Company and Responsibility
in our own sphere. As a family business we have always implemented measures and projects directed towards sustainable development, even when they did not yet produce perfect results at first. In doing so, however, we invariably walked the Dr. Oetker path.

This means we implement measures in a carefully considered way. It is not our wish to make a rash decision merely because an issue happens to be en vogue in the public arena, or is even being falsely portrayed as a scandal by a few interest groups. We are also mindful of the fact that we cannot deal with all necessary tasks at once. This is why we focus primarily on the processes we can influence fundamentally.

As a family business we think in generations and have our own “recipes for the future”. Here, too, as with every good cake, it comes down to the ingredients. The most important for us are motivated employees, high-quality products and sophisticated manufacturing processes. Our wish in presenting this Sustainability Report 2011/2012 is to give you insight into our formula.

Richard Oetker
The Dr. Oetker company first presented an environmental report in 1994, the regularly published environmental reports being replaced by sustainability reports from 2003 onwards. In 2010 the company extended its coverage of sustainability to all international locations and since then has reported on its sustainability activities on a two-year cycle.

This report encompasses the period from 1 January 2011 to 31 December 2012 and replaces the sustainability report of 2010.

The Sustainability Report 2011/2012 reflects the issues and challenges of sustainable development important to the company and informs the reader about the company’s sustainability strategy as well as about projects and measures in the areas of climate and environmental protection, product responsibility, employees and societal engagement.

The company bases its coverage of sustainability on the universally recognised guidelines of the Global Reporting Initiative (GRI). The information in the report relates to Dr. Oetker GmbH. This includes all German distribution and production locations wholly owned by the company, Countries Division 3A (Africa, Asia, Australia) is not yet the subject of this sustainability report, as this division is still being built up. The focus at the locations in Australia, South Africa and India is initially on the organisation of further market development; in China a production facility was not completed until autumn 2011.

Interests in companies are not covered in this report. Nor does it deal with economic figures such as turnover, market shares or capital spending. Details of these are provided by the Oetker Group’s annual report, which, since it is published annually, always presents the latest data on the previous financial year in each instance.

The environmental data in the chapter Product Responsibility relate solely to the production sites. All other data – unless otherwise stated – encompass all locations apart from, as noted above, Countries Division 3A. An exception is made on page 68 in the chapter Employees, which also contains Countries Division 3A.

The information in this report is addressed to the trade, consumers, employees and the company’s business partners, as well as to the media, non-governmental organisations, policymakers and the wider community. For improved readability, this report uses the generic masculine form and refrains from referring to both sexes.

It appears as a print version in German and as a PDF in German and English. The online version (in German and English) can be downloaded from the homepage at oetker.de and at oetker.com. A relaunch is planned for oetker.com. As a result of the revisions being made, restrictions might apply.

As the printed report cannot reflect the full spectrum of Dr. Oetker’s commitment to sustainability, the symbol refers to further information on the internet.

The Dr. Oetker Sustainability Report contains forward-looking statements which are based on expectations and assumptions made at the time of publication. A variety of factors beyond the company’s control and difficult to gauge may result in actual outcomes which diverge from the objectives stated here. These factors include, among other things, future market conditions and economic developments, the behaviour of other market participants as well as statutory and political decisions.
Sustainable Action
With A Long Tradition

Entrepreneurial responsibility has long been standard practice in the Dr. Oetker family business. Throughout a company history of more than 120 years, certain principles and forms of behaviour have evolved at Dr. Oetker which are never directed towards quick profit maximisation, but invariably geared towards the sustainable economic development of the company.

A fourth-generation family enterprise

The companies managed by Dr. Oetker GmbH and active in the branded food business form one part of the Oetker Group. Within the Group they are assigned to the Food Division.

Dr. Oetker GmbH constitutes the parent company of numerous Dr. Oetker production and distribution companies operating in some 40 countries. Globally, more than 9,000 employees generate turnover of around two billion euros. The German core company is Dr. August Oetker Nahrungsmittel KG, based in Bielefeld.

The development from its formation in 1891 to today’s internationally active and broadly diversified company has been shaped largely by the Oetker family. The company is wholly family-owned and, by virtue of its legal form as a registered partnership, independent of the equity markets. Under Richard Oetker it is managed today in the fourth generation. Apart from their fundamental influence on strategy and corporate policy, the owner family embodies and guarantees soundness, continuity and stability, permitting employees a large measure of identification. They have set out the principle of their entrepreneurial commitment with the words: “The interests of the company take precedence over those of the family.”

The Dr. Oetker brand

From the outset, the company’s founder, Dr August Oetker, vouched for his products with his name as guarantor of superlative quality. In so doing, he had created one of the first branded products in Germany, and at a very early stage, built up the brand to form the sound basis of his company. Then, as now, the Dr. Oetker trademark denotes that the products are of the superior quality, are guaranteed to produce the best results, and taste outstanding. The value of the brand was, and is, preserved by the fact that this special pledge of quality is always redeemed.

To this end, all activities are guided by a stringent quality policy. This begins with the meticulous selection of raw materials and continues through to the maintenance of the very highest standards in production and logistics. In pursuit of this brand orientation, Dr. Oetker manufactures branded products and markets them at prices commensurate with this special service. Moreover, the company sets new directions time and again, giving fresh stimulus for new trends. This contributes to safeguarding the value-creation potential of the Dr. Oetker brand.

Independent and representative surveys have repeatedly shown that
Dr. Oetker occupies a leading position among German food brands and also ranks among the most trusted food brands in the European region.

**The product lines**

To meet the changing needs and desires of consumers, new products are constantly being designed and existing products refined. In the process, the company focuses on three strategic product lines in the end-consumer business: ambient food, frozen food and chilled products. Dr. Oetker is represented by roughly 400 different items in Germany and is market leader there in almost all its assortments, which include baking and decoration products, baking mixes, dessert powders, preserving products, muesli and chilled ready desserts, as well as frozen pizzas and snacks.

In Europe the company leads the market in the baking, dessert and frozen pizza segments. In all, the international assortments embrace more than 3,500 different products, some being the same across national borders, others appealing to country-specific tastes. Through the acquisition of Fun Foods India, Dr. Oetker is present in the Indian market with various dressings, sauces and dips.

The end-consumer business is augmented by special ranges aimed at bulk consumers, with Dr. Oetker Food Service supplying products in corresponding package sizes for kitchens and canteens in the restaurant trade, hospitals and other institutions.

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For historical reasons the brand name in Italy is “cameo”.

**STRATEGIC PRODUCT LINES**

**Ambient food**

**Frozen food**

**Chilled products**

**Bulk consumers**
Dr. Oetker markets its products worldwide. To this end, it is represented by distribution and production sites in some 40 countries. The company is based in Bielefeld.
The Oetker Group

The companies under the overall management of Dr. Oetker GmbH constitute the Food Division of the Oetker Group. Moreover, this division includes several companies operating in the bulk consumer business whose customers are chiefly bakeries and confectioneries, restaurants and canteens.

The Oetker Group, whose holding company is Dr. Oetker KG, comprises more than 400 companies operating in different industries. With turnover of some ten billion euros and a workforce of more than 26,000 worldwide, the Oetker Group ranks among the major German family enterprises.

The business divisions

Along with the Food Division, five other business divisions belong to the Oetker Group.

The Beer and Non-Alcoholic Beverage Division is managed by the Radeberger Group and comprises numerous beer brands such as Jever, Clausataler and Schöfferhofer Weizen. Further components are the well-known mineral water brand Selters and the soft drink Bio-

nade. International beers such as Corona Extra, Estrella Damm or Guinness are distributed exclusively by the Radeberger Group in Germany.

In the Sparkling Wine, Wine and Spirits Division, Henkell & Co. is the lead company. The portfolio contains such sparkling wine specialties as Fürst von Metternich and Henkell Trocken as well as spirits like Wodka Gorbatschow, with which the company is market leader in Germany. A wine trading company (Johannisberger Weinvertriebsgesellschaft) is also part of this business division.

The largest entity of the Oetker Group by turnover is the Shipping Division, under the control of the long-established shipping group Hamburg Süd. This group also includes the Brazilian shipping company Aliança as well as the tramp activities operating under Rudolf A. Oetker and Furness Withy Chartering. With some 160 vessels, the shipping group occupies a leading position among the private ship-owning companies in Germany.

Operating in the Banking Division are Bankhaus Lampe and its subsidiaries. It ranks among the leading and few independent private banks in Germany and has a shareholder background industrial in character.

The Other Interests Division embraces Oetker Group companies which operate in diverse sectors. It includes a chemical industry (Chemische Fabrik Budenheim), luxury hotels (Oetker Collection), publishing (Dr. Oetker Verlag) and other enterprises.

Safeguarding the future

Operating in varied branches of industry serves, in particular, to spread entrepreneurial risks and thus ensure the company’s long-term existence. The Oetker Group is coordinated centrally while, at the same time, the individual companies are managed decentrally and operate in the marketplace with a high degree of independence.

The holding company of the Oetker Group and the relevant Group companies trade under the legal form of the registered partnership and are wholly family-owned. This means that strategies are not driven by the needs of capital markets but guided above all by the principle of sustainability. In addition, a high level of earnings retention by the partners ensures the company’s future viability. An initial public offering is not contemplated.

In all Group companies long-term personnel development strategies ensure that management expertise will be retained into the future and continuously expanded. At the same time, the managers working in the Group demonstrate that an atmosphere of trust and a large measure of discretionary freedom are ensured.
Entrepreneurial actions are always guided by the values of an internationally active and simultaneously long-established family enterprise. In particular, consistency, trust, credibility, farsightedness and independence possess significance for Dr. Oetker and are exemplified by the owner family. Corporate strategies and decisions are structured for sustainability: they are never directed solely at short-term successes but always at the continued existence of the company. The basis of this is the owners’ maxim that the interests of the company take precedence over those of the family.

Sustainable development at Dr. Oetker is based on the four building blocks of economy, ecology, social and societal responsibility, with the economic dimension forming the foundation. It creates the funds which finance the other areas. All these building blocks are mutually dependent. This is why the company’s fundamental attitude is to harmonise economic success with its responsibility to the environment, employees and society, to anchor it firmly in its corporate identity and thus in the way it thinks and acts. This sustainable corporate governance puts people at the centre. Entreprenuerial actions are always guided by the values of an internationally active and simultaneously long-established family enterprise. In particular, consistency, trust, credibility, farsightedness and independence possess significance for Dr. Oetker and are exemplified by the owner family. Corporate strategies and decisions are structured for sustainability: they are never directed solely at short-term successes but always at the continued existence of the company. The basis of this is the owners’ maxim that the interests of the company take precedence over those of the family.

