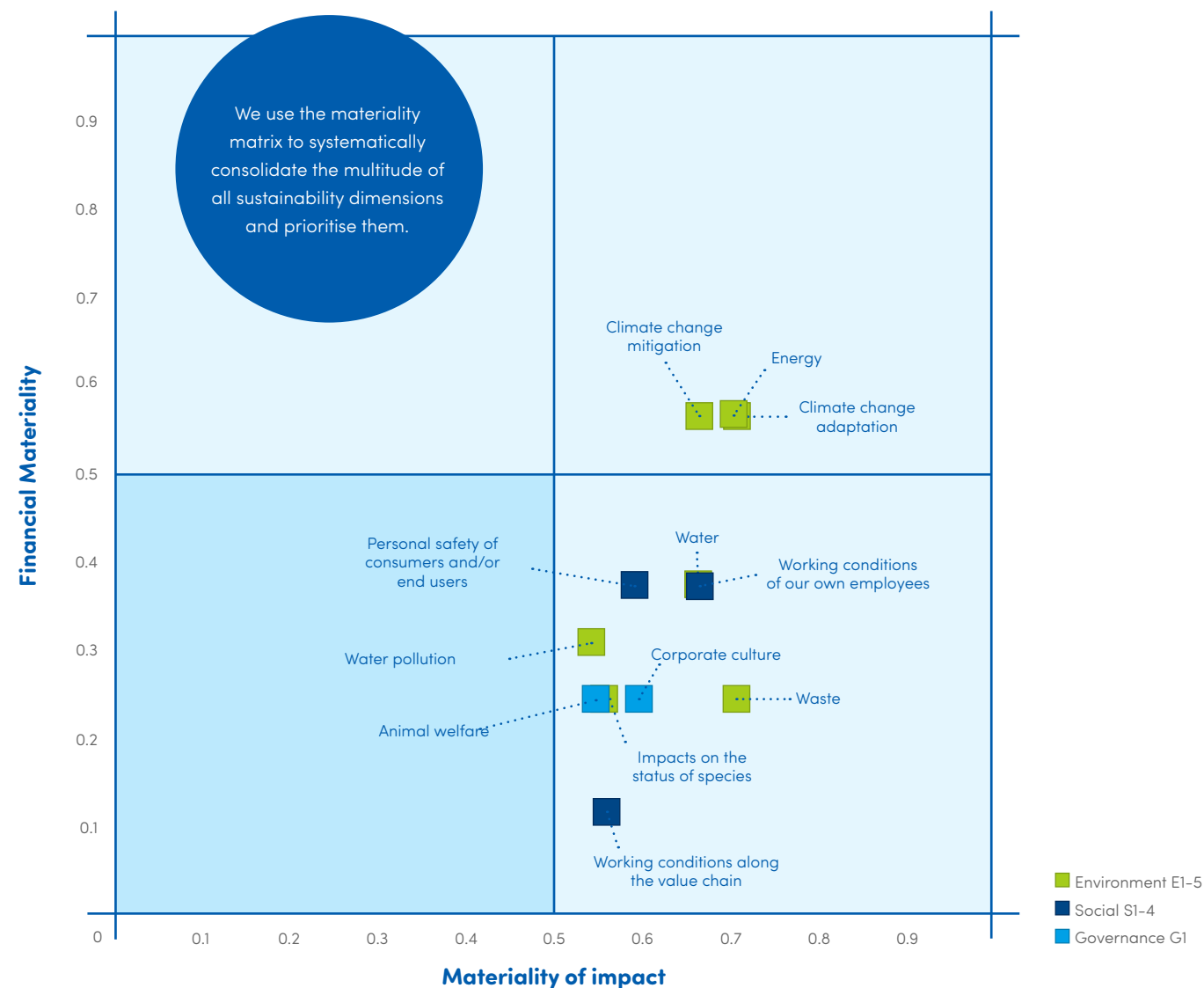


MATERIALITY MATRIX OF BMi

The results from the assessment of impacts and financial materiality were combined in a matrix. Sustainability aspects that are not located in the third quadrant of the matrix are regarded as material. For better clarity, topics that were classified as not material during the analysis have been omitted from the presentation below.

