

We

are all



Our Hochland Magazine

1 | 2020

How will we live in the year 2030?



Lighthouse project launched



New canteen concepts at the start

Editorial



Dear Hochländer,

First of all I wish you all a happy, healthy and successful new year!

I am sure you have also been thinking about the past and coming year.

We live in a fast time, with many changes happening with such a rapid speed. Each one of us knows the feeling. Everyone of us has to decide every day how to deal with it.

But how does a company like ours manage this? How do we manage to be well prepared for the future?

In preparation for this, we started to take a look into the future in spring 2019. With the help of a future institute (oh yes, such a thing exists!) and its worldwide network, we were able to get a good picture of what is there to come for us in the next ten years.

Together with many Hochländer we filtered out the topics and questions that are important for us.

Then the work began: We worked out answers to these challenges and from that we derived a roadmap for the next 5 years. A roadmap that gives orientation, inspiration and motivation for us all. Our Vision 2025!

But what is this all about?

It is about actively shaping our future together.

We have our future in our hands. Let's do it!

Sincerely

A handwritten signature in black ink, appearing to read 'U. Zimmer'. The signature is fluid and cursive, with a large initial 'U' and a long, sweeping tail.

The future is what we make out of it

How will we live in the year 2030?

No one can look ten years into the future, right? That's just fortunetelling! So why should Hochland draw a picture of the future in 2030 – It's all going to be totally different anyway?! Right?

The answers for many questions about the future are already there. Or at least probabilities, which can be derived from current developments. That's what Hochland has done: With the help of the consulting firm 2bAhead and inspired by 17 experts from science and business who have an eye on the trends in their industries.

You are curious about a sample? "Nobody in retail will need our brand in 10 or 20 years." Or this: "Laboratory milk will develop from a special offer for vegans to an everyday product".

The first quote comes from the managing director of a large food manufacturer. Anyone who thinks like this will consider how to further develop his business model as a branded company in due course.

Werner Giselbrecht is convinced of the success of laboratory milk. The business manager of Hochland Deutschland was also interviewed by the futurologists of 2bAhead.

If he is right, the effects on Hochland are obvious. It is therefore worth considering whether we want to process laboratory milk in future in addition to "classic" milk from animals to cheese and how we can

create the conditions for this today. Incidentally, this could provide a way out of the current dilemma for the entire dairy and meat industry. Because the industry is heavily criticized for its impact on the environment and climate. The first successful trials with laboratory milk have already been conducted. And meat is also „bred“ in the petri dish. It is still unaffordable today. But the first step has been done.

These two examples are only a small part of the findings of a several months lasting process. The picture of the future 2030 has also opened our eyes to other issues: Consumers expect more and more transparency about the products they buy. Anyone who can analyze and interpret the available data along the entire value chain has an additional selling point. Autonomous driving and air taxis – already in test operation today – will also make new logistics models necessary.

The time horizon of 10 years is ideal for broadening the view and opening up to the future. However, to define concrete goals for one's own company, this

time span actually seems too long. The picture of the future 2030 was therefore the starting point for developing the concrete "Vision 2025" for Hochland, which will be presented to all Hochländer in March. It will then follow the currently valid Vision 2020.

Many Hochländer were involved. In addition to the Executive Board, all managing directors and division managers, further colleagues at all the sites were able to contribute their opinions and ideas on various possible scenarios that resulted from the work on the picture of the future 2030: Which developments are relevant for Hochland and which are less relevant? For example, should the topic "New markets in emerging countries" be included in the vision or not? There were quite different opinions on this. The Executive Board took the suggestions as valuable feedback.

Where does Hochland want to go in the next five years? And what decisions

do we need to make to achieve these goals? – The Vision 2025 will serve as a compass for this, which every Hochländer can use as a guide.

Peter Stahl is convinced that the compass will work, as developments in recent years have shown: The CEO attributes the growth to the fact that the management team had a clear goal in mind with Vision 2020 and knew what had to be done to achieve it.



Who would have believed in 1905 that the automobile would one day completely replace the horse-drawn carriage? Still today, it seems just as incredible that an air taxi will take us from A to B, or that milk will no longer come from the cow but from the laboratory.

*Picture: National Archives
Photo Nr. 30-N-18827*

Modernization project „Lighthouse“ started in Dieue

Lighthouse provides orientation

The production was stopped for an hour so that all employees could participate: The „kick-off“ meeting of the „Lighthouse“ project in Dieue-sur-Meuse was held under the motto „Let’s light up our lighthouse together“.

During the kick-off meeting the French-German project team had to pass the first challenge: the members had 90 minutes to build a four-meter-high lighthouse together and light the beacon.

Their recipe for success: a lot of team spirit, quick solution finding and good interaction as a whole team - a good signal for future cooperation! As a symbol of intercultural cooperation, the lighthouse will accompany all participants through the project.

This marked the end of a successful kick-off event for a major challenge: a modern production facility for various categories of cheese will be built at the Dieue site over the next few years.

The entire workforce of the French plant had the opportunity to receive information about the future of the site. There was even a tent set up for providing enough place for everyone. Far over 200 colleagues from Dieue and around 20 representatives from Germany took advantage of the opportunity.

Managing Director Josef Stitzl gave an outlook on how Dieue will be made more flexible and adaptable in the future and why these changes are necessary. In addition to investing in equipment and technologies, the organization is also being further developed and employees are being trained for this.