Sustainable corporate governance is the basis of all decision processes at Dr. Oetker. The overriding aim is to preserve and enhance the values of the family business and safeguard the continued existence of the company.
Outlook and goals

- Increasing company value annually and thereby safeguarding the continued existence of the company.
- Further strategic integration of the issue of sustainability in the company.
- Continuous expansion of energy management and monitoring with the aim of further reducing energy consumption and emissions.
- Developing the organisation, management expertise and employee qualification to meet constantly changing company requirements successfully.
- Making an active contribution to fostering a positive, familial working environment and the education of people of all ages.

Moreover, Dr. Oetker looks beyond its own factory gates and works closely with other companies, associations, scientific institutes and educational institutions. The aim is to meet the challenges of a changing environment and design strategies for sustainable corporate development and the associated safeguarding of jobs. Additionally, the company cooperates with other institutions to analyse and enhance its sustainability structure.

Beyond that, the family business has, since its founding, concerned itself with the pressing societal issues of the particular era and has always made a contribution to social, cultural and educational development.

Sustainability at Dr. Oetker is a continuously practised conviction. All company employees assume responsibility for it in their sphere of influence on a daily basis.

Dr. Oetker acts on the principle of the “honourable merchant” and views compliance with statutory provisions and ethical principles as a matter of course. Management positions are filled by people who share the company’s values. Furthermore, the prudent corporate policy is characterised by a combination of tradition and progress. The quality pledge and balancing of risks correspond with the creation of innovations and the opening up of new markets.

The more than 120-year history of the family business illustrates the success of this sustainable alignment. Account is also taken of this long-term orientation within the context of increasing international growth. A foresighted approach is pursued with activities in emerging markets, and the structures necessary for opening up the market built up gradually.

The company operates in more than 40 countries and is decentrally structured. The Executive Board bears overall responsibility for the strategic and sustainable alignment of the company, controlling and steering it worldwide. The managers in the respective departments and national companies coordinate sustainability activities locally. In doing so, each national company acts on its own responsibility and against the backdrop of its cultural setting.

Dr. Oetker has established appropriate management Systems and standards to support all employees in performing and exercising this responsibility. Within the framework of its sustainability strategy, the company works constantly on successively implementing these high standards at all locations.

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Richard Oetker, Chairman of the Executive Board, operates a prudent corporate policy and is committed to social concerns. Board member Ralf Blomeier sees employees as key to corporate success and ensures the optimum use of transport in Logistics. Board member Otto Clüsener is responsible for Environmental and Quality Management, overseeing production processes for environmental and social compatibility. Board member Rainer Lührs practises sustainability with consumers’ needs in mind and is responsible for the portfolios Research and Development as well as Marketing. Board member Dr. Martin Reintjes is in charge of Sales and answers for the further development of sustainable product line and process solutions vis-à-vis the partners in the trade. Board member Andreas Unruhe oversees Purchasing, among other things, and ensures the responsible procurement of basic ingredients and materials.

www.oetker.de
Interview with Rainer Lührs
Member of the Executive Board Marketing, Research and Development

Is sustainability a fashionable issue?
Rainer Lührs: No, I don’t believe it is. Our society needs to deal with global warming, population growth and the limited ability, even today, to put food in people’s stomachs. Sustainability is the issue of the future, one we’ll have to engage with even more as we go forward. But we also have to distinguish between urgencies because, as a company in the food sector, our job is to feed people, and that has certain limitations. Companies can’t do everything at once; that would be a very idealistic way of thinking.

Which issues has Dr. Oetker identified, and how are they being tackled?
Rainer Lührs: Dr. Oetker has always been a sustainable company. We’ve implemented many measures in the past hundred years, always in the context of events at the time. For instance, we’ve ensured proper production methods, created sustainable work models for our staff and improved our employees’ old-age provision. Today we must concentrate even harder on the products. In the process we should focus primarily on the ones that give us the ability to bring about changes by virtue of the quantities we purchase, as is the case with cheese or flour. This is where we buy in relatively sizeable quantities. We also source cocoa. But with our very low-quantity purchases when measured against total worldwide cocoa bean production, our demand here is not big enough to allow us a part in shaping the market. Unlike with cheese or flour, we have fewer opportunities here to bring influence to bear on the upstream supply chain.

What role does the consumer play in the context of Dr. Oetker’s product responsibility?
Rainer Lührs: As a responsible company, we need, for example, to give thought to how consumers can prepare our products in an even more energy-friendly way. Consideration would have to be given, for instance, to whether the oven will have to be preheated, or if there are other sure-fire ways to prepare our products. We should also study the question of whether we still need a folding box for our products, or whether stronger plastic film would appeal to the consumer more because he no longer wants to have the outer packaging at all. In terms of the ingredients, the question is whether a consumer would pay more for the same product if basic materials were used that take even greater account than before of sustainability concerns. Various studies have shown us that consumers would be very willing to do so, but the sales figures are currently speaking a different language.

Is there a conflict of aims between quality and sustainability?
Rainer Lührs: No, to my mind, quality and sustainability are not mutually exclusive. The Dr. Oetker brand has always stood for outstanding quality and for products that taste exceptionally good and are guaranteed to turn out well. At the present time - but in the future too - the quality concept, though, should be augmented by sustainability aspects. They are something we must take into account even more in order to develop the best possible product. We regard that as our responsibility to the Dr. Oetker brand, which has always been something special and which should continue to be something quite special.

“Quality and sustainability are not mutually exclusive.”

Many product packages feature seals that stand for certain statements. Why doesn’t Dr. Oetker use seals?
Rainer Lührs: There’s now a flood of seals. We, at Dr. Oetker, are of the opinion that very few of them offer the consumer guidance. In our view, the best seal we have is the Dr. Oetker brand itself. Our brand sends out the signal that the consumer is buying a decent product. Any use of seals on our product packaging would be undertaken, if at all, in a measured way, and then only if it really made sense and were comprehensible for the consumer.
Management Systems

As a globally operating company, Dr. Oetker faces a corporate structure gaining in complexity. Besides an organisation with clear responsibilities, the family business has established various management systems based on internationally recognised standards to align its sustainable corporate governance. Binding standards of conduct support employees in carrying out their work and the company’s performance with regard to quality, the environment and workplace safety is reviewed by means of regular audits.

Quality management

Basic prerequisites for the success of the Dr. Oetker brand are the high quality and safety standards of the products. Consideration of them begins right back at the development stage and extend through to preparation by the consumer. To guarantee product quality and safety at all times and continuously improve it at a high level, the company is guided by a stringent quality policy. To this end, Dr. Oetker has built up a comprehensive quality system with explicit and globally valid requirements. One part of this quality system is quality management in accordance with the international standard ISO 9001, which is regularly recerti-fied.

In 2012 this existing quality management system was broadened to include a food safety system based on the internationally recognised ISO 22000 norm. Initially, one German, one Polish and the Italian location were integrated. It is planned to complete full integration of all German and international locations by 2015.

Environmental and energy management

With the introduction of an environmental management system according to the globally valid ISO 14001 standard, Dr. Oetker incorporated environmental protection into the entrepreneurial activities and decisions, whose framework is formed by, among other things, the Dr. Oetker Environmental Guidelines. Moreover, the executive manager of the Environment Department is involved in all environmentally relevant decisions and so contributes to the further development of environmental protection. Integration of the environmental and quality management system took place in the mid-1990s.

To counter the effects of global climate change, Dr. Oetker works constantly on lowering its energy consumption and thus its CO₂ output. The company installed energy monitoring systems in its plants many years ago for this purpose. With the implementation of the ISO 50001 energy management system in 2011, a further systematic and continuous approach to energy reduction was created. All national locations were successfully ISO 50001 certified in 2012 to take account of heightened requirements for energy efficiency.
Workplace safety management

At Dr. Oetker staff safety is paramount. Occupational health and safety is organised on the basis of OHSAS 18001. Within the framework of occupational health and safety, numerous specially trained safety representatives in various areas check the implementation of health and safety standards and accident prevention measures. They report identified shortcomings, propose measures for remediating them and ensure that these measures are carried out. Machinery and plant are regularly checked for any risk they may pose, and equal care is taken to ensure that work equipment is safe and its organisation commensurate with health protection within the terms of the Ordinance on Industrial Health and Safety. Annual health and safety reports record accident statistics as well as the health and safety measures and corresponding training measures carried out.

Integrated management systems

In addition to training in preventative health care and work safety, regular fire drills and first-aid courses are held. Comprehensive training also sensitises employees to emergency situations.

The environmental and quality management representatives report directly to the Executive Board. They supervise implementation of all environmental protection measures resulting from the environmental and energy policy, as well as the quality policy, and support plant managers in an advisory capacity. Carrying out internal audits and preparing all locations for external certification are as much a part of these areas of responsibility as is instituting appropriate corrective measures in the event of non-conformity.

Within the framework of regular management reviews, the Executive Board assesses the effectiveness of the system. Furthermore, continuous improvement measures are defined and the attainment of environmental and quality targets reviewed. Information is provided by the environmental and quality audit teams, as well as by the environmental and quality audit representatives who provide regular training and are the immediate contacts for their colleagues on issues relating to the implementation of the environmental and energy policy as well as the quality policy.

Quality management

As a result of the company’s strong international growth, the issue of compliance has gained in importance. Global business activity faces employees with different legal and value systems. An added factor is that statutory requirements are constantly increasing worldwide. A compliance management system has therefore been developed for the entire Oetker Group.

A fundamental element of this system is the Oetker Code of Business Conduct. The Code applies to all employees in all business fields and countries in which the company operates. Apart from the core statement that breaches of applicable law will not be tolerated, the Code summarises the key rules of conduct for staff, for instance:
- No anti-competitive agreements
- No inadmissible granting or acceptance of benefits
- Separation of business and private interests
- Rejection of any form of discrimination
- Careful and correct handling of company information

In addition, a compliance organisation was established whose compliance officers are available to all members of staff as neutral and independent points of contact for questions regarding compliance. To avoid ambiguous situations in the day-to-day work from the outset, managers and staff are sensitised in regularly held courses and given support in understanding and complying with the legal provisions.

Outlook and goals

It is planned to complete the full integration of all locations into the food safety system in line with the ISO 22000 standard by 2016.
Culinary culture in flux
In the past decades the prevailing societal conditions have changed significantly and are responsible for an adaptation of food habits. In a society strongly reliant on the division of labour and experiencing heightened pressure in relation to qualification and efficiency, there is increasingly less room for broadly based practical nutritional knowledge and increasingly less time for daily meals requiring elaborate preparation. Nor does everyone have the necessary ingredients to hand.

These changes are also reflected in culinary culture. The proportion of industrially semi-finished and finished products – convenience food – involved in feeding the population has risen in recent years. Dr. Oetker is also a provider of convenience products and, with them, is taking heed of the changing needs and desires of consumers.

Convenience products from Dr. Oetker are time-saving, demand no special previous knowledge, are guaranteed to produce the best results and always deliver the same quality. Moreover, they take account of a growing number of single households that require appropriately sized portions. At the same time, the company is not pursuing the aim of displacing "traditional nutritional knowledge". On the contrary: Dr. Oetker imparts nutritional knowledge, gives tips on balanced and conscious nutrition and, through instructions and seminars, supports consumers in preparing food themselves.