Finally, the entire materiality analysis was reviewed and validated in a joint reflection process with key internal stakeholders. It was confirmed that the topics already identified in 2021 remain relevant and have been further substantiated in their importance by the current process.

In the future, the strategic orientation of sustainability activities will be increasingly aligned with the identified material topics. Topic areas that have not yet been fully integrated into the sustainability strategy will be systematically incorporated and further developed to ensure a holistic and future-oriented sustainability management.



CLIMATE

Reduction of Greenhouse Gas Emissions within the Company and along the Value Chain

In line with our guiding principle of “Measure, Avoid, Reduce and Offset,” we have been actively engaged for several years in collecting and analysing data on our greenhouse gas emissions. Our long-term goal is to identify targeted opportunities for improvement across all areas—Scope 1, 2 and 3—implement effective measures, and thereby contribute to achieving the goals of the Paris Climate Agreement.

Impacts of Climate Change

Climate change and its consequences—such as extreme weather events or droughts—have a particular impact on agriculture, which is highly dependent on environmental and weather conditions. The availability of feed and the reliable supply of water could pose challenges in the future. Severe temperature fluctuations can lead to changes in both the quality and quantity of the raw material milk.

In addition to the long-term supply of raw materials, adapted processing procedures in dairies are necessary in order to respond to the changed conditions. Rising outside temperatures affect cold chains, production conditions, and energy efficiency. Targeted technical and organisational adjustments are required to ensure long-term product quality and to minimise energy losses.

At the same time, the demands of various stakeholder groups are increasing significantly. Climate protection, transparency, and reductions in greenhouse gas emissions are becoming increasingly central to corporate responsibility.

Emission Data Collection as a Decision-Making Tool

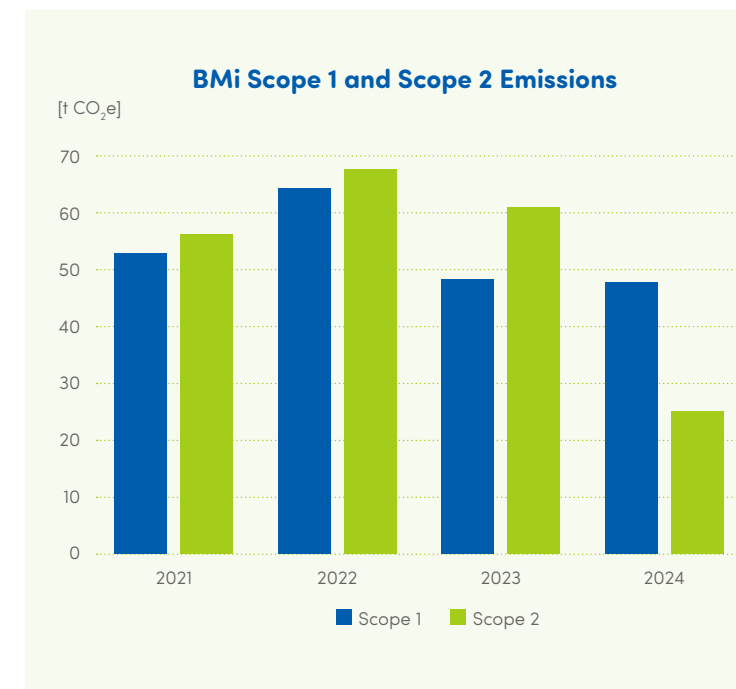
In line with the Greenhouse Gas Protocol (GHG), BMi has been calculating its corporate carbon footprint annually since 2020. The calculation is based on reliable data relating to energy use and emission sources across the company. Through our energy management system, we are able to record and present emissions from Scope 1 and Scope 2. For Scope 3, we have largely relied on literature values for emission factors to date. In the future, it is our goal—where appropriate and relevant—to increasingly use primary data.

Emission Trends

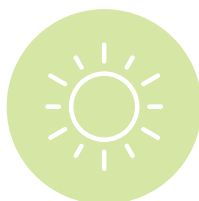
We are aware that the majority of our emissions fall within Scope 3. Given our limited influence on emissions across the upstream and downstream value chain, our initial focus has been on identifying reduction measures within Scope 1 and Scope 2. In 2024, a total of 87,296 tons of CO₂e were generated by Scopes 1 and 2. Compared to 2020, we have already achieved savings in some areas, which are reflected both in the absolute and specific emission quantities.