The three project managers in the Project Management

Office (PMO), Cécile Henry, Martin Strommer and Volker Büstrow, presented the Lighthouse project: The concept is based on the three pillars of milk varieties, flexibility and sustainability. In Dieue, it will be possible to process different types of milk into different categories of cheese. The plan is to retain all three current cheese categories: soft cheese, cream cheese and semi-soft cheese.

Variable product shapes and recipes, ranging from standard products such as Brie or Oval to specialties made from goat’s milk, will make it possible to produce numerous different and innovative products. The plant is aligned to the principles of the circular economy. Recyclable packaging materials are to be developed and the plant is to operate CO₂-neutral in the future.

The aim of the kick-off was also to present the project organization: The large project, which will run over several years, will be divided into smaller and larger sub-projects. They will be coordinated by the PMO together with the aforementioned project leaders Cécile Henry, Martin Strommer and Volker Büstrow. The three are supported by Blanche Leroux (Organization, Communication) and Daniela Weise (Controlling).

This international core team with colleagues from France and Germany has already developed requirements and rules for our intercultural cooperation.

After the presentation, the colleagues from Dieue had the opportunity to write down questions and comments on cards, and they made extensive use of this opportunity. At the Christmas Reception in Dieue, each employee received a brochure with the answers from PMO and management.

After the kick-off in October, the team initially concentrated on rapidly completing the approval procedures for the various construction projects. We hope to be able to start the first construction measures in spring. These include the sewage treatment plant and the milk reception area.

At the kick-off, Josef Stitzl expressed his confidence that „Hutin has the ability and motivation for the necessary changes. He appealed to everyone: “It’s a marathon. So what are we waiting for? Let’s start our Lighthouse project.”



Successful Franco-German exchange

What the participants say

What was your impression of the kick-off? What impressed you the most, how do you see it continuing? „We are Hochland“ has been asking around among the participants.

Louise Manesse, shift manager, soft cheese department:

“This meeting brought together our German and French colleagues for two days. It showed the employees of Fromagerie Hutin the great commitment of the German side, and that the board believes in our company. The many questions that were asked show the employees’ sympathy for the future of Henri Hutin. There was not enough time to answer all the questions. But the employees will get their feedback. This will assure them and gather the company behind this project, which will create a modern factory that respects the environment and the well-being of the employees while meeting customer requirements for quality and product diversity. The involvement of all hierarchical levels is essential and very welcome.

The kick-off was a great success of the cooperation with our German colleagues. A great deal of

effort is required to make the project a success. I think everyone is aware of that.”

Works council of Fromagerie Hutin:

“We as members of the Hutin Works Council were very pleased to attend the presentation of the „Lighthouse“ project. The project has shown all the employees of Fromagerie Henri Hutin that the future is ahead and that it will become more assuring. During this meeting, we felt the trust Hochland puts in us and we thank you for the smile that was shown to all the employees. Let’s surf this wave to the lighthouse! »

Jonathan Durant, head of IT Hutin:

“It was very important that every member of the Fromagerie could attend the presentation. After all, this is the largest investment of the Hochland Group in a plant.

A large number of employees accepted the invita-



tion. This shows their great interest and commitment. The strong participation in the Q&A session also shows that they are thinking about their future and the future of their company and that they want to be informed about what will happen. This must be taken into account for the communication throughout the project. The rest of the workshop took place in an excellent Franco-German atmosphere. We received information from the project team and were also able to contribute ourselves. All these values are a solid basis for the construction of our lighthouse”.

Alice Floquet, quality manager:

“This day was very enriching and constructive. The large number of people who came to the information event shows the enthusiasm and desire of the staff to participate in the Lighthouse project. In the working groups I noticed that the project team was very attentive and answered

all our questions. I enjoyed working on the construction of the lighthouse together with our German colleagues”.

Daniela Weise, Head of Finance and Projects, Hochland SE:

“For the first time in the history of the plant, all employees were invited to a one-hour information event. During the Q&A session I was particularly surprised by the scope and depth of the questions. This shows that the employees had already dealt intensively with the project, so that very concrete and good questions were asked.

The work in the project groups was very pleasant. I had the impression that the French colleagues are very open for the coming changes and are eager to play their part in making it a success.

“Monday for Future” at Hochland

“We show we’re not looking away”

Camilla Kranzusch made it: On November 14th she arrived in Morocco, a few days later she met with young people from Africa. They all share one goal: to draw attention on the climate crisis – and on solutions that could help to significantly reduce the climate-damaging CO₂ worldwide. On her way Camilla also stopped at Hochland in Heimenkirch.

With the decision to make the three plants in Heimenkirch, Schongau and Dieue climate-neutral from now on, Hochland Deutschland GmbH is one of the first companies in Germany, which has already done a lot to reduce its CO₂ emissions. For example by switching to 100% green electricity, own photovoltaic systems on the roof etc. A

On her journey, Camilla made a stopover in Heimenkirch, because she appreciates our commitment and wanted to recommend Hochland to other companies as a role model. She was delighted by all the people welcoming her and how many interested listeners wanted to talk with her: About 60 pupils from the primary schools

abundance every day, could be used much more than now. That is the reason why Morocco is the destination of her trip: In the south of Marrakech, in Ouazarzate, the world’s largest solar park, Noor, is located. Noor is a solar-thermal power plant that stores its energy in salt and thus provides clean energy 365 days a year.

in Heimenkirch and Schongau in cooperation with Plant-for-the-Planet: Two academy days in which children were trained as climate ambassadors.