Quality pledge
The industrial production of convenience food does not mean having to forgo quality. With the slogan "Quality is the best recipe", Dr. Oetker gives expression to the high quality of its products, regardless of the country in which and for which they are produced. Anyone reaching for a Dr. Oetker product expects an excellent product and that special taste experience. Recipes and recipe suggestions document the expertise of the Dr. Oetker brand. The preparation of Dr. Oetker products and recipes is simple and can also be achieved by less ambitious consumers reliably and without fail.

As well as incomparable enjoyment, Dr. Oetker brand quality means product safety through the careful selection of
To avoid waste, Dr. Oetker is intent on making the fullest possible use of all raw materials. This requires the close cooperation of the Purchasing, Production Planning and Sales Planning divisions.

In its transport operations the company ensures that the goods produced are delivered to the trade in perfect condition. Should, contrary to all expectations, the goods fail to meet the high quality standards at any time, consideration is given to possible alternative uses of the goods.

Good organisation and logistics throughout the production process enable waste, as well as faulty and excess production, to be avoided to the greatest possible extent and thus to keep the destruction of food to the absolute minimum.

Avoidance of food destruction

Quality for Dr. Oetker also means the ethical handling of food. As a responsible branded food company in the food sector, Dr. Oetker shares public criticism of the wasteful treatment of food. The fact that food is thrown away – some of it even in its original packaging – especially in the industrialised western countries, has induced Dr. Oetker to deal sensitively with this issue for many years.

With its product offerings, Dr. Oetker takes heed of changing consumers’ needs.
Quality Assurance

Quality assurance plays an overarching role at Dr. Oetker and takes place at all stages of the product life-cycle. Consideration of product safety and quality begins with the development of a new product. Even at this point, the hygienic organisation of the production facilities is considered, packaging designed with a view to product protection, and the selection and inspection of the basic ingredients taken into account.

Quality assurance at Dr. Oetker follows the HACCP concept pursuant to the Food Hygiene Ordinance, which analyses the entire manufacturing process for any risks to health. Appropriate control measures at precisely specified stages in the process guarantee product safety and quality, with each detail of the preventive quality assurance measures being stipulated. The standards laid down by Quality Assurance are applied at all Dr. Oetker locations. The quality management system is regularly examined by external auditors and recertified according to internationally valid standards.

The basis for ensuring raw-ingredient quality is a comprehensive supplier and specifications management regime. The desired quality characteristics are described in detail in the specifications. They are part of the contracts and the basis for the quality inspections to be carried out upon receipt of the goods. Suppliers are constantly vetted for their “quality capability.” This is done chiefly by regular external audits whose results feed into the supplier evaluations.

Initial intensive checks take place upon receipt of the raw ingredients to be used. Samples are drawn from every single truck delivery in accordance with precisely specified methods. Elaborate analysis techniques and methods are used to test them both for harmful micro-organisms and residues such as plant protection agents. Only when all tests have been successfully completed are the raw ingredients released for further processing.

In production, quality assurance takes care of strict compliance with all specified quality and hygiene standards. In addition to the right dosage and the monitoring of the processes, the checks are directed towards bacteriological safety and the detection of any contamination, by foreign bodies, for instance. Production-related quality assurance guarantees that only safe and high-quality products leave the plants.

Other important prerequisites for maintaining safety and quality in food are packaging and fast, monitored and proper transportation. Here, too, high hygiene standards have to be met. For this reason, care is taken to ensure that transport containers and packaging provide adequate protection during transportation and storage, and no interaction between packaging and product takes place.

It must be assured that the goods come to no harm in transit and their provenance remains clearly identifiable throughout. Especially in the case of chilled and frozen products, attention must be paid to an unbroken cool chain. This is why the quality assurance measures for all products are also aligned with the HACCP concept in logistics.

A process data information system enables the individual production sequences and measurement data to be accurately checked. In this way, all production steps can be tracked and possible sources of error detected.

The final word, however, is with the consumers, because the products are intended to meet their requirements. More than 4,000 consumers therefore regularly assess the taste of the products and test their simple and safe preparation. The testers’ wishes and suggestions in turn feed into the optimisation of products and the development of new ones.
Product Development

The development of a product, including the method used in its manufacture, involves the cooperation of many specialists from different divisions within the company. Prominent in the minds of those involved is the quality pledge and the consideration of consumer desires. Furthermore, recipe and raw material requirements are specified, and the development and testing of production technology planned, also with a view to reducing environmental and climate impact.

Involving consumers

Baking powder had been invented before the founding of Dr. Oetker. Yet the idea of developing the baking powder Backin, which is non-perishable, devoid of any aftertaste and precisely measured out for 500 grams of flour, emerged because the company’s founder, Dr. August Oetker, recognised the needs of his customers. Thanks to his proximity to his fellow human beings he learned of the challenges they faced in domestic kitchens, and developed solutions for a method of preparing baking products and desserts guaranteed to produce perfect results. Today, just as much as at the time the company was founded, the wishes of consumers form the basis for the development of Dr. Oetker products. To identify their diverse needs at an early stage, their requirements are systematically incorporated into the product evolution process. In order to satisfy customer demands, the company monitors global consumer trends and conducts consumer surveys as part of its systematic market research. Additionally, sensory tests rate the chances of a new product in the marketplace. The insights gained in this cooperation with consumers help product developers to choose optimum raw materials and recipes. In the contact with consumers, the products and cooking instructions are examined for the degree to which they meet their demands.

Cooperation with business, science and authorities

Dr. Oetker works with a large number of external partners from the business and scientific community to generate ideas and realise innovations. Together with universities and research laboratories, projects on basic research are implemented. Furthermore, the company holds memberships in associations dedicated to exchanging information regarding developments in food law as well as exploiting technological and scientific know-how. The company contributes to the further development of food law standards for the benefit of the consumer.

Raw materials

As part of product development, the quality parameters and characteristics of the raw ingredients are laid down in detailed specifications and audit plans with which selected suppliers must comply. Whether a supplier comes into question for Dr. Oetker on a sustained basis is decided only after several deliveries of raw materials, which must always satisfy the specifications drawn up in product development and stand up to tests regarding the product attributes described there.

Ingredients

In some products, industry cannot dispense with the use of additives for the same reason as the craft sector, or the consumer in the domestic kitchen; a cake, for instance, would not rise without a raising agent. Additives (also known as E numbers) have always been used in food production. Today’s wide range of high-quality food would be inconceivable without them. They serve to make food safe and non-perishable, thereby also contributing to reducing food destruction.

Dr. Oetker takes growing consumer demand for natural food ingredients and natural food seriously. To ensure that food remains hygienically flawless to the end of its shelf life, does not change in taste and appearance, and consistent quality can be guaranteed, a minimum of additives is sometimes necessary. In
Packaging must provide adequate product protection and meet environmental demands.

To protect the environment, Dr. Oetker uses recycling boxes to the greatest possible extent. Recent surveys in the paper recycling industry have revealed that the use of recycled paper substances as packaging material can lead to contamination from traces of mineral oil. As a result, Dr. Oetker has converted the printing of all packaging to mineral oil free or low mineral oil ink and had extensive tests carried out by independent institutes. In no Dr. Oetker product is there direct contact between box and product. All products are wrapped in flexible film to guarantee the highest possible product protection.

Environmental protection throughout the product life-cycle

For the consideration of environmental and climate impact, the entire product life-cycle is analysed with regard to ecological implications. From the initial product idea through product and packaging development, from the selection of raw materials through the individual production stages to product shipment and the recycling or disposal of packaging: at Dr. Oetker, account is taken of environmental effects at all stages of the product life-cycle, and measures de-

For salt is needed in the production of the sausage and cheese specialities purchased by Dr. Oetker, in order to prevent the growth of bacteria and mould and thus guarantee the microbiological safety of the product. Moreover, in its market research the company has established that too sharp a reduction in one step results in consumers rejecting products or adding salt. The company’s strategy is therefore to reduce salt content step by step while retaining the qualitative characteristics. A start was made five years ago. It has so far been possible to achieve a reduction of more than 10% in salt content across the entire pizza segment.

Packaging

Packaging development is part of product development. Product packaging is designed in such a way as to provide adequate protection during transportation and storage and meet ecological demands, especially as regards minimising transport weight and disposal volume. Moreover, it must be guaranteed at the product development stage that there is no interaction between packaging and product.

Dr. Oetker converted its products from azo dyes to colouring foodstuffs or other harmless colorants for the product recipes concerned a number of years ago. It also made this change for the baking decorations business of Schwartauer Werke, which was taken over in March 2010. Since July 2010 they are produced according to the new recipes, which dispense with azo dyes.

Another issue which Dr. Oetker has been actively addressing for many years is the reduction of salt in frozen pizzas. Salt is used here for sensory and taste reasons. The fundamental salt content in the pizza, however, results from the ingredients. For this reason, implementation is proving somewhat more difficult for some products.

Preparation/ consumption by consumer

Energy consumption, effluent

Recycling/ disposal

Energy consumption, effluent

Impact on soil and ground water

Energy consumption, effluent/waste

Operation (production)

Emissions into the air, harmful substances: energy consumption, emissions into the air, effluent, waste, noise

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For the Dr. Oetker brand, consumers’ wishes are foremost. The company offers high-quality products that can be prepared safely and reliably by consumers. Dr. Oetker will continue to be guided by changing consumers’ needs and offer products which are certain to produce the best results and provide incomparable eating pleasure.

Outlook and goals

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A further 10% reduction in the salt content in frozen pizza is planned for the coming five years.

Based on the results of the climate balance study by the German Frozen Food Institute and Öko-Institut, Dr. Oetker will investigate the feasibility of expanded cooking instructions enabling consumers to prepare frozen pizzas certain to turn out right without the need to preheat the oven. At the same time, however, top priority will be given to the guarantee of product success that has always been provided by the company and must be assured in any event. Dr. Oetker will also take account of the insights gained from this investigation in other product categories.
Responsible Raw Material Management

At Dr. Oetker the consideration of sustainability aspects begins with the selection and purchase of the necessary raw ingredients and materials. The complex commodity flows within the supply chain can be influenced to only a limited extent. Its own internationally valid purchasing guidelines, as well as the comprehensive vetting of suppliers and stringent monitoring, permit the company to exert the greatest possible influence.

Cooperation with suppliers

As an internationally operating manufacturer, Dr. Oetker assumes responsibility worldwide. The company wishes to offer its customers products that are of the highest quality but have also been produced with economic efficiency, as well as under socially and environmentally compatible conditions, along the entire value chain. A key factor in this are the suppliers.

The company expects the conduct of its suppliers and contractual partners to conform to Dr. Oetker’s corporate values. In the choice of suppliers, therefore, account is taken of both the quality of the raw materials and compliance with social and ecological standards.