Compared to 2021, the use of heating oil for generating heat is particularly evident in 2022. In 2023, we were largely able to switch back to natural gas, resulting in lower Scope 1 emissions.

For Scope 2, we rely on an adjusted electricity mix, with a portion of it from green electricity sources since 2024, which has a positive effect.



The findings from our projects will be consolidated in our climate roadmap in 2025.



The main focus of our emissions lies in Scope 3, which includes the upstream and downstream value chain. Over 90 percent of our total emissions inventory can be attributed to this area.

This makes the impact of milk and whey raw materials particularly evident. In 2024, in the Scope 3.1 category, approximately 750,000 tons of CO₂e can be traced back to raw milk.

To make our commitment to climate protection visible and to monitor it on an ongoing basis, we joined the Science Based Target initiative (SBTi) in 2022. In 2023, our objective was validated, with a "near term target" set in accordance with the guidelines for "well below 2 degrees." At present, the distinction between FLAG and non-FLAG emissions has not yet been taken into account.

It is currently being examined whether and to what extent BMi can meet the new SBTi target requirements in the long term. Our main priority is to formulate ambitious yet realistic climate targets. We expect a revision of the targets following the publication of the new GHG Protocol standard "Land Sector and Removals Guidance."

Projects within Scopes 1 and 2

In 2024, the transformation concepts for the Jessen and Zapfen-dorf sites were finalised. In the same year, the development of a transformation plan was initiated for the Winzer site; completion is scheduled for 2025.

The aim of these concepts is to identify transformation opportunities for each site and to integrate them into investment planning. In the process, it becomes evident that energy-intensive processes in the high-temperature range in particular present a major challenge.

This project was funded by the Federal Ministry for Economic Affairs and Climate Action as part of the Federal Funding for Energy and Resource Efficiency in Industry (Module 5).

All findings are to be consolidated in 2025 in a climate roadmap for BMi.

Climate Indicators and Digitisation

Another focus is on collecting climate indicators for milk. Data collection is carried out entirely digitally via an online tool. In order to keep the time required for milk producers as low as possible, the web-based input form is continuously being optimised. For example, the document upload option has been improved so that data can be pre-filled automatically as much as possible.

ENERGY



Continuous Improvement through Energy Management

Since 2012, BMi has had an energy management system certified according to ISO 50001.

Ever since then, we have been pursuing a continuous improvement process with regard to our energy efficiency, which needs to be economically viable and technologically feasible at all times.

In 2024, we were able to save around 4 million kWh through targeted energy management measures. These savings were achieved through process optimisations, targeted maintenance measures, and investments.

To gain even more detailed insights into our energy indicators, energy management software will be gradually rolled out in 2025.

BMi's Energy Procurement

Around two thirds of BMi's total energy demand is covered by thermal energy sources, one third of which is due to electricity requirements.

Unlike during the gas shortage in 2022, we have once again been able to increasingly use natural gas instead of heating oil as a source of thermal energy starting in 2023. Since 2010, our Jessen site has been sourcing steam—and since 2018 also hot water—from a neighbouring biogas plant.

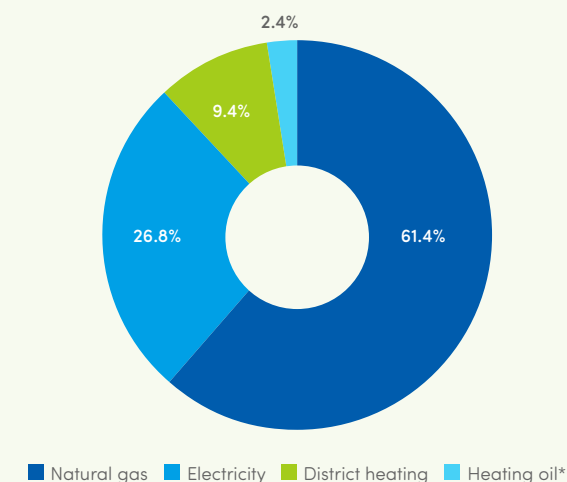
We are constantly examining alternatives in order to replace fossil energy sources with regenerative energy sources. However, the transition is challenging in many areas. Both the availability of technologies for high-temperature applications, the economic viability of investments, and the availability of energy sources present obstacles.