At the end of Camilla’s journey Josef Stitzl sent a video message to her, which you can watch on the website www.goforclimate.de. He also makes an appeal to other companies with this video: „We are producing climate-neutrally since this year and we can prove that we are not looking away. By voluntarily becoming climate-neutral, we can all make a contribution to finally implement global, worldwide solutions - for climate protection and far beyond. After all, through reforestation and solar energy we can create hundreds of thousands of new jobs, and with them we can raise hope for an economic future in the African countries. – Let’s be open to these solutions!”

According to Camilla Kranzusch, our mobility is based on fossil fuels for too long now: „We can already produce e-fuels today”, i.e. fuels that are produced with electricity from water and carbon dioxide. But such solutions, she mentions, are not being implemented consistently enough in projects.

Camilla was supported in Heimenkirch by Lara Dietlein and Pia Dostal from the Lindenberg Fridays for Future Group. Levin Sohn, ten years old and ambassador of Plant-for-the-Planet, also called us to action to jointly protect people from global warming.

Managing Director Josef Stitzl was pleased about the successful „Monday for Future” at Hochland.

In the meantime, the next actions have taken place

climate balance has shown us how much CO₂ is still left. We are compensating this by making a large amount of money available for the Plant-for-the-Planet reforestation program. In the coming years we want to reduce our emissions continuously. 2020 should become a “climate year” for Hochland Germany.

in Heimenkirch and Opfenbach as well as from the secondary school in Lindenberg participated. Some Hochländer and our shareholders Angela Wagner-Summer and Claudia Reich attended, too.

Besides reforestation, Camilla mentioned two other important measures how CO₂ could be reduced: Solar energy, which is available in



Cycling for a good purpose

“All the world up on the bike”

For many years, Hochland Polska has been offering its employees inspirations to do more sport and be active. This has included participation in the “All the world up on the bike” campaign.

The campaign combines cycling with charity: the kilometers cycled are converted into zloty. This sum is then donated to a charitable organization that the participants have chosen in advance.

The aim of the Hochland Polska was to cycle 50,000 kilometers in order to donate the money for the rehabilitation of Ryszard Szurkowski, a well-known cyclist.

So the Hochland cyclists did not only do something for

their own health, for their body and for the environment by leaving the car at home. They were motivated by the idea that they could also do something positive for others. The 50,000 kilometers have been completed and 5,000 PLN an equivalent of around 1,300 dollars went to Ryszard Szurkowski.

The most committed cyclists were awarded at staff meetings at Kaźmierz and Węgrów. After the great success, organizer Jacek Wyrzykiewicz is now considering whether this campaign could be extended



to other Hochland subsidiaries. In any case, Hochland Polska is already plan-

ning to repeat the campaign this spring.

Hochländer plant even more trees

Compensation of CO₂ emissions

Not only in Germany, but also in the other Hochland subsidiaries, colleagues are taking measures to reduce the CO₂ footprint.

Hochland Polska, for example, cooperates with specialized waste management companies in the field of packaging recycling. The colleagues also took part in a planting campaign at the end of last year. They supported foresters in planting a total of 1,000 pines.

On August 11, 2017, a hurricane destroyed hundreds of thousands of trees in the Gniezno forest district. 4,500 hectares of forest were devastated. By reforesting the Hochländer helped to restore the beautiful forest, so that the trees could once again take on their important function as „air filters“ and bind CO₂ from the air. Thus,



they made an important contribution to climate protection. A small tree can produce about 118 kg of oxygen per year.

In comparison an adult consumes an average of about 176 kg of oxygen per year.

New chapter in the history of Hochland Española

Neighboring property acquired

Last year in July, Hochland Española succeeded, together with our partner TGT, in acquiring a 2,500 m² plot of land next to our plant.

1.500 m² of it are constructible surface. This means that we are gaining another 30% on top of our previous area. The property is currently rented and can be used from October 2022.

A modern warehouse for finished products and packaging is going to be built on the site. The plant will also be expanded and more space for new production facilities will be created in order to achieve the growth

targets of Hochland Española.

The Viladecans plant was built in the early 1980s. It was designed for a production volume of 8,000 tons. Today we produce almost the double amount. Due to the shortage of space however, growth has reached its limits by far. There was not enough space to automate some of the manual processes involved in packaging and palletizing, and the risk of accidents also increased due to the lack of space.

Since early 2019, a local project team has been working on the question

of what the future plant in Viladecans might look like. Various alternatives were examined before the decision was made to purchase the neighboring plot of land – for 1.6 million euros. Immediately afterwards, the technical planning began in order to define the new plant concept, which could be completed by the end of 2019.

With this purchase, another chapter in the history of Hochland Española has begun. We will keep you informed about the planning and construction progress.



Findings from the test market in Berlin

Liebkost can do more

It was an exciting test. At the end of September we stopped supplying selected markets in Berlin with our Liebkost cheese. But this is not the end of the project.



Since then our core Liebkost team has been working on the positioning, the design and a tailor-made marketing concept.

The Liebkost cheese for frying, cooking & grilling is consistently natural and sustainable: it is produced in our factory in Dieue from only three ingredients: milk,

salt and lemon juice concentrate. Its recyclable packaging has been awarded the Interseroh seal of approval „Made for Recycling“. We were also consistent in our communication. The homepage provided detailed information, including the origin of the ingredients. “We want to get better and better

and show transparently and honestly what we have already achieved and what we are working on“, this is our philosophy.