Dr. Oetker aims to establish fair and cooperative business relations with its suppliers that are based on honesty and trust and are binding in character. Constructive dialogue and close cooperation form a sound framework for the company’s activities.

In addition, Dr. Oetker has developed, firm, dedicated purchasing guidelines and integrated them into its framework supplier agreements. The standards defined in them are exceptionally high and apply globally. They are aimed at achieving compliance with quality requirements, meeting minimum social standards among the suppliers’ employees and the sustainable husbanding of ecological resources. The company’s purchasing standards are binding for the business relationship between Dr. Oetker and its suppliers and are continuously adapted to reflect prevailing requirements.

Dedicated purchasing standards

The Dr. Oetker Food Standard describes and lays down precise criteria that are binding on suppliers. Consequently, suppliers of raw materials must demonstrate a functioning, tested and documented traceability system in line with EU Regulation 178/2002. Purchasing decisions also take account of ethical considerations. The Dr. Oetker Food Standard therefore specifies requirements concerning animal welfare and the protection of species: suppliers must, for instance, demonstrate that tuna is caught only with the use of dolphin-friendly fishing methods, or that eggs or chicken meat comes only from floor-raised animals.

In the case of meat and meat products, the use of antibiotics is permitted solely for combating diseases among animals. Their use as fattening agents or growth promoters – in common with other substances used for these purposes – is not permitted for Dr. Oetker suppliers.

The use of genetic engineering finds different levels of acceptance around the world, being viewed with scepticism especially in the countries of the EU. Dr. Oetker takes heed of the consumer wishes prevailing here and consequently uses no genetically modified raw materials. Should the agricultural industry extend the areas under cultivation with genetically modified crops to such an extent that significant and demonstrable changes in the statutory threshold value are exceeded, Dr. Oetker will immediately inform consumers by means of correct labelling.

In terms of its social responsibility, the company sees it as its duty also to ensure compliance with social standards throughout the supply chain. To this end, Dr. Oetker has established an international suppliers manual which is the subject of all supplier contracts. All the company’s business partners undertake to comply with specified social standards in production and are required to ensure that the working conditions at their sub-contractors accord with this standard.

The standards demanded are in accordance with the provisions of the International Labour Organisation (ILO) and the guidelines of the Organisation for Economic Cooperation and Development (OECD). The company tolerates neither child labour nor forced labour in supplier businesses and at their sub-contractors. The weekly working time, as well as the permissible daily maximum working time, must at least comply with customary national legislation and directives. Furthermore, wage levels must meet the statutory or industry standard, whichever is the higher.

Certain raw materials, in particular, are frequently suspected of being harvested and processed with the use of illegal child labour. As part of its purchasing
operations, therefore, the company requires a binding undertaking from all its suppliers not to support child or forced labour, or allow other forms of exploitation.

Supplier evaluations

To avoid quality losses or reputation risks, Dr. Oetker has, in addition to its own purchasing standards, developed a supplier rating system to evaluate its suppliers and simultaneously support them in their further development. Ex-acting test procedures ensure the quality of purchased raw ingredients, and attention is paid to compliance with environmental, safety and social standards. The Purchasing and Quality Assurance divisions work closely together and communicate intensively to this end.

Apart from continuous supplier evaluation, the method of supplier auditing is an important tool. Auditing is a multi-level process carried out according to an internationally uniform system: first, suppliers undergo self-assessment on the basis of industry-specific questionnaires. These underline Dr. Oetker’s requirements in the areas of quality, safety, health, environment, human rights, working conditions and anti-corruption. Additionally, employees visit the production sites. By means of interviews with those involved and a joint inspection of the plant, they check compliance with the standards demanded and the management systems on the spot.

Finally, an evaluation of the auditing is carried out. Successful supplier audits are followed up by regular visits to the suppliers. If a supplier fails to meet requirements, an action plan is drawn up and a period set within which subsequent improvements have to be implemented. In this way, the company’s standards are also established at the suppliers, are supported by them and their compliance ensured. Dr. Oetker needs partners who contribute towards continuously redeeming its quality pledge.

The audit results are placed in a database and are available to all buyers and quality assurance staff. This enables experience values with suppliers to be exchanged company-wide and resources used efficiently.

If a supplier proves uncooperative or infringes statutory provisions, Dr. Oetker institutes a reminders procedure and bars the supplier. As a last resort, the company terminates the business relationship with the supplier.

Critical raw materials

The company also considers the protection of natural resources and biodiversity part of responsible raw materials management. For this reason, it aims to dispense with the use of unsustainably produced agricultural and animal products.

Since 2011 Dr. Oetker has been a member of the Roundtable for Sustainable Palm Oil (RSPO). In the intervening period, the relevant Dr. Oetker locations have been successively RSPO certified and converted to the procurement of sustainably grown palm oil. In Germany only sustainably grown palm oil has been used since the end of 2012; worldwide conversion is planned for 2015.

Outlook and goals

Beyond this, Dr. Oetker is also devoting constant effort to continuing to improve its purchasing policy. Since 2011 the company has been specifically assessing socially or ecologically risky raw materials in the Purchasing Division as part of a holistic risk management regime. This risk assessment is now being taken into account in the selection of suppliers.

Independent auditors have successfully certified Dr. Oetker’s production sites for the sourcing of sustainable palm oil.

Purchasing pursues three main goals in relation to sustainability:
• Creating transparency: critical raw materials are identified and monitored.
• Creating value: sustainability is ensured along the entire value-added chain in economic, ecological and social terms.
• Avoiding risks: critical raw materials are managed sustainably and substituted whenever possible.
Environmental Sound Production Processes

The constant improvement of the production process and an accompanying responsible use of resources are a fundamental part of Dr. Oetker’s quality pledge. The prerequisites are efficient and modern production sites as well as the continuous minimisation of the environmental impact on soil, air and water. To achieve this, all processes are analysed and compliance with quality standards checked on a continuous basis.

Ecological operating balance

Prepared at regular intervals, an ecological operating balance documents all material and energy flows which enter (input) and exit (output) the company in the course of the year. Eco accounting provides a precise overview of the environmentally relevant effects of entrepreneurial activity. It enables ecological weaknesses to be identified, new targets to be set and their success precisely monitored. The following presents individual values in this balance.

Packaging

In the food industry, packaging performs such important basic functions as protecting the product, taste and flavour and ensuring hygiene and is therefore indispensable. It contributes significantly to the outstanding quality of Dr. Oetker products. Moreover, it provides the consumer with important information on the product, its preparation and use.

All the environmental effects of product packaging are considered right back at the development stage, and care is taken to ensure the greatest possible environmental compatibility. Dr. Oetker uses chiefly cardboard and paper alongside glass, plastics and composites. Transport packing is predominantly 100 % recyclable corrugated paperboard and stretch film. At 70 %, paper and cardboard make up the biggest proportion of the packaging material used at Dr. Oetker. In 2012, the share of recyclable material in product packaging stood at roughly 60 %. Water

At Dr. Oetker plants water is used for the most part in the cleaning of production sites. Apart from municipal drinking water, Dr. Oetker uses self-generated well water at a number of works locations. Well water is used chiefly to cool compressor units and is then fed back into seepage wells and so kept within the natural cycle. In addition, well water is used to water green spaces and for sanitary installations.
Energy

Energy needs at Dr. Oetker are met by the energy sources electricity, heating oil, natural gas, liquid gas and district heating. Where local conditions permit, the company uses lower-emission district heating; a number of European plants have already been integrated into local-heating networks. In addition, in Lebcz (Poland) the switch was made from heating oil to the more climate-friendly natural gas available there. For producing warm water, solar collectors are installed on the buildings the production sites in Italy and Turkey. The Brazilian plant, in São Paulo, sources some of its energy from a local hydro-electrical plant.

Furthermore, various Dr. Oetker plants have used waste heat from production processes specifically to heat service water and supply buildings. It has been possible to reduce the consumption of natural gas by returning this water to the production process and introducing more energy-efficient process flows and energy-saving measures.

The relative increase in total energy consumption can be attributed to the expansion of the energy-intensive frozen pizza segment. The reasons behind this were the acquisition of new plants and the expansion of new production lines. Since the newly introduced units were not working to full capacity initially, lower product output is reflected in a rise in relative overall consumption.

The reduction of energy consumption and the associated lowering of emissions will continue to constitute one of the areas of focus of environmental activities at Dr. Oetker. For this purpose, energy management systems have been successively implemented at Dr. Oetker plants. EDP-based visual displays of detailed energy consumption data permit a precise overview and pinpoint control, which is benefitting resource conservation appreciably. Additionally, an environmental monitoring system provides an overall view of consumption figures, allowing comparison of the individual plant locations. This enables the transparent depiction of savings potentials.

Coolants

Coolants are used in the manufacture and storage of chilled and frozen products – exclusively nitrogen and ammonia, to be precise. The latter is used because, in contrast to CFCs (chlorofluorocarbons), it does not damage the ozone layer. The refrigeration units are regularly maintained to the highest technical standards to avoid the release of ammonia. At the Dr. Oetker plants manufacturing frozen food, the safety management system has been constantly broadened. Thus employees are regularly trained in collaboration with local fire brigades, and contingencies – however unlikely they may be – repeatedly simulated for practice purposes.
The pleasing result of the numerous safety measures and training courses has been that no emergency situations involving the escape of ammonia were recorded in the 2010–2012 period.

Cleaning agents

As a food manufacturer, Dr. Oetker is subject to stringent statutory hygiene and cleanliness requirements. Therefore the use of cleaning agents and disinfectants is essential, although very strict attention is paid to their environmentally compatible composition. All cleaning agents are discussed and agreed with the environment representative in accordance with a precise requirements catalogue prior to their use and entered in an EDP-based catalogue. This allows the level of consumption at their place of use to be very accurately recorded.

Hazardous materials

Possible risks to human beings and the environment emanating from hazardous materials and materials harmful to water are checked in advance. Organisational regulations governing the handling of such materials are prescribed in the environmental management manual and, additionally, appropriate employee training takes place. The hazardous materials register, available in each Dr. Oetker plant, provides a precise overview of the substances used. In addition, a regular review is held, the aim being to replace materials posing a greater hazard with less harmful or harmless ones.
Solid waste

As in any manufacturing business, several types of waste accrue at Dr. Oetker plants. The respective national companies have set up various recycling programmes to deal with it and cooperate with appropriate waste disposal operators locally. In accordance with statutory guidelines in Germany, waste is divided into the categories “Waste for disposal” and “Waste for recycling”, among other things, at the Dr. Oetker locations.

Dr. Oetker plants go to great lengths to separate up to 30 different waste categories, with a colour-coded separation system ensuring that they are clearly identifiable. Containers that are easy to distinguish visually are available for waste separation on factory premises before the waste undergoes further sorting and is recycled as a raw material. Pleasingly, the share of recyclable waste in the total amount of waste generated was increased in the reporting period. The use of reusable containers and the expansion of pneumatic raw material conveyor equipment to counter rising amounts of waste was driven forward. Initial successes were achieved in 2012. In addition, the waste disposal service providers are required not to dispose of waste across borders. Compliance with this contractual performance is verified by random samples taken as part of internal audits.