Different temperature levels need to be used in a targeted manner.

Breakdown of Energy Carriers in 2024

Share of total consumption



* Consumption determined via inventory management

Thermal Energy and Electrical Energy

In 2023 and 2024, we recorded a significant reduction in absolute heat and electricity consumption. The main reasons for this are the sale of the Fresh Business Unit and the closure of the Ebermannstadt production site.

For the specific heat energy indicators, we observed a significant increase, which is primarily due to the shift in the product portfolio toward ingredients, which have a higher degree of refinement and therefore require more energy than fresh dairy products.

In the area of electricity, there was also an increase in the specific indicators in 2023.

In addition to the shift in the product portfolio, less raw material was processed compared to previous years, which has an impact on the specific indicators.

Expansion of Green Electricity

A central component of our sustainability strategy is the gradual increase in the share of renewable energies. In the previous sustainability report, we already set ourselves the goal of having at least 50 percent of our electricity demand being covered by renewable energy sources by the end of 2025.

In 2024, we were already able to cover 30 percent of our electricity consumption with green electricity. We expect to reach the target of 50 percent in 2025. We are likely to achieve this target in 2025. For covering our green electricity needs, we use guarantees of origin.

As part of the MPI project, various options for the use of renewable energies have been examined intensively. In the process, it became apparent that expanding in-house generation of green electricity on the plant premises is only technically and economically feasible to a very limited extent. Nevertheless, the use of renewable energies remains a central issue for the future energy supply of BMi. Of particular note here are the increasing technical and economic opportunities for the use of waste heat and its utilisation in the production process via heat pumps.



More for you to discover:

The charts on this page contain interactive elements. Simply click on the charts to receive additional information. For the best interactive experience, we recommend using a desktop computer or laptop.

RESOURCE MANAGEMENT

Resource conservation applies to all resources used—from raw materials and energy to water as well as auxiliary and operating materials. In addition to the use of energy-efficient technologies, BMi relies on both responsible handling of packaging materials as well as on proper waste disposal and recycling. We also expect this from our suppliers.

Material Consumption and Packaging Solutions

As in previous years, 2024 saw continued efforts to optimise packaging sizes with the aim of reducing material usage.

Moreover, we have also launched projects to improve the recyclability of our packaging.

The choice of packaging depends on customer requirements and machine compatibility. For customised solutions, we work closely with our packaging suppliers. As food safety remains our highest priority, we currently refrain from using recycled materials in our packaging solutions.



Waste Streams

In addition to optimising our product packaging, we are actively committed to avoiding waste and disposing of it responsibly. In 2024, a total of 2,102 tons of waste was generated. This figure does not yet include sludges from flotation and treatment plants, which account for the major portion of 37,696 tons. However, 37 percent of these are already being used for energy recovery and are thus returned to the materials cycle. The remainder is composted or used for agricultural purposes.

A key component of our waste management is the careful sorting and return of recyclable materials to the circular economy. BMi separates waste by type as much as possible—such as paper, plastic films or wood—in order to maximise recycling. Waste that cannot be separated by type is disposed of as residual waste or commercial municipal waste.

Our separate collection rate was 75 percent in 2024 and describes the ratio of residual waste to total waste generated. In order to further reduce environmental impact and minimise disposal costs, we are continuously working to increase this rate.



WATER

As a company with close ties to agriculture, water is an especially valuable resource for us. With rising average temperatures and decreasing precipitation, its availability can no longer be taken for granted. In dairy processing plants, the demand for fresh water is high, as strict hygiene and quality requirements need to be met. We are aware of this consumption and are implementing targeted measures to reduce water usage wherever this is technically and economically feasible. In addition, we operate monitoring programs to track our water extraction and consumption and thereby try to create a sustainable use of groundwater resources.

Fresh Water Supply

In 2024, 83 percent of BMi's fresh water was sourced from its own wells, while the remaining amount was obtained from the municipal water supply.