Do consumers appreciate this, especially a young, consciously consuming target group? To find this out

we chose the booming capital of Germany for the test market because we reach a particularly large number of representatives of our target group there. We supplied approximately 40 shops, primarily independent REWE and EDEKA retailers with whom we had a close personal exchange of ideas. Supported by a small external team in Berlin, we were in the position of gathering reactions from consumers quickly and easily.

For five months we gained valuable experience. Then it was time for the core team to evaluate the test market. We realized, for example, that we needed to complement the communication: The focus so far has been on the sustainability aspects. These will continue to be important to us, but we also want to make consumers curious about the many different ways in which they can use the product. Because Liebkost is more than "just" a grill cheese. Among

other things the team is working on a new packaging design that whets the appetite at first glance. However, Liebkost will still be „different“ in appearance and stand out from classic cheese products.

At the same time, we are developing a second marinated variety, as the herb variant was the clear favorite in the test market. The natural variety will remain;

thus in the planned (re-) launch there will be three delicious Liebkost varieties.

Our team will continue testing in the coming months. Consumers will be involved in the development to find the most promising product and brand concept and make it profitable.

A Hochland "subsidiary" in Lindenberg?

Extra rooms for a "Thinkhouse"

It used to be the sports shop "Monte Rosso", suddenly since October a Hochland logo decorates the shop windows. Has Hochland opened a store in the neighboring town of Lindenberg? Not quite: This is where our "IT Thinkhouse" was created.

As reported in various blogs on the intranet, Hochland is busy getting ready for "Industry 4.0" and the digital transformation for some time now. Digital processes should and will optimize workflows and change our working methods profoundly.

The current focus is on the SAP project S/4 Future. For this major project,

the IT was looking for conference rooms that would be available to us at any time over a longer period. The location Heimenkirch did not have optimal free space to offer. That's when the idea came up to look for rooms that we could rent nearby.

After an inquiry at the city of Lindenberg, the contact

was established with the owner of the property at Marktstraße 10, right next to the primary school. The business premises had been vacant for some time. Together with the owner, since May 2019 we have been creating a room with a good working climate and with a very special flair in this traditional Lindenberg building. The IT Thinkhouse extends over two buildings: The main building can accommodate 20 people for conferences. There are also two additional rooms for smaller groups, a kitchen and a sanitary area. In the adjacent building another group of up to 25 people can meet.

The IT Thinkhouse now offers the necessary space not only for the many, partly international S/4 Future



conferences, but also for all other future digitalization initiatives. Once everything has been organized the rooms will be officially bookable on the intranet. They are fully equipped with conference equipment.



First FreeTherm 150 goes to India

Natec extends its portfolio

Hochland Natec has successfully installed the first self-made FreeTherm 150 in India. Our customer, MilkyMist, had previously purchased a Rota-Therm cooker and a FreePack 1000.

The FreeTherm is a very flexible twin-shaft cooker that can be used for many mixing and cooking tasks in the food industry. Processed cheese, pasta filata, analogue cheese and vegan products are just a few examples. After a very short time, the flexibility has convinced the owner of MilkyMist, Sathish Kumar, reports Sales Manager Richard Bechteler.

packaged on a Corazza plant. Previously MilkyMist had had these products manufactured by a CoPacking-partner. Therefore it is a big advantage to manufacture these products inhouse.

The installation and commissioning in January 2019 was exemplary, with full support and acceptance by the customer: According to him, this was a matter of "plug & play". Since then,

our evaluation of the large market potential and the desire to expand the Natec Network portfolio.

The concept for the new cooker was developed by our product manager Eugen Vogel. Thanks to his expertise he was able to meet all requirements, from product safety and hygiene to recipe management, automatic cleaning (CIP) and operating comfort. An improved steam injection nozzle concept was also implemented. Each steam nozzle can be controlled individually. This makes it possible to adapt the cooking process to each fill graph and each product individually.

The spring-operated steam nozzles have also been replaced by pneumatic steam injection assemblies, which guarantee a tightness of one hundred percent. This was often not the case with the previous steam nozzles. As a result of that, small quantities of the product repeatedly entered the steam area.

The FreeTherm can be built and operated with different modules such as different mixing options, buffer tank, shear pumps, etc.

In the meantime it has been decided that the FreeTherm will be manufactured entirely at GoldPeg in Australia. Therefore, the

machineries for mixing and heating comes from one production facility. This makes it easier to implement our "corporate identity", i.e. the unified appearance of the entire machine.

Due to the strong demand for different sizes, a FreeTherm (FT) series has been created, starting with the FT 50 – i.e. with a capacity of 50 liters – to the FT 150 and FT 250 up to the FT 500. With this series we are able to meet requests from small customers to large producers. The FreeTherm is also well received within the Hochland Group: Hochland Romania has already ordered an FT250 and Hochland Russia an FT500.

There are ideas and enquiries about using the FreeTherm wave cooker outside the cheese production, too. Such projects have already been implemented successfully, for example with the continuous RotaTherm cooker.



Our customer in India was able to expand its product range and is now able to produce grateable processed cheese itself in square portions and 200g blocks. These are filled and

the production is running five to six days a week. That means a product quantity of about 1,000 tons a week.

The strategic decision by Hochland Natec to build their own batch cooker the "FreeTherm" was taken in 2017. It was supported by

New canteen concepts are launched

“Sustainability on the plate”

Since July of last year our colleagues in Kaźmierz are able to enjoy their meals in a newly designed canteen. It took over a year from the idea to the opening of this new canteen.