Effluents

Dr. Oetker reduces the amount of waste produced by using returnable containers.

Regular measurements monitor the level of harmful materials in effluents. At the Dr. Oetker plants where ambient foods are produced, the effluent is so clean that it is classified as “household-like”. At production sites manufacturing frozen products, the effluent contains organic substances which accrue mainly in the cleaning of production equipment. At the Dr. Oetker plants in Wittlich, Moers and Pancar (Turkey) the effluent is pre-purified in a company-owned biological water-treatment plant before being discharged into the municipal sewers. Fresh-water consumption increased marginally, which, however, is related to the disproportionate expansion of the frozen food plants and necessitates more cleaning in the production facilities. As a result of increased production output, the upper limits for chemical oxygen demand (COD) were exceeded temporarily in the effluent loads at the Markow plant in Poland. Here a new pre-purification unit was put into operation in 2012 in close consultation with the responsible local authority. The recirculation of lightly contaminated effluents and the associated recycling for pre-rinse processes makes sense only at plants producing ambient foods. Purposeful recirculation has enabled up to 60 % of effluent to be used repeatedly as grey water, thereby sustainably conserving the resource water. One of Dr. Oetker’s targets is to further increase the level of grey-water use.
Emissions

Emissions responsible for polluting the air arise mainly through the use of electricity from coal-fired power stations and the burning of heating oil and natural gas. In addition, the output of CO₂ and other gases caused by truck and automobile traffic contributes to air pollution.

Thanks above all to the lowering of energy consumption levels, Dr. Oetker also pays attention to the reduction of CO₂ emissions, which are calculated and monitored in relation to the quantity produced. In total, the 23 Dr. Oetker production sites released a volume of roughly 134,500 tons of CO₂ emissions in the past reporting year. The acquisition of a plant and the expansion of frozen-food plants, as well as significantly higher production levels in the more energy-intensive frozen-food segment, caused a slight overall increase in CO₂ emissions over the three-year period.

Emissions such as odour and noise occur to a relatively low degree at Dr. Oetker. The company takes the interests of local residents very seriously and goes to great lengths to reduce any impact. Attention is paid to noise emissions in the acquisition of new machinery, for instance. At the Dr. Oetker plant in Oerlinghausen, where food odours occur in the manufacture of muesli, a sophisticated extracted air filter using UV radiation was installed to lower odour emissions. To ensure that Dr. Oetker employees can work in impeccable conditions, complex aspiration filters were fitted in the production rooms at several plant locations for dust-reduction purposes. Regular measurements in the works also help in the process of assessing noise sources and deriving appropriate measures when necessary.

Outlook and goals

The reduction of energy consumption and the associated lowering of emissions will continue to constitute one of the areas of focus of environmental activities at Dr. Oetker. For this purpose, energy management systems have been successively implemented at Dr. Oetker plants. EDP-based visual displays of detailed energy consumption data and control systems are being further expanded.

In addition, the reduction of the amount of waste is being driven forward and the level of fresh-water reduction is to be increased further.
Optimisation Throughout The Logistics Chain

The increasing globalisation and diversification of markets has led to a rise in global commodity flows at Dr. Oetker in recent years. In this changed environment the Logistics Division is constantly at pains to make its own processes economically sustainable and environmentally compatible. To this end, the company is currently focusing its measures on activities directed at transport avoidance.

**Procurement logistics**

Before end-consumers find Dr. Oetker products in the trade’s shelves, the goods have mostly been transported, handled and stored several times. In order to make the necessary flows of commodities and materials as efficient as possible, the supply and transport structures in the supply chains are kept under constant review – starting with inward delivery of raw ingredients and extending through to final delivery at the trade partners’ loading ramps. For instance, frequency of need is checked against transport frequency and load carrier capacity utilisation. This approach reduces costs and environmental impact alike.

Right back at the raw materials and packaging procurement stage, the company Dr. Oetker, working with suppliers, ensures that transport movements are kept as low as possible. The family enterprise pursues a variety of avenues to achieve this: raw ingredients, for example, are sourced from regional providers because shorter distances enable it to save transport mileage and aim for continuity in production – an aspect which also benefits the environment. Exotic raw ingredients have to be sourced on a supraregional basis due to availability. Owing to the longer routes involved in these cases, the company relies on high-load, high-capacity carriage in order to reduce the number of journeys. In procurement logistics, Dr. Oetker invariably seeks the most economical – and thus most environment-friendly – solution.

This approach demands close cooperation between the Purchasing and Logistics divisions. With the aim of lowering the number of transport journeys, the total quantity of commodities to be procured is pooled. In the course of sales planning, Logistics defines the corresponding quantities required.

In addition, Dr. Oetker works with its suppliers on efficient and environmentally sound concepts. Delivery in silo vehicles, big bags and various re-usable container systems minimises the use of raw-ingredient packaging. Furthermore, the proximity of internal production and logistics locations permits incoming raw materials and packaging materials to be fed into the production process without the need for costly transverse journeys, thereby avoiding additional transport movements.

**Distribution structures**

After production and intermediate storage Dr. Oetker products are transported to the trade partners. With logistics concepts precisely attuned to the respective consignee groups, as well as investment in the appropriate infrastructure, the resulting transport mileage and environmental impact are curbed to the greatest possible extent. The company’s production and logistics locations are assigned to precisely defined sales markets. This alignment means that goods reach the corresponding regions quickly and reliably, and production can be carried out close to point of sale.

Products are transported chiefly by road, as rail transport does not always represent an alternative for numerous Dr. Oetker national companies in view of the high logistical requirements. In addition, the regional distribution structures play an important role: on short routes and to deliver small quantities – so-called part-load traffic – road transport is still more economical and more flexible.

Whenever costs, infrastructure and product character permit, however, the switch from road to alternative carriers like ship or rail is made. For long transport routes, delivering frozen products from Germany to Italy, say, or the vast distances in Canada and Australia, the company uses rail. Transport by ship comes into operation, in particular, for traffic between Europe and North and South America, as well as to the United Kingdom and the Scandinavian countries, but also between Greece and Italy.

Against this background, in the product range frozen pizza Dr. Oetker pursues the strategy of being able to supply customers without additional distribution stages as quantities increase. For each stage in storage causes both costs and detrimental environmental impact in the form of space and energy consumed. As far as possible, the central ware-
Making optimum use of transport capacity

To largely avoid transport movements, Dr. Oetker devotes constant effort to utilising to the greatest possible effect the capacity of the re-usable load carriers deployed. Special programs ensure maximum exploitation of pallet space while observing standardised height recommendations. Pallets of frozen pizza delivered from Germany to Russia have been loaded 30% higher since 2011, so that truck utilisation, and hence CO₂ emissions as well as costs, is improved. This applies equally in France, where it was possible to increase load volume per carrier by 12% to 33%. In addition, new pouch formats were introduced in the ambient food product range, enabling a good 40% of transport space per truck to be gained. Thanks to changes in the way pallets are packed, the Serbian production site succeeded in reducing its transport mileage by around 20%.

Dr. Oetker in Greece also devoted attention to improved pallet utilisation. To this end, the company worked on redesigning the shipping boxes. The aim is to increase product layers, from the current four to five in the future.

Saving transport mileage through pooling effects

Both in procurement and distribution, the pooling of shipments and the optimised utilisation of carriers are fundamental cornerstones for reducing transport mileage. Forming the basis for this is a close-meshed distribution network. With the aim of planning delivery routes efficiently utilising volume capacity to best possible effect, local carriers, for example, consolidate products from Dr. Oetker, as well as from other companies in the food industry, in one load at their own depots and transport them to the respective destination regions, exploiting the greatest possible synergies. Especially for the transport of small quantities, the cross-company combination of commodity flows is very advantageous, as substantial pooling effects accrue, both when the goods are collected and when they are delivered, and transport capacities are utilised to the greatest possible extent. Furthermore, Pooling effects in distribution systems result in even greater potential to reach the goal of further CO₂ emissions as well as costs, is improved. This applies equally in France, where it was possible to increase load volume per carrier by 12% to 33%. In addition, new pouch formats were introduced in the ambient food product range, enabling a good 40% of transport space per truck to be gained. Thanks to changes in the way pallets are packed, the Serbian production site succeeded in reducing its transport mileage by around 20%.

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Dr. Oetker has long built up comprehensive systems for its production operations in order to capture a variety of energy consumption data, identify savings potential and thus lower emissions. Dr. Oetker is seeking to implement this documentation in the logistics area as well. Recording the CO₂ emissions caused by logistics is very challenging at present, as Dr. Oetker contracts logistics companies and has no access to their data, such as fuel consumption levels, empty runs, vehicle routes and utilisation. Work is under way at EU level on a norm describing methods that can be used to estimate consumption and emission data when no measurement data are available. Dr. Oetker will examine the application of this norm for itself and implement it if a positive view is taken.

Use of global standards

The decentralised nature of Dr. Oetker national companies ensures that near-market decisions are taken locally. However, due to the global increase in commodity movements, the process flows along the entire logistical chain are growing ever more complex. Therefore Dr. Oetker logistics is pursuing the aim of intensifying cooperation between the national companies. Through the introduction of globally agreed standards applicable to all national companies, processes with suppliers and trade partners are also rendered more efficient and synergy effects for transport formation and transparent warehousing realised. To this end, Dr. Oetker is guided by the standards of the worldwide organisation GS1 and is actively collaborating on further development and implementation. For unbroken product traceability, for example, a label is attached to each pallet at Dr. Oetker in accordance with GS1-128. This international standard prescribes a distinctive and unambiguous code, containing, among other things, the number of the consignment unit, article quantity, the best-before date and the production batch. Electronic logging and tracking across the logistics chain enables the type of product, the transport route from consignor to consignee and time of delivery to be identified.

Outlook and goals

A changing logistics market is increasingly turning the spotlight on sustainable logistics concepts. For this reason, the theme of sustainability will be continuously expanded in Dr. Oetker logistics and have a positive impact both on infrastructure investment projects and process design.

The expansion of storage capacity at Germany’s Wittenburg plant currently under way is due to be completed in 2013, the enlargement of the warehouse in Wittlich planned for 2014. With the completion of the new production facility at the location in Canada – expected in early 2014 – the extent of transatlantic shipment will be sharply reduced, thereby saving further greenhouse gas emissions.

Reliable logistics partners

To ensure that products are in the right place at the right time round and are available to customers and final consumers in sufficient quantities and the best quality, Dr. Oetker needs reliable logistics partners who meet the company’s high quality specifications. Dr. Oetker does not maintain a vehicle fleet of its own, but works with forwarders who have a location and distribution network that is as complex as it is flexible. Additionally, the company ensures that the transport vehicles of the logistics service providers are state-of-the-art and satisfy applicable exhaust-gas norms. Dr. Oetker audits and assesses its logistics service providers at regular intervals.