Despite numerous efforts, it was not possible to reduce specific fresh water consumption, which instead increased slightly. A key reason for this increase was shifts within the product portfolio at the end of 2022.

Where possible, measures were implemented to counteract the rising trend, always with a focus on consistently high quality and food safety. In the process, a particular focus is on the reuse of water, which was further expanded thanks to new evaporated water tanks at the Zapfendorf plant.



More for you to discover: The chart on this page contains interactive elements. Simply click on the chart to access additional information. For the best interactive experience, we recommend using a desktop computer or notebook.

Wastewater

In addition to consuming fresh water, dairies also generate wastewater, which is treated in accordance with legal regulations. Here, BMi differentiates between clean water and wastewater. Clean water contains virtually no pollutants and can be discharged directly into surrounding water bodies. This is done in compliance with legal requirements and is closely monitored to ensure that there are no adverse effects on the environment. By contrast, wastewater must be treated in sewage treatment plants before it can be reused. At our sites, this is done via municipal sewage treatment plants. To make efficient use of the capacity of these treatment plants, BMi pre-treats the wastewater beforehand. An exception to this is the Zapfendorf site, which has its own on-site treatment plant.



Not All Water Is the Same

- **Clean water:** This is discharged directly into surrounding water bodies, as its low pollutant content means it has no adverse impact on the environment.
- **Wastewater:** In contrast, this water is more heavily contaminated and must be treated in a sewage treatment plant before it can be reused.
- **Grey water:** This is slightly contaminated wastewater, which can be reused as process water after appropriate treatment.
- **Internal water:** Water sourced from our own company wells.
- **External water:** Water obtained from public water sources.



A man and a woman, both wearing blue BMI t-shirts, are working together at a computer in an office setting. The man, wearing glasses, is leaning over the woman's shoulder, pointing at the monitor. The woman, also wearing glasses, is seated and looking at the screen. The background shows a typical office environment with desks and windows.

OUR PROGRESS IN THE FIELD OF ACTION OF COOPERATION

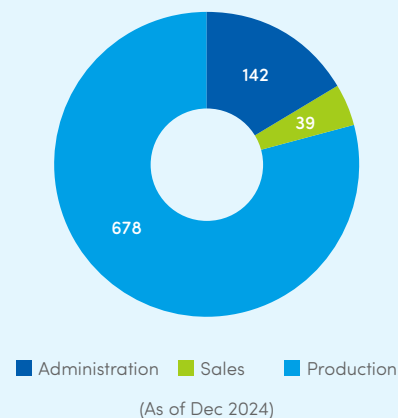
Well-trained and motivated employees are the foundation for the long-term success of our company. Regardless of their individual religious affiliation, nationality, gender or age, the well-being of all employees is equally important to us. Employee health and satisfaction are crucial factors for productive and constructive collaboration.

In addition, we consider our strong regional ties and our commitment to society to be important components of our corporate culture in the spirit of a partnership-based approach. In this way, we are making a valuable contribution to positioning BMI as an attractive employer. This will remain a key objective for our company in the future as well.

PROMOTING AND INCREASING EMPLOYEE SATISFACTION

Our corporate culture is characterised by the commitment and satisfaction of our **859 employees**. The largest share of our workforce is employed in production. We are particularly proud that, in 2024, every tenth new hire was the result of a recommendation by an existing employee.

Employees by Department in 2024



BMi is continuously striving to be an attractive employer both for current employees as well as for potential applicants. For this reason, targeted measures were introduced in 2024 to further optimise working conditions and to enhance our attractiveness as an employer. The focus was on employee health, on employee and leadership development, and on the review and expansion of employee benefits.

Expansion of Company Benefits

Along with the existing supplementary benefits, such as collectively agreed company pension schemes, occupational disability insurance, and additional company accident insurance, we offer further advantages to our employees as well, including:

- **Corporate fitness:** Around 7 percent of our employees are already making use of this offer.
- **Company bike leasing:** Around 12 percent of our staff are already benefiting from this sustainable mobility offer.

Leadership Development

The ability to pursue lifelong learning is a key factor for success. This desire was also frequently expressed in the latest employee survey—in particular to establish more opportunities for learning and development for managers.