Many steps are necessary to implement such a project, starting with the planning through the approval of the investments, to the actual construction work. The result is impressive. The food concept and the charming, modern design invite you to eat and stay.

The name has a story behind it – “Mikser”. On the one hand, the mixer is a well-known kitchen utensil. On the other hand, the term also stands for the fact that colleagues in Kaźmierz can put their food together individually with various components, in other words they can “mix” it. Furthermore, the ending “SER” corresponds to the Polish word for cheese. The name could not be more fitting!

In Heimenkirch and Schongau there is a new canteen concept in progress, too. It’s not just about a pleasant atmosphere, but also about a more sustainable food offer. The plant managers Walter Morent and Stefan Mayer, together with Carmen Hügemann’s project team, have developed the following vision: “The Hochland restaurant – a meeting place to feel good. With our enjoyable, healthy and sustainable menu, we create a smile on the faces of our guests”.

Based on three thematic pillars, principles were developed as a basis for the new canteen concept in Heimenkirch and Schongau: Under the headings of sustainable, healthy and enjoyable, the focus is for example on regional, seasonal and ecological ingredients, but also on animal welfare. And not only the taste, but also the look of the food and the furnishings should play an important role.

The project consists of six sub-projects:

Food Charter

It deals with the question: What can a healthy, sustainable and enjoyable diet look like? The needs of the employees are taken into account, for example in the case of shift work or allergies and intolerances, as well as cultural eating habits.

Sustainable purchasing

Guidelines for sustainable purchasing are drawn up, which are used in the selection of all suppliers. One example is our partnership with the “Herzogsägmühle” charity organization, from which we purchase organic quality products in Schongau. Together with colleagues from the purchasing department the procurement strategies of the two

canteens are being harmonized.

Vending machine and snack concept

Developing a vending machine and a snack bar concept is in progress for both locations, which will ensure the supply of healthy,

user-friendly materials management system is being set up and connected to the existing ordering system. This will simplify the work of the canteen teams.

Infrastructure

What do visitors need to enjoy a good meal in a



enjoyable and sustainable food around the clock.

Marketing and communication

The project team will develop accompanying communication measures to keep the Hochländer regularly informed about the project status. It will also develop ideas to better present and promote the canteen’s offerings.

Digital inventory control system

In cooperation with colleagues from the IT and the canteen team, a digital,

pleasant atmosphere? And what do the colleagues of the canteen team need in order to have fun preparing the food and to be able to live on their creativity? For answering these questions, a room concept will be developed for each location.

Our colleagues at Kaźmierz have shown us that an inviting company restaurant also needs a suitable name. Therefore, the Hochländer from Heimenkirch and Schongau will be invited soon to suggest names for the new canteens.

Competence Transfer in Production and Technique

Second group finishes its training

After a successful first round from 2013 to 2015, a second group has started in the summer of 2017 with the training program "Competence Transfer". The participants passed their final exam at the end of November. It consisted of a written and an oral part.

Hochländer from Spain, Poland, Romania and Russia were trained at the Heimenkirch and Schongau sites.

They proudly received their certificates. These are a sign of success and recognition at the end of a long jour-

ney that demanded a lot of the participants: they had to invest a lot of free time into the program in order to learn, even the travel to the training location sometimes fell on a weekend.

Now it is time to draw a line and start to develop the program even further. On the basis of feedback from participants, training managers, plant supervisors and international HR colleagues, the project team around Heidi Früh and Frank Molzahn will consider in what kind the competence transfer could take place again. Instead of a program lasting several years, only individual modules are being discussed. Furthermore, we are looking for a way to offer the training material digitally.

The two-year training program is based on the principles of dual training in Germany. It was created internally by Hochland and adapted to our needs. Hochländer from Germany teach their international colleagues the basics of milk technology and mechatronics in a practical way. Our Guidelines on Leadership and Cooperation, the Code of Conduct and Insights into the behavioral preference model „Insights Discovery“ round off the versatile program.



We did it! Immediately after receipt of their certificates, the proud graduates lined up for a group photo. Also present were the interpreters who accompanied them during these two years and the trainers – all of them Hochland colleagues.

Four participants reflect on their participation

Learning from the experience of colleagues

And how did the participants experience the two years? Four of them report on their experiences:

Anton Brak, Senior Mechanic, Hochland Russia:

"I learned about the program from participants in

the previous course and through the employee newspaper. I was particularly interested in getting to know the experience

and knowledge of my colleagues from other plants. In the course of the training I have acquired enormous expertise. Above all, the

knowledge of pneumatics and the training documents on electrics and electrical engineering are very useful for my daily work. The

trainers and organizers have taken into account the different levels of knowledge of the participants and have responded to each one



individually. I would also like to thank our translator Irina. With her help we did not just learn about the training contents but we also received information about the people and cultures. I would like to continue to develop myself personally and professionally in the future and also inspire and motivate my colleagues. Through the program I have a clear idea of how I can achieve this."

Przemysław Mikołajczak, Process Engineer, Hochland Polska:

"I participated in the competence transfer to acquire new knowledge. I particularly liked the combination of theory and practice. We got to know

new technologies and it was very interesting to meet colleagues from other countries and benefit from their experience. Thanks to this program I had the opportunity to experience modern cheese production in practice. It was great to see that training in Germany in milk technology involves so many practical tasks. I was also impressed by the modern production areas in Heimenkirch and Schongau. I can pass on the knowledge I have gained to my colleagues in the future.