Carbon footprint

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Consumers

The ability to retain customer loyalty over years and even decades is one of Dr. Oetker’s central goals. For long-term customer retention secures the company’s sustainable value creation. This is why product quality and diversity, knowledge of customers’ wishes, and dialogue with consumers, play an exceptionally important role.

Dr. Oetker Test Kitchen

The Dr. Oetker Test Kitchen has been vouching for the assured success of Dr. Oetker products for more than 100 years. It is here that newly developed products are tested prior to market launch, preparation instructions drawn up and recipes developed. These tasks always take place under normal household conditions. This means that, for the preparation of products and recipes, Dr. Oetker Test Kitchen staff always use kitchen appliances commonly found in homes. At seminars and demonstrations on the themes of baking, cooking and preserving, the staff of the Dr. Oetker Test Kitchen pass on their wide knowledge.

Consumer service

Dr. Oetker as manufacturer does not remain anonymous but is a competent point of contact for consumers. For more than 40 years, Consumer Service staff have been answering all questions on ingredients, those triggering allergies, nutritional values, recipes and much more. By putting contact details on each packet, the company gives consumers in Germany the opportunity to get in direct touch with the seasoned specialists of the Dr. Oetker Test Kitchen. In addition, many national companies have a local consumer service on their own.

Information on conscious nutrition

The company concerns itself with the most varied consumer issues and provides information on nutritional health topics through various channels. On its homepage, for instance, Dr. Oetker offers a comprehensive nutrition portal describing useful facts and daily food and drink requirements. For the purposes of a balanced diet, for example, the company gives information about the individual building blocks of food, on water in general, and on the energy balance. In addition, the company maintains databases containing nutritional value tables for all Dr. Oetker products to be able to make these widely available to consumers.

The company further takes account of the specific requirements of a variety of consumers, providing information on dealing with food allergies and incompatibilities, diabetes, coeliac disease and obesity. With the aid of the “allergy search”, those affected can retrieve the notified allergens of Dr. Oetker products capable of individually triggering an allergy or incompatibility. The list so compiled helps in the decision as to which foods can be included in the particular nutrition plan without hesitation and which not. The Dr. Oetker Consumer Service is only too happy to provide further assistance in response to wider enquiries. At the same time, the

Consumer protection

The satisfaction of its customers is a particular concern of Dr. Oetker, because only satisfied customers stay loyal to the brand. The company therefore attaches major importance to compliance with food law regulations at the national and international level. This finds application, in particular, in the appraisal of marketing concepts, advertising materials and in the drafting of packaging declarations and design.

Dr. Oetker makes every effort to illustrate the product on packaging in such a way as to show how it is best prepared and served. Above all, however, care must be taken to ensure that packaging marking contains all the information consumers need and takes account of the extensive legal provisions on product declaration and consumer information. Changes in regulations therefore are monitored and the necessary changes promptly implemented. The ingredients used are shown in the ingredients list of the particular products and stated in the ingredients index on the product packaging in descending order of weight.

Employees of the Dr. Oetker Test Kitchen test recipes and products under conditions typically encountered by consumers.
The staff of the Food Law Department ensure that all Dr. Oetker products comply with food law regulations.

Nutrition facts

For the purposes of responsible consumer information, the company voluntarily introduced a uniform labelling model many years ago to present nutrition facts and give the daily requirements percentages on virtually all products. The aim is to provide consumers with guidance and decision-making aids for a balanced and conscious diet.

Labelling encompasses details on the calorific value (energy) and the key nutrients – fat, saturated fatty acids, carbohydrates, sugar, protein and salt. The recommended dietary allowances for the daily intake requirement are geared to the reference quantities for an average adult (8400 kJ/2000 kcal). These are based on the food law provisions of the Food Information Regulation (EU 1169/2011). In the case of the recommended portion sizes, the company is guided by the national and international competitive environment, which recommends these quantities generally. The details relate either to the pure product or, if the products has still to be prepared, to the prepared product, enabling the consumer to more easily compare the products of different providers at point of consumption.

Calorie calculation

The actual daily calorie requirement varies greatly between individuals and depends on a multitude of parameters. For this reason, the company has designed a calorie calculator for its homepage which takes account of an individual’s age, sex and degree of exercise. Additionally, after any Dr. Oetker product has been selected, the percentage energy share covered by a portion can be calculated individually. Dr. Oetker thus goes to great lengths to make the energy and nutrient content of its products available to the consumer simply and clearly.

The energy recommendations are based on the calorie calculations for a person of normal weight. The special needs of specific consumer groups such as pregnant women, elderly people, children and youths, or people needing to follow a special diet as a result of certain illnesses, are not covered by them. The background to this is that the company cannot judge individual stages of development in adolescents or the progression of a disease, and advice from specialists, such as physicians, is necessary for optimum assessment. In addition, consumers can obtain an objective overview with the help of the nutrition and calorie details per 100 grams.

Treatment of advertising

Dr. Oetker regards advertising and marketing as an indispensable element in an open, self-determined society. It plays a fundamental role in fair and honest competition. But advertising is also information about products that is accessible to all consumers, provides guidance and facilitates the choice of brand within a product group. Children and young people must be enabled to deal with the advertising surrounding them and which they encounter daily and to properly assess it. In the process, imparting media competence should be the subject of education by those engaged in education and by educational institutions. At the same time, companies like Dr. Oetker bear responsibility for not exploiting the inexperience of children but take account of their need for protection through the responsible advertising of products. Dr. Oetker therefore follows the corresponding rules of the German Advertising Council.

The company does not currently use quality seals for product promotion. Rather, when purchasing its raw ingredients, Dr. Oetker ensures that they fulfil precise requirements. The company has developed proprietary purchasing standards to this end.
Committed To Environmental And Climate Protection

Protection of the environment has very special significance at Dr. Oetker and is firmly integrated into corporate governance. In this way it has been possible to achieve high environmental standards. That notwithstanding, the company always pursues the aim of constantly reducing environmental impact. In order to optimise products and processes further, demanding objectives and concrete measures are formulated and their attainment subjected to regular review.

The major portion of the Dr. Oetker works premises consists of green spaces. Following new construction and rebuilding measures, de-sealing has been carried out in many places and account taken of habitat for flora and fauna wherever compatible. In keeping with a tradition, the “Tree of the Year” is planted at all European Dr. Oetker locations every year.

At the Bielefeld and Oerlinghausen locations further successes were recorded in the reporting period 2011/2012 in the reduction of energy consumption. As a result of targeted monitoring and tracking energy consumption levels, electricity consumption in 2012, at 335.3 kWh per ton of finished product, was kept virtually on a par with that of the previous reporting period. The installation of several exhaust gas heat exchangers and the use of the waste heat from the chiller compressor unit at the production facility in Oerlinghausen enabled roughly 380,000 kWh of district heating to be saved, lowering CO2 emissions by 0.1 tons a year. In addition, the heat distributor was fitted with cutting-edge feedback control technology to avoid unchecked energy losses.

At the Moers plant the focus was on reducing compressed air leaks in dormant phases. The rigorous tracking of leaks enabled approximately 400,000 kWh to be saved in 2012 compared with the previous year. In addition, the insulation on the ramp doors was improved in the reporting period to avoid uncontrolled air exchange when trucks are docked, thereby achieving a long-term reduction in energy for cooling. Furthermore, in 2011 a state-of-the-art battery charging station was put into operation. Besides lengthening battery life through the use of EDP assisted and controlled monitoring of the charging operation, this enabled power consumption to be reduced. A further power-saving measure was the installation of motion sensors in less frequented sections of the storage areas. In this way artificial light is activated only as needed. Moreover, the use of an efficient LED-supported lighting technology is being considered.

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At the Dr. Oetker plant in Wittlich enhancement of the energy management system was in the forefront of environmental and climate protection activities. Systematically, energy meters were installed and the energy monitoring system extended. A project to lower energy consumption was successfully implemented in 2011 with the installation of a weather-compensated condensation pressure regulator on the chiller unit. This enables 450,000 kWh of electricity to be saved annually. In addition, heat recovery measures were implemented – the waste heat from the small chiller units of the provers is now fed into the energy cycle. In the production area, moreover, cross-flow heat exchangers were installed, enabling energy to be recovered and heating with fossil fuels abandoned. The heat energy saved amounts to 280,000 kWh annually; with the addition of heat recovery at the cooling tower, it produces a reduction of 720,000 kWh hours. Almost 80 tons of CO₂ emissions can thus be saved annually on a sustainable basis. With exhaust gas control on the chiller to operate the defrosting programme, as well as optimisation of the control unit, a further approximately 285,000 kWh a year is being saved. Beyond this, it is planned to reduce fresh water use. In the future grey water is to be used in the pre-cleaning of screening units in the preliminary sedimentation plant, thereby saving more than 5,000 m³ of precious drinking water.

With the construction of the high-bay warehouse at the Wittenburg location, numerous energy reduction measures were implemented that enable 720 tons of CO₂ to be saved annually. Additionally, frost heave protection was installed in the high-bay warehouse and the smart cooling cycle for the cold stores realigned. The pneumatic pressure level in the compressed air compressors was reduced by 1 bar. This is in pursuit of the ambitious target of requiring around 870,000 kWh less power annually. Moreover, optimisation of the production lines enabled energy consumption per ton of finished product to be reduced by 2 %.

At the Ettlingen location, in addition to the consistent expansion of the energy monitoring system, the administration building was revitalised. This puts energy consumption 3 % below the applicable statutory energy saving requirements. The heat recovered in compressed air generation, and the associated installation of a heat exchanger, heats the service water used to produce warm water in the staff rooms. Other energy saving measures were the continuing replacement of conventional lamps with LED lamps in the production area, and the fixing of workplace lighting in distinct circuits to enable lighting to be used with pinpoint accuracy.

As a result of continual potentials analyses, gas consumption at the Leyland plant in the United Kingdom was reduced by 4 % per ton of finished product and power consumption by 6 %. Additionally, power saving measures were implemented in the administration area: adjustment of the control units of the air-conditioning system brought about a saving of 4 %.

At the Leeuwarden plant in the Netherlands in order to identify further savings potential in energy consumption. Additionally, the in-plant process flows for waste disposal were improved and waste separation precision increased as a result. A further environmental measure in 2012 was the modernisation of the cleaning dosage station. This produced a reduction of 5 % in the facilities-related use of cleaning agents and of 8 % in the use of fresh water.