Therefore, a BMi leadership framework was developed together with our managers: the Leadership Compass. The leadership development program was designed on this basis and successfully launched in 2024.

Opportunities for Further Training

Long-term further training is a central component of our Human Resources development. We therefore offer our employees various qualification opportunities, including certification as trainers (according to AEVO) or long-term programs such as Meister or Techniker, and employer-sponsored academic studies. Employees receive individual offers of support and, in return, continue to be contractually bound to us. The aim is to ensure the long-term availability of staffing potential and to achieve lasting retention of our specialist and management positions.

A key component of our development opportunities is our internal learning programs: by colleagues, for colleagues. In 2024, 37 events were offered. Another opportunity is the basic dairy technology course, which is held once a year in cooperation with the Landesverband Bayerischer und Sächsischer Molkereifachleute und Milchwirtschaftler e. V. (LBM e. V.). In 2024, 24 employees participated in this basic course to deepen their knowledge of technology dairy processes.

Apprenticeship and Trainee Program

In 2024, eleven apprentices successfully completed their training.

Unfortunately, the goal of maintaining a constant apprenticeship rate was not achieved. The figure declined from 4.7 percent in 2021 to 3.23 percent in 2024. Despite various measures, such as an increased presence at training fairs and visits to school classes and student internships at our sites, we have recorded a lower number of applications for apprenticeships in recent years.

The trainee program remains a core component of the HR strategy. A successfully completed trainee program, a currently ongoing program, and the recruitment of a new trainee at the Jessen site underscore the continuity of this program.

BMi Apprenticeship Days

At the 2024 Apprenticeship Days, 23 apprentices from various occupations and training years gathered in Zapfendorf to get to know the company better and to strengthen team spirit.

In addition to a tour of the plant, there were also product stations and information on development opportunities within BMi. The positive feedback shows that this event will also be a valuable experience in future years.

Employee Turnover at BMi

Naturally, employees leave BMi from time to time. This occurs for various reasons, such as retirement or voluntary resignation by employees. Particular focus is placed on voluntary turnover here, when employees decide on their own to leave BMi. When analysing this, we use the external company turnover rate as a key metric. In 2021, this rate stood at 4.88 percent, declining to 4.31 percent in 2024.



Trainee days: an important opportunity to get to know BMi and each other better across all sites.



Strengthening and Preserving Employee Health Occupational Accidents and Prevention

Preventing occupational accidents and protecting health are matters of particular importance to us. Unfortunately, the complete avoidance of accidents during working hours is difficult to achieve. From 2021 to 2023, we were able to reduce our reportable occupational accidents from 54 to 38 per year (not counting the Ebermannstadt and Würzburg sites). We were unable to continue this success in 2024, recording a total of 50 reportable accidents.

These figures are also reflected in the Lost Time Injury Rate (LTIR). In 2023, a value of 35.43 approached the industry average. In 2024, the value across all sites increased to 42.78.

In order to sustainably prevent workplace accidents, immediate corrective actions are being taken. The occupational accidents are documented and published anonymously on the intranet. In addition, accidents are thoroughly reviewed in the meetings of the Occupational Safety Committee (Arbeitsschutzausschuss, ASA).

Once a year, a cross-site occupational safety meeting is held.

During these meetings, plant managers and occupational safety officers from the various locations jointly analyse accidents and define preventive measures. This form of exchange strengthens collaboration across sites and ensures the continuous development of safety standards at BMi.

Promoting Workplace Health

As already announced in our 21/22 Sustainability Report, we planned to introduce health days at each site. Initial pilot days and awareness events were held at the Wang, Landshut, and Jessen sites in 2023. Due to the positive response, the concept was expanded to all locations in 2024.

The health days were organised together with partners such as BGN and various local health insurance providers. The content was specifically tailored to the respective needs and activities of employees at the sites. Theoretical knowledge was combined with practical exercises in order to create comprehensive awareness of workplace health.