Sonia Molina Navas, Shift Supervisor, Hochland Española:

"I am very glad that I got the chance and was selected for the training program. Not only the technical content, but also



the personal development is an important component of competence transfer. We learned a lot of new things that I can apply in my daily work, for example how to achieve a better output in the production process and in the quality of the end products. I liked the plant tours in Heimenkirch and Schongau best. We were able to get to know new production processes and could exchange ideas with each other. We also got an insight into how the various national companies work. The exchange in an international round was a real enrichment. In the future, I would like to develop myself day by day, personally and professionally."

Zoltan Borbely, electrician, Hochland Romania:

"I participated in order to expand my technical knowledge. It was really exciting



for me to become familiar with German manufacturing technologies. I really liked the structure of the training courses. First the theoretical processes were explained to us, so we had the basis to implement them later in projects. I was able to combine the new mechanical knowledge with my existing knowledge of electrical engineering. Because the training took

place in Germany, we were able to put what we had learned directly into practice and benefit from the very good equipment of the factories there. The factory tours in Schongau and Heimenkirch offered the opportunity to experience other technologies. I wish



that I can now use what I have learned in my daily work.

Awards for product quality

Medals for Hochland Polska

In Poland, we have again received a series of awards for our products in recent months.

At the 15th Leader Forum, we came out on top in three categories: Edamer Hochland semi-hard cheese was honored for its “top quality”, Almette Herbs was at the top of the podium for easy spread cheese and the

“Sahne-Blöckchen” were the winners for processed cheese.

While at the “Leader Forum”, representatives of the retail trade decide on the most interesting new prod-

ucts, the “Good Cheese” jury consists of professional chefs of renowned Warsaw restaurants. There were also several medals for Hochland products. Gold went to the Hochland Sandwich Minis and silver to the Almette

Minis, Valbon Camembert and the Sandwich Slices Cream. In the pizza cheese category the Burger & Toast slices won the bronze medal.

The Sandwich Minis were awarded once again. In the country’s largest consumer survey, they were awarded the title “Golden Innovation 2019” in the category “Best Response to Consumer Wishes”. Other categories in this competition are: Taste, Packaging and “Product Moments”.



And another prize

Award for Jacek Wyrzykiewicz

The “Mleczne Laury Award” (Dairy Laurel) is awarded to process engineers, managers and scientists who have contributed outstanding services to the Polish dairy industry and cheese production.

Our colleague Jacek Wyrzykiewicz, responsible for PR and Marketing Services at Hochland Polska, received the prestigious award in the Dairy Manager category.

The Dairy Laurel survey was conducted from May 1 to September 30, 2019. The jury took into account the professional achieve-



ments of the candidates and their contribution to the promotion of the Polish dairy and cheese sector, as well as their achievements for the benefit of the local community as well as their personality.

Franklin Foods Attends World Cheese Awards

Cheese from the USA in 1st place

In October, Rocco Cardinale, Vice-President of Marketing, and Alex Gutknecht, Export Sales Manager, traveled from Arizona in the Western United States to attend the World Cheese Awards in Bergamo, Italy.

Rocco and Alex thereby supported efforts of the U.S. Dairy Export Council (USDEC). USDEC is a non-profit organization whose mission is to enhance global demand for dairy products from the United States. With support and expertise from dairy trade specialists, academic and policy experts, and marketing professionals, USDEC works with partners to identify opportunities in the global marketplace for dairy products from the United States and to increase the demand for these products

In 2019, the World Cheese Awards were hosted in Italy for the first time in its 32 year-old history. It was held in Bergamo together with the city's annual FORME festival and the "B2Cheese" international trade show. The scale of the competition continued to expand, reaching its largest size ever this year. 3,804 cheeses from 42 different countries were tasted and judged by panels

consisting of 260 cheese experts and cheese lovers from around the world.

At the end of the intense day of multiple rounds of judging, two cheeses stood exactly tied. By the final vote of the Chairman of Judges, Rogue River Blue from the Rogue Creamery in Oregon, USA edged out Latteria Sociale Santo Stefano's Parmigiano Reggiano. It was a bit of a shock for many conference attendees, that for the first time ever a cheese from the United States had taken the top award.

"The opportunity to taste and learn about so many cheeses from around the world in just a few days was an incredible experience," stated Rocco. "It has expanded my knowledge of consumer tastes and flavor profiles, which I'm sure will influence the development of new products and future innovations at Franklin Foods."

Alex, also a Franklin Foods representative in the U.S. Dairy Export Council, adds, "Representing both the U.S. Dairy Council – along with my fellow dairy council members – and Franklin Foods at such a prestigious event was a real honor. Especially to be part of such a historic accomplishment and moment for the U.S. Cheese Industry in winning the top award – that was fantastic."

"The United States has a tremendous history of artisan cheesemaking, as well as industry-wide creativity to satisfy and serve global markets," Rocco elaborates. "But that story is not well known outside of the United States. Both Alex and I



were honored to be part of USDEC's efforts to spread our message and amplify the spotlight on cheesemaking in America."

World's best feta from Greek Family Farm Gold medal in Bergamo

The World Cheese Awards were not only a success for the US dairy industry: the feta of our partner Greek Family Farm was awarded with a gold medal as best Greek feta in the competition.

This honor is very good news and a good support for the success of these products.

Greek Family Farm is supplying us with original Greek Feta since 2015. The company also produces goat cheese, mainly for Europe,

the USA and the Australian market, and trades with milk, sheep and feed. Since January 1, 2019, Hochland is holding a 25% stake in the family business.