Cleaning processes were also optimised at France’s Schirmeck plant. Central and exact dosing of cleaning agents is now carried out with the use of a new cleaning station. Additionally, the establishment of an energy monitoring system was at the centre of environmental activities and the first steps in implementing an energy management system completed. Moreover, the plant abuts a nature conservation area. Here Dr. Oetker fully meets the high statutory safety standards. In the same reporting period the central extraction unit was expanded at the Strasbourg location. This lowered dust emissions, which resulted in a further improvement in working conditions. Other measures at the Strasbourg location were the installation of a smart control system for the lighting equipment in the logistics area as well as the refurbishment of the staff rooms with a view to saving energy and water.

At Italy’s Desenzano plant the brand exhibition Dolce Casa was opened in 2011. Construction of the building incorporated cutting-edge environmental and energy-saving aspects. In 2012 the deployment of a smart control system on the compressed air and compressor units increased energy efficiency and economy in the production area. Following the extensive investments of recent years, it was possible to achieve high environmental standards at the Polish locations. In addition, energy consumption levels were cut and waste.
management optimised. The expansion of the plant in Plock was carried out successfully with a view to energy efficiency. To this end, heating distribution was modernised and conventional lighting replaced by modern lighting systems, and presence detectors installed in the staff rooms. The fitting of frequency-regulated electric motors in the area of the production facilities brought about a further reduction in energy consumption. Additionally, paper consumption in administration was lowered by 8.5% on the previous year.

At the Belgorod plant, in Russia, packaging material was minimised, by 5% on the previous year as a result of optimising product packaging.

As a result of more efficient internal process flows, energy consumption at the Boleraz plant (Slovakia) was reduced by 1.5% in 2011. A further saving of the same amount was possible in the following year thanks to the installation of a new window system and detailed, smart temperature monitoring in the production area. Consistent and sustainable waste separation arrangements enable the proportion of recyclable waste materials to be increased by a good 18 tons.

At the Kladno production facility, in the Czech Republic, water consumption was limited by the use of modern, low-consumption fittings. Further savings were produced by optimising the heating system. These measures resulted in a 3% reduction in gas consumption.

At the Jánossomorja plant, in Hungary, attention was on the reduction of waste and packaging. Increased separation precision enabled waste to be returned to the materials cycle, and the amount of waste for disposal declined by some 40%. Furthermore, qualitative improvements to the packaging machines led to a 20% in the consumption of stretch film.

Romania’s Curtea de Arges plant saved 40% of packaging as a result of optimising product packaging and using state-of-the-art packaging material, and reduced its paper consumption by increasingly sensitising staff.

Environmental protection measures were successfully implemented, too, at the Izmir location (Turkey). The introduction of new packaging machine technology and the use of state-of-the-art packaging material produced a saving in product-related packaging in 2012 of 18% on the previous year. Initial successes are also being seen in the implementation of an energy monitoring system. Consistent consumption tracking produced a 2% reduction in the area of natural gas compared with the previous year. This was achieved by using the waste heat from the refrigeration process in frozen food production to heat up service water and by the associated reduction in gas consumption. Pleasingly, compressed air consumption was also reduced, by 10%, by purposeful monitoring: this was accompanied by a reduction in power consumption. The use of grey water for watering the grounds achieved an additional reduction in drinking water use of 9,000 m³ a year.

At the Dr. Oetker Canada, 2011 saw the successful completion of a project to lower waste water loads. In the following year, prominence was given to optimising internal waste flow processes. By sensitising staff and increasing separation precision, more than three tons of re-usable waste was returned to the materials cycle.

At Brazil’s São Paulo plant implementation of the integrated management system was successfully completed and ISO 14001 certified.

Outlook and goals

The lowering of energy consumption and the associated reduction of emissions continue to constitute an area of focus of the company’s activities in the area of environmental and climate protection. To this end, the visualisation of energy consumption levels and control systems, among other things, are being further expanded. A major project to this effect is, in particular, the current construction of a production site to produce frozen pizzas at the Canada location. Consequently, in the years ahead the scale of transport by sea from Europe to Canada will be reduced substantially and result in further savings in CO₂ emissions.
Motivated Employees
As A Success Factor

With their personalities, skills and ideas, it is people who are the most important success factor for companies. The aim of Dr. Oetker’s socially responsible personnel policy is to retain these employees for as long as possible and secure sustainable corporate success by attracting new talent. To achieve this, Dr. Oetker’s personnel development work is guided by the local standards of its respective locations, as the tools applied here more closely follow societal and cultural factors.

Future demands

Dr. Oetker is continuing to grow and develop. The increasing internationalisation of recent years can be gauged both by the regional distribution of turnover and the workforce structure. At the same time, breakneck economic and technical development makes new demands on the company as much as do social changes. Western industrialised countries in particular are affected by a demographic development characterised by falling population levels, a rising average age and an accompanying shortage of skilled labour.

To achieve long-term success in this environment, Dr. Oetker banks on well-trained, committed and motivated employees. Junior staff recruitment and the promotion of training, therefore, are as much special concerns for the company as are health protection and pension provision for the staff.

Principle of equal treatment

It is important to Dr. Oetker to acknowledge the diversity of its employees and create a working environment for them that is free from prejudices. All employees should experience appreciation and equal opportunity, regardless of gender, nationality, ethnic origin, religion or world view, disability, age, sexual orientation and identity. For the company firmly believes that this is how people identify with their company and transmit their enthusiasm for it to customers and business partners. Dr. Oetker has reaf-
firmed the importance of this culture of fairness and appreciation already prac-
tised in the company by subscribing to the Diversity Charter.

Sustainable employment policy

Sustainably safeguarding employment is extremely high on Dr. Oetker’s agen-
da. As a result of the development and expansion of new markets, employment levels have seen a continuous increase in recent years. Of note is the long period of employment of, on average, around 15 years. Twenty-five to forty-year anniversaries are no rarity at Dr. Oetker and are accorded special recognition, though more than 75% of the workforce is under 50 years of age.

The success of a staff policy intent on long-term retention and the high level of identification with the family enterprise is reflected in low staff turnover. In Germany the turnover rate regularly stands below 2%; internationally, the rate averages less than 7%.

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The commitment to the creation and retention of jobs also goes beyond implementing in-house measures.

**Staff satisfaction**

The satisfaction of staff as well as identification with the company are fundamental factors for binding employees to their scope of duties and to the company. To ensure continuous improvement in work flows and working conditions, a number of locations conduct employee surveys at regular intervals. In Germany and some western European and Scandinavian countries, this is done in writing and anonymously at intervals of three years; in other national companies employee surveys are carried out individually as and when needed, a reflection of the size of the particular locations. Within the areas of work in which employee satisfaction is capable of further enhancement, measures are developed and implemented promptly.

**An atmosphere of trust**

Companies that strive for sustainable growth require a corporate structure in which employees can unfold their potential. Dr. Oetker practises an “open-door culture” in which employees’ opinions are welcome. The working relationship between direct superiors and staff is characterised by openness, mutual respect and transparency. Many new and further developments have their origin in ideas coming from staff. In addition, an employee suggestion scheme – the Dr. Oetker Ideas Programme – ensures the involvement of staff in the continuous optimisation of business processes.

As an employer, Dr. Oetker assumes responsibility for thousands of employees worldwide.

**Societal Responsibility**

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Many ideas for product innovation and further development come from employees.

**A further cornerstone of corporate culture is the systematic appraisal interviews, in which the achievements and perspectives of staff are to the fore. These annual exchanges are intended to indicate employees’ strengths and potential for improvement and support them in their duties. To actively involve staff in achieving corporate objectives, individual and realistic goals are agreed between employee and immediate superior. Besides individual interviews, employees are kept informed on issues relevant to the company through a variety of events and internal media.**

**Competition for talent**

The effects of demographic change, which is leading to a shortage of qualified employees, are heightening competition on the personnel market. Dr. Oetker therefore carefully seeks talented indi-
Dr. Oetker therefore attaches special value to international experience in the applicants for the management trainee programme, as they complete an assignment of several months at a different national company during the programme and, after conclusion of their trainee time, have the possibility of going on to work at the foreign locations.

Employee qualification

Dr. Oetker’s efforts are directed not only at attracting qualified staff from outside the company. The company also pursues the strategy of filling positions with graduates of its own training measures and systematically developing and supporting its employees. People deployed in tune with their abilities and leanings can produce optimum achievements for themselves and the company. For this reason, Dr. Oetker invests in the knowl-

Junior staff development

Junior staff development takes place at Dr. Oetker in accordance with the particular cultural training systems of the countries. Different locations offer young people an early chance to gain their first impressions of their occupation of choice as part of a pupil internship. A particular form of junior staff development is in-company vocational training. This type of skills training is offered only in Germany. Dr. Oetker offers young people who choose an apprenticeship in the commercial or industrial-technical field a wide range of solid training occupations. On average the company hires some 60 new apprentices every year. Additionally, in Germany Dr. Oetker has been offering degree courses with integrated vocational training to a greater extent for a number of years. The completion of vocational training not only opens up the prospect of trainees being offered an unlimited contract but also further education and career perspectives at Dr. Oetker.

Dr. Oetker stands for the responsible treatment of specialist and management personnel. This begins already with the academically educated. Aside from direct entry, different national companies offer graduates the possibility of entering an international management trainee programme. As a long-term relationship is of particular interest to Dr. Oetker, management trainees receive an unlimited employment contract from the outset. Within the framework of personnel development, former interns or students working towards a diploma are offered a position. For an internationally operating company, the cooperation of all employees across national and cultural borders is a major challenge. Dr. Oetker therefore attaches special value to international experience in the applicants for the management trainee programme, as they complete an assignment of several months at a different national company during the programme and, after conclusion of their trainee time, have the possibility of going on to work at the foreign locations.

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The range of further-training opportunities is extremely diverse in all national companies. It embraces character-building seminars and workshops, subject-specific further education, language courses, individual coaching as well as management training courses and academic training support schemes. In addition, employees are regularly sensitised to environmental protection. Following the management trainee programme or direct entry, all employees transnationally have the chance to qualify in the International Talent Development Programme, in which junior staff are systematically prepared for future management duties.

Women in management

The employment of women is a further aspect of demographic change: never before has the labour market offered well-trained and highly qualified women such good career prospects as now. At the same time, it is mostly women who have to accept breaks in their professional career in favour of caring for the family.

Around 53% of all employees at Dr. Oetker are women. In relation to this, there is room for improvement in the proportion of female executives within the company. In 2012 roughly 36% of all staff in management were women. As an employer who campaigns for the equal opportunity of all employees and whose personnel strategy includes recruiting managers from within its own ranks, the proportion of women in leadership positions will increase in the years to come.

Health

Falling birth rates, continuously rising life expectation and an accompanying lengthening of the working life are leading to substantial changes. In ageing societies, therefore, it will become increasingly important for companies to maintain the efficiency of their employees long term. In the light of this knowledge, Dr. Oetker has organised occupational health and safety in line with OHSAS 18001, and signed up to the European Union’s Luxembourg Declaration on Workplace Health Promotion as early as 1999.