Strengthening Communication in the Individual Company Divisions

Successful cooperation is based on transparent and well-functioning communication. To ensure the optimal distribution of information within BMi, content is made available to employees via various media: The employee newsletter, the intranet, and regularly updated location display screens ensure effective and transparent communication throughout the company. In 2024, 160 articles were published on the intranet, and 6 employee newsletters were issued.

Social Engagement in the Surroundings of All Company Locations

BMi is actively engaged in the social environment of all company locations. In 2024, the "Show Your Volunteering" initiative was launched to make employees' volunteering efforts visible. Various smaller activities took place as well, including a Children's Day in Zapfendorf with the local elementary school, support for the fire department, and a large-scale exercise in Jessen.

Regional initiatives were also supported, such as the soccer club in Jessen, which was provided with jerseys featuring the BMi logo. Participation in the company run and successful involvement in the company bowling event further emphasise our commitment to team spirit and sporting activities.



The company bike
leasing program is well
received at BMi.



Strategic outlook

WE PURSUE OUR GOALS IN A FOCUSED AND CONSISTENT MANNER

As part of our 2030 strategy, we have already defined six strategic fields. Each of them is strategically underpinned by specific topic areas and projects, which we are systematically implementing step by step with measurable measures.

You will find further details in the interview with Dr. Obersojer and Mr. Meier.



Image: Jessen plant, entrance area

STRATEGIC OUTLOOK AND OBJECTIVES: IN CONVERSATION WITH DR. THOMAS OBERSOJER AND WINFRIED MEIER



How do you intend to achieve your mission: “We are the specialist in innovative ingredients and high-quality cheese products, producing them for our global customers from milk and whey, preferably in organic quality”?

Obersojer: To this end, we defined six strategic fields at the end of 2023, as part of our Strategy 2030 that we are systematically addressing and processing:

- A: Increasing attractiveness for employees
- B: Shaping the future of ingredients
- C: Securing cheese profitability
- D: Developing new business areas
- E: Advancing digitisation
- F: Increasing sustainability

Despite all external influences, there has not been any change in our strategic direction. On the contrary: We have received clear confirmation from our key stakeholders that we are to continue pursuing this path consistently and with focus—even faster if possible!

How do you intend to achieve a long-term goal for 2030 without losing focus over such a long period?

Meier: Precisely for this reason, we set ourselves the goal of a substantial work package for each year—we call them Essentials—which are ambitious but realistic. For 2025, we have set an ambitious objective—and we will not be deterred from it by the challenging start to the year:

For each strategic field, we have selected two areas of focus or projects—each supported by clearly measurable and time-bound actions—that we regularly discuss and monitor together.



**What does this mean in concrete terms?
Can you provide any specific examples?**

Obersojer: Let us take our strategic field “E: Advancing digitisation” as an example: Specifically, we are working on implementing a new, integrated ERP system. In the end, however, it is much more than just the ERP software system itself. For example, we also need to digitise the entire shop floor as the site of value creation. All information needs to be recorded digitally at the point where it is generated. Only in this way can we achieve efficient and seamless digital process monitoring as the basis for continuous improvement and ensure end-to-end traceability at the push of a button. For this reason, the scope of the project has expanded so significantly that we now refer to it as BMIndustrie 4.0.

Could you please give us another example?

Meier: I think the most prominent example here is our strategic area "B: Shaping the future of ingredients," specifically the "Start of construction of new MPI plant in Zapfendorf" work package. For some time now, it has been clear to us that our customers are constantly expecting more from us as the leading producer of organic whey-based ingredients in baby-food quality. This applies both to the quality of products and processes in the direction of dry-mix quality and to further fractionation of whey powder derivatives in order to enable our customers to replicate human milk even more precisely for optimal infant development.

Obersojer: We are pleased and proud of our project team, as the planning for the processes, buildings, and comprehensive technical building equipment is well advanced. Our R&D team has succeeded in developing demanding new products in the area of nutritionally significant minor protein and fat components on both a laboratory and industrial scale. In 2025, we are planning to obtain the permits regarding emissions and buildings, prepare the tenders, and finalise the project timeline.