Rich in almond protein

No curd – but super tasty

Are you looking for a vegetable protein source? Since October the Simply V-FrischeGenuss (Simply V-Fresh Indulgence) is available, a worldwide unique vegetable curd alternative with valuable almond protein and only six other ingredients.



The new Simply V-FrischeGenuss has the typical fresh taste and consistency of curd and can also be used in the same way. Super tasty, unsweetened and without soy or palm oil – essential for a modern, enjoyable and conscious diet.

It is available in the two fat levels "light" and "creamy". The light version contains only 1.8% fat and tastes especially good to all those who would like to enjoy more vegetable flavor without missing a full-bodied pleasure.

Lovers of cream curd who want to switch to a vegetable alternative will be delighted with the creamy version with 9% fat.

Simply V Well received at trade fairs

The colleagues of E.V.A. GmbH are eagerly attending trade fairs to make our purely herbal products even better known and to present the wide range of possible applications.



After the ProVeg in March 2019 in Berlin, they were present at three trade fairs in November: Veggie World in Cologne, Eat & Style in Hamburg and Green Market Berlin. Our pictures are from the Veggie World in Cologne.

"The trade fair was a complete success, it was very well attended and we were able to generate enthusiasm among the trade fair visitors with our range and especially with the new product, the Simply V-FrischeGenuss (Simply V-fresh indulgence)", reports Marketing Director Bastian Link (2nd from left).

Visitors were also looked after and presented with cooked samples (from left): Corinna Sutter, Isabell Herrmann, Diana Özcelik, Martin Glauer and Janina Kurz.

New from Bonifaz Kohler Practical and delicious

Lytos Grill & Oven cheese – that is unique Mediterranean indulgence.

The spicy cheese with a fine marinade – either "herbs and garlic" or "tomato and basil" – unfolds its full flavor in a short time on the grill or in the oven.

without much effort. Since the beginning of October, Lyttos Grill & Oven Cheese is available on a test basis at Aldi Süd.

Simply remove the foil, place the product in the aluminum bowl with the marinade facing upwards and leave it on the grill or in the oven for approximately ten minutes. Hey presto, ready is a hot dish,



Relocation completed

Fetaxa is now produced in Prokhorovka

In April 2019, we already started setting up the new production facilities and technologies. The official starting signal will now be given this January.

Hochland Russia will start the production and distribution of "Fetaxa", our white cheese in brine, in Prokhorovka. This natural product is free of vegetable fats and has a creamy consistency. With its slightly salty taste, Fetaxa traditionally refines every salad, but is also suitable as a warm main meal or snack for inbetween.

The practical cup is re-closable and available in two sizes: 200g and 400g. Thanks to the eye-catching design in bright colors, they catch the consumer's eye directly on the shelf. Ultrafiltration technology is used in the production of Fetaxa. It is a new territory for the colleagues in Prokhorovka. Thanks to the good cooperation between the Hochländer from pro-

duction, technology and quality management, they have been able to overcome initial difficulties again and again. The experienced colleagues Svetlana Suslova, machine operator production, and Sergey Shapovalov and Evgeny Korshakov, both machine operators packaging, were

also able to contribute their knowledge when introducing the new product.



Cash back campaign a complete success

Winning attractive prizes

Last autumn, Hochland Russia launched a cash back campaign for the second time – with great success.

"Cash back for handing in the receipt – always after your taste" was the motto with which the market position of Hochland processed

cheese in Moscow and St. Petersburg was to be strengthened.

After purchasing a Hochland processed cheese product, consumers were reimbursed 50 rubles (equivalent to 70 cents) when sending

the sales receipt. They also automatically took part in a competition with attractive prizes. The campaign was supported by, for example, promotional materials at the points of sale, blogs and an internet portal.

Over 4,200 buyers submitted a total of 4,838 sales receipts during the campaign. The sales figures of Hochland processed cheese have increased significantly thanks to the advertising campaign in Moscow and St. Petersburg.



Almette at the International Balloon Festival

Almette extra (f)light

Since 1985 our Almette is an inherent part of the Hochland range. Originally produced and sold only in Germany, it has become a real star on the cream cheese shelf in many countries. But only a few people know: Almette has the greatest success in Poland.

Hochland Polska sells more than 11,000 tons per year, which is more than 73 million kegs. So on average there are two kegs of Almette for every inhabitant of Poland. Hochland Polska thus accounts for half of the group-wide sales of Almette.

In Poland, Almette is not only the clear market leader in fresh cheese, but also the favorite brand in Polish households and a „must-have“ in every retailer’s assortment. Twelve flavors are available to choose from. For the small appetite, there is also a mini variant with four 30g portions in one package.

To go along with our light and airy cream cheese, the Polish marketing colleagues have come up with an unusual communication measure. Since last year, Almette is going up in the air, more precisely an Almette hot-air balloon.

Over 100 flying hours, numerous selfies on Instagram

and Facebook as well as enthusiastic colleagues who took part in a panoramic flight show the success of the campaign.

And now the time has come: The big Almette “extra light” hot-air balloon is coming to Germany: Not far from Schongau and Heimenkirch, in the beautiful Tannheimer Tal, the 25th International Balloon Festival took place from 11th to 25th January. Every day between 11 and 12 o’clock the colorful hot-air balloons start their journey over the Tyrolean High Valley from there. If the conditions are good, a panoramic trip to the Allgäu via Neuschwanstein Castle or even a crossing

of the Alps is possible. A romantic atmosphere in the evening is provided by the Ballonglügen on the 14th January in Jungholz and on 21st January in Grän.