Furthermore, the company has implemented numerous health promotion models aimed at enhancing the mental and physical fitness of all members of staff. When structuring health pro-
The compatibility of work and family is an important concern for Dr. Oetker. The company firmly believes that employees can best display their efficiency if professional and private life are in harmony. To shape this individual interplay, the company allows its employees flexible working time structures such as part-time or flexible working. A special role is played by the support of women and men on the birth of a child or the care of dependants. The offer of full-day child care is an important prerequisite to enable women and men to reconcile the needs of children and career. The respective locations have taken different measures to achieve this. In Germany, for example, return-to-work programmes have been established to help in the return from parental leave. Additionally, the company helps in the search for child-minders, crèche places or homework tutoring, and offers holiday care opportunities. A kindergarten supported by the company is open to employees’ children at the Bielefeld headquarters. Dr. Oetker offers staff who have to nurse dependants advice and information, and accommodates them with flexible working time models. Furthermore, in Germany cooperative ventures have been concluded with family advice centres.

Against the backdrop of low state benefits, the national company in Poland supports its employees with financial aid from a social fund on the birth of a child or for the care of dependants. In a number of countries economic and demographic change processes have contributed to making more private responsibility necessary in providing for old age and security in the event of illness. Dr. Oetker offers its staff various provision options to make appropriate provision so that they have a secure income after their working life and can enjoy their leisure time.

Provision in old age

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Work and family in harmony

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Against the backdrop of low state benefits, the national company in Poland supports its employees with financial aid from a social fund on the birth of a child or for the care of dependants. In a number of countries economic and demographic change processes have contributed to making more private responsibility necessary in providing for old age and security in the event of illness. Dr. Oetker offers its staff various provision options to make appropriate provision so that they have a secure income after their working life and can enjoy their leisure time.

Outlook and goals

The demographic development, especially in the western industrialised countries, will continue to play a major role in personnel work in the future. Dr. Oetker sees itself well equipped for this challenge and will focus further on stepping up its recruiting activities. Nonetheless, it will drive forward the development of its employees as well as health promotion measures and further expand its worldwide personnel activities as part of its internationalisation strategy.

Employee representation

Social responsibility is a significant element in the corporate culture at Dr. Oetker. It includes standing up for fair and just working conditions as well as for a constructive partnership with staff, employees’ representatives and unions. Dr. Oetker declares its belief in the firm principles of this cooperation, which encompasses, among other things, as much the recognition of the right to collective bargaining as the right to the freedom of association of staff. Traditionally, company management and employee representatives at the various locations cultivate a working relationship marked by mutual respect and fairness. In a large number of regional and supraregional bodies, employer and employee representatives devote themselves constructively to tackling a variety of tasks jointly. Continuous effort for the interests of staff guarantees that the bases for a lasting commitment of employees are preserved by mutual agreement. Employee representative bodies are also organised transnationally within the framework of the Dr. Oetker Europa Forum.

“Hand in Hand” in Germany in 2011. With it, Dr. Oetker wishes to support the personal activities of staff for the benefit of the wider society with monetary and product donations and simultaneously further involve them in the company’s societal responsibility efforts.

Supporting voluntary work

In order to support staff and pensioners who perform voluntary work, the company launched a programme called “Hand in Hand” in Germany in 2011. With it, Dr. Oetker wishes to support the personal activities of staff for the benefit of the wider society with monetary and product donations and simultaneously further involve them in the company’s societal responsibility efforts.
The national company entered into a co-operative venture with Epith, a service provider. In Great Britain the company has been working with Job Centre Plus for many years. In 2012 Dr. Oetker took part in the campaign “Feeding Britain’s Future – Skills for Work” for the first time. This is an initiative which supports unemployed young people aged between 16 and 24 and qualifies them better for the labour market.

Cooperation with educational institutions

Dr. Oetker champions the education and training of young people with great interest. Promoting involvement in education is undertaken according to the needs in the particular environment of the national companies, each Dr. Oetker national company taking different approaches and aligning its engagement with the societal and cultural conditions of the country and with its own economic possibilities. In view of the diversity of the commitment shown by the respective locations, this can only be described here on the basis of just a few examples.

Commitment to employment

The commitment of the company to the creation and preservation of jobs extends beyond the implementation of in-house measures.

For a good seven years, the national company in Switzerland has been supporting Solodaris Stiftung, a foundation which is involved in the professional and social integration of mentally disabled people in day-to-day life. The national company in France also concerns itself with the integration of people with disabilities in the world of work. To this end, the national company entered into a co-operative venture with Epith, a service provider. In Great Britain the company has been working with Job Centre Plus for many years. In 2012 Dr. Oetker took part in the campaign “Feeding Britain’s Future – Skills for Work” for the first time. This is an initiative which supports unemployed young people aged between 16 and 24 and qualifies them better for the labour market.

The range of need is great, and not always can these concerns be resolved by the state. Companies, too, on account of the diversity of need and limited by the funds available, are obliged to concentrate their support and their activities. Dr. Oetker’s strategy has always been to champion a positive family environment and the education of people of all ages. In the company’s view, both are fundamental building blocks for an intact society and, for the individual, mean the chance of a self-determined life. A family imparts values and assists in developing individual personality; a good education is the basis for employment throughout the world.

The foundation stone

The foundation stone for the company’s societal engagement was laid by the founder, Dr. August Oetker. Back at the start of the 20th century he supported academic institutions, especially in the field of the natural sciences, and set up a microbiological institute in his business whose biochemical seminars were open to the public at large. In the tradition of the company’s founder, subsequent generations have championed societal concerns.

Responsibility from the outset

Societal Responsibility

www.oetker.de
In Germany the company has established cooperative ventures with a variety of educational institutions. The aim of the school partnerships initiated is to accompany the graduates on their path into working life and awaken in young people an interest in science subjects. Furthermore, Dr. Oetker works with the University of East Westphalia-Lippe in the promotion of forward-looking technological research and development. Every year since 1992 the company has awarded the Dr. Oetker Prize to budding young scientists in the Food Technology Department in recognition of their outstanding academic achievements. The society was founded in 1920 by companies from Bielefeld to make knowledge of economic relationships accessible to the public.

The national companies in western Europe have likewise entered into cooperative ventures with various educational institutions. In Austria the company is in contact with the University of Klagenfurt, the Villach University of Applied Sciences and Business Promotion Institute of the Carinthian Economic Chamber. The company implements different case studies with the students, enabling them to gain insight into practice. Dr. Oetker in Switzerland also gives students of the University of St. Gallen support in their studies, as has, since 2012, the Spanish national company to students of the University of Pompeu-Fabra. For a good five years, the Italian company, cameo, has been working with various of the country’s universities. These include the universities in Parma, Verona, Padua, Trieste, Venice and Bergamo. In addition, cameo supports students in the marketing and communication departments of the universities of Publitalia, Alta Scuola per l’Ambiente and Il Sol 24 Ore. With the aim of imparting practical training content to young people in the laboratory and production, Dr. Oetker in France entered into a cooperative venture with the Arèste Briand grammar school in Saint Nazaire.

In eastern Europe, employees of Dr. Oetker Poland are members of the Curriculum Advisory Council of the Faculty of Chemistry of the University of Gdańsk. Additionally, the plant in Makałow, Poland, works closely with the Faculty of Food Sciences at the University of Olsztyn. The aim of each collaboration is the exchange between learning and practice. Furthermore, the company is engaged with the Historical Museum of the City of Gdańsk. With the intention of conveying knowledge of the city’s culture and history to children especially, the company has enabled the acquisition of educational books. In order to accompany young people on their path into professional life, the locations in Hungary, the Czech Republic and Slovakia, as well as the Turkish national company, maintain collaborative arrangements with vocational schools and universities. Moreover, the Slovakian national company has been regularly promoting the state-organised German language competition. In this context, the location’s contribution focuses essentially on conducting professional seminars and training courses.

In America the national companies in Canada and Brazil support various schools in their local surroundings. In Canada this has been the German School of Toronto since 2011. For more than ten years, the location in Brazil has been supporting the German Vocational School of São Paulo (IFPA) as well as the National Service for Industrial Training and, for a good two years, also the Transformar Institute. The goal is to expand the range of training for pupils to enable them access to more advanced educational institutions or to prepare them for professional life.

**Partnership with SOS Children’s Villages**

Although Germany has a very high standard of living, children are increasingly caught up in problematic and stressful family situations. Social ne-
SOCIETAL RESPONSIBILITY

The partnership with SOS Children’s Villages lives through the active commitment of staff, as here in Italy.

PARTNERSHIPS

German Child Protection Alliance (Deutscher Kinderschutzbund) in Bielefeld for more than four decades. A further area of focus of the foundation is the support of sick, disabled and elderly people in collaboration with social and charitable institutions.

Outlook and goals

The owners of the Dr. Oetker family business have always concerned themselves with the pressing social issues of their time and invariably made a contribution to societal, cultural and educational development. This engagement is something the company will also continue to pursue in the future.

Oetker foundations

Founded in 1998 by Rudolf-August Oetker, the foundation of the same name is dedicated to fostering art, culture, learning and the care of historical monuments. In its early days the focus was on the refurbishment of village and patronage churches in the east of a reunified Germany. More than 200 churches have been saved in this way in the nine new federal states. Important considerations for backing are not just the building itself but also the social and societal environment. The Rudolf-August Oetker Foundation is now increasingly engaged in sponsoring selected art exhibitions, acquisitions by museums and in the restoration of works of art. In the academic field it has been supporting the privately-run University of Witten/Herdecke.

The Ida and Richard Kaselowsky Foundation supports children and young people in the areas of sport, upbringing, education, music and art, as well as young people in their stay abroad as part of the voluntary social year scheme.

www.dksb-bielefeld.de

www.oetker-stiftungen.de

In the case of neglect or deprivation, unfortunately, no longer a rarity. In SOS Children’s Village, Dr. Oetker has found a partner which makes life in a family, with all its positive values, possible for many children. To support the work of SOS Children’s Villages, Dr. Oetker has entered into a partnership with the organisation. This support is not linked to the sale of Dr. Oetker products. Dr. Oetker’s commitment is based solely on its sense of social responsibility to the institution of the family, which has always occupied a high place value at Dr. Oetker. More and more national companies are increasingly focusing on support for SOS Children’s Villages in their own countries. Currently, these are locations in Belgium, Finland, France, Italy, Canada, Croatia, the Netherlands, Austria, Poland, Romania, Serbia, the Czech Republic and Hungary. This is more than just a matter of financial help; a multiplicity of activities and the personal contact of employees breathe life into the partnership.

German Child Protection Alliance

The owner family and the company have backed German Child Protection Alliance (Deutscher Kinderschutzbund) in Bielefeld for more than four decades. The charity gives direct and unbureaucratic support to children and families through its numerous activities and programmes. Dr. Oetker provides, free of charge, a company-owned house which acts as an important drop-in centre for children and parents.

For the work of the Child Protection Alliance, Dr. Oetker provides, free of charge, a company-owned house that is an important drop-in centre for children and parents.