Meier: Our customers are already very eager to know when we will be able to expand our portfolio with these products. Here, we are benefiting from our sales strategy from recent years. We have defined Asia and the USA as growth markets. In the meantime, we are also marketing organic lactose and organic WPC 80 in accordance with the NOP_{eq} (National Organic Program). Our Chinese customers are actively requesting alpha-lactalbumin and MFGM. To this end, our decision to employ a key partner in Beijing and another in Bangkok, both with many years of sales experience, has proven to be the right one.

Just these two areas of responsibility already sound very ambitious.

Obersojer: That is correct. However, our team has understood our objectives very well and is working with full commitment and dedication to achieve them together. Along our annual program and the long-term MPI and "BMIndustrie 4.0", we prioritise strengthening our competitiveness through leaner structures, more efficient processes and a focus on cost reductions. It also involves securing the supply of our key raw materials milk and whey along with increasing the market shares of high-yield products and regions.

While the disruptions caused by tariffs and political disputes are indeed threatening, they also present opportunities. For example, our business in China has developed quite positively in recent times. Last but not least, this will only succeed if we all pull together. We call this "partnership-based collaboration". To this end, we have established a training program to enhance our competencies and to achieve a unified understanding of leadership and values. Only in this way will we reach our ambitious goals!



The committed collaboration within our project team enables effective, strategic management of the planned areas of activity.



Closing Statement

LAST BUT NOT LEAST: INFORMATION ON REPORTING

Transparency is an important concern for BMi. For this reason, you will find the factual background to our reporting below, such as our methodology and the standard to which we adhere.

In addition, you can learn even more through online access to specific figures, data, and facts in the area of sustainability.

And, of course, we do not want to neglect expressing our sincere thanks at the very end. Thank you very much for your interest.

ABOUT THIS REPORT

Reporting Period, Report Boundaries, and Target Groups

The present report covers all business activities and includes all production sites of Bayerische Milchindustrie eG.

Essentially, the sustainability topics address activities from the period from 01.01.2023 to 31.12.2024, with a focus on the financial year from 01.01.2024 to 31.12.2024.

Since the last published reports, the 2023 Annual Report and the 2021/2022 Sustainability Report, the Fresh Products division, including the Würzburg site, has been sold. In addition, the Ebermannstadt production facility has been closed.

Methodology and Standard

The BMi sustainability report was prepared in accordance with the standards of the Global Reporting Initiative (GRI). The initiative was founded in 1997 and sets the framework for standardised and comparable sustainability reporting. By aligning the report with the GRI standards, BMi ensures the transparent presentation of sustainability content. In order to report in accordance with these standards, it is necessary to create a GRI index, stating the title of the GRI 1 used and including a declaration of use. While an external audit of the report is not planned, the Global Reporting Initiative has been informed about BMi's sustainability reporting in line with the GRI standards.

The structure of the report is based on the sustainability strategy developed by BMi, which reflects the most relevant fields of action. These fields have undergone a materiality analysis tailored to the interests of our stakeholders. Finally, our specific topics are compared with the disclosures resulting from the GRI standards.

Contact Information

If you have any questions or comments regarding our report, please feel free to direct your inquiry to bmi@bmi-eg.com.



Figures, Data, Facts

In order to make our performance in the field of sustainability transparent and comprehensible, we publish the most relevant key figures annually. To ensure that our information is always current, we regularly update the key figures on our website.

You can access the figures directly via the QR code or at the link provided:

<https://bmi-eg.com/en/responsibility/facts-and-data>

<https://bmi-eg.com/en/responsibility/gri-index>

A photograph of three black and white cows in a lush green field. The cow in the center is looking directly at the camera, while the other two are grazing. The sky is blue with some light clouds.

THANK YOU.

We would like to thank our member companies, suppliers, and customers for their loyalty and excellent cooperation.

We would also like to extend our gratitude to all associations, authorities, and organisations for their advice and support.

We would especially like to thank our employees for for the responsible work they have done.

Imprint:

Publisher:

Bayerische Milchindustrie eG

Concept and Texts:

Sandra Paukner
querformat GmbH & Co. KG

Photos:

RAMONA PETROLLE PHOTOGRAPHY,
BMi (including Stefan Hemmerlein,
Nadine Reichenberg, Bianca Körber),
Adobe Stock, iStock



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Inspection number of the Eco Monitoring Unit:
DE-ÖKO-001