Our “Almette pilots” Tomasz and Jarek are already looking forward to many visitors, especially Hochländer from Heimenkirch and Schongau. They will preferably be taken along as passengers, the organizer has agreed. Maybe with Almette’s help a long-cherished wish will come true?

More information available: www.ballonfestival-tannheimertal.de/



We have been looking for heroes – and we have found them

116 new stem cell donors

Following a company typification in Germany in 2014, 116 further people could be registered as potential stem cell donors in November 2019.

The campaign together with the “Deutschen Knochenmarkspender-Datei” (DKMS), the German bone marrow donor file, had the motto “Heroes wanted”. The Hochland Deutschland and the E.V.A. GmbH were involved. In Heimenkich, 75 Hochländer were typified

once again, in Schongau there were 28 and in Oberreute 13 people.

Afterwards they all received their donor card from the DKMS and are thereby in the international donor list. If their tissue characteristics match those of a blood

cancer patient somewhere in the world, there is a chance that they can help this person by means of their bone mark donation.

Five years ago, 350 Hochländer took part in the campaign. With this number, we were well above the

10% participation rate that is common for a company typification. This time Hochland is once again covering the laboratory costs.

Our heroes remain registered in the stem cell donor file until the age of 61.

“Best new dairy product”

Praid cave cheese wins

Hochland România was among the winners of the PIAȚA Award 2019. The “ATELIER range” of our cave cheese was voted “Best new dairy product” of the year.

The PIAȚA Awards are presented in Romania since 2006. In the competition experts from the consumer goods industry evaluate the companies and their products. The criteria innovation, efficiency, creativity, sustainability and social responsibility are included in the evaluation.

The Atelier Brânză Praid range includes the varieties “natural”, “creamy” and “with red wine”. The cheese is produced in Romania and matured in the Praid salt mine near Sovata

and is very popular among consumers.

The jury consisted of around 600 representatives of Romanian and international retailers and some of the country’s largest suppliers. So the colleagues from Hochland România can be very proud of this award. The award ceremony took place in front of hundreds of representatives of the industry leaders. It encourages the colleagues on their way to develop further innovations for the Romanian cheese market.



Two prices for Hochland Hofkäse

On the road of success

Our Hochland Hofkäse has recently received two awards: It can call itself “Best-seller 2019” and “Product of the Year 2020”.

Every year, the magazine ‘Rundschau für den Lebensmittelhandel’ awards the five best-selling new products from different product groups. In the semi-hard cheese segment, all three Hofkäse varieties, “full-bodied and nutty”, “mild and creamy” and “characterful and spicy” brought home the victory as bestsellers 2019. The period from May 2018 to June 2019 was evaluated. Our colleagues Dagmar Graf and Nina



Fürbaß received the prize in Heimenkirch in November.

For over 20 years, the magazine ‘Lebensmittel-Praxis’ has also been identifying the most popular product launches in Germany. In a representative market research, consumers voted all three varieties of our Hochland Hofkäse into second place in the “Products of the Year 2020” category of cheese.

What does Digital Innovation have to do with Mahatma Gandhi?

Food Service develops an online portal

For three months, from April to July 2019, the Food Service in Germany developed ideas for a digital business model together with existing customers, potential new customers and an agency. A recommendation for such a business model is available since July.

It was a small adventure with innovative methods, new working locations and a new way of working together: Three days a week Sigrid Albrecht-Paturzo did not sit at her desk in Heimenkirch, but worked as a link between the Food Service and the etventure team in Munich. The consulting firm is specialized in digitalization and flexible working.

One wish expressed by our clients from all customer systems of the Food Service was an online portal, equipped with special functions – e.g. an order history, a price configurator, assortment overviews, Inno-Newsletter, download options, digital customer service and more.

The results of the first phase have also convinced the board and management

the project we continue collecting feedback from the pilot clients. Thus, more and more precise prototypes are created, and on this basis a platform that is exactly oriented to the customer's wishes is gradually developed.

In detail the requirements of the food service customer systems are very different. In addition to the large number of active customers – there are more than 90 – and a clearly structured product range, other parameters spoke in favor of selecting the Industry customer system as the pilot with which we will take the first steps towards digitalization.

Under the project management of Sigrid Albrecht-Paturzo, the entire Industry team was involved in the second phase from mid-November. Depending on the workload, the team will decide independently at regular intervals whether and which other projects and topics need to be "put on ice" during this period.

Our CoPacking Sales Trainee, Sophie Grimm, is also part of the project team. She can benefit from the experience gained in the pilot project and apply it on

other customer systems in the food service industry.

As the initiator of this digitization project, Volker Brütting is convinced: „If we accept digitalization and artificial intelligence, or AI for short, as support and use them in a customer-oriented manner, „digital business“ will make our customer systems more future-proof, we will achieve competitive advantages and reduce our workload.

Three sentences by Mahatma Gandhi accompany the project team on its journey:

“If you have done something for two years, look at it carefully!

If you have done something for five years, look at it suspiciously!

If you've been doing something for ten years, do it differently.”

Project manager Sigrid Albrecht-Paturzo has put this into her very personal, motivating formula:

Just do it – become digital.



In the beginning there were almost 60 interviews with 17 clients and potential new clients from 8 countries. This initially resulted in not less than 150 idea approaches, which the team further evaluated and prioritized according to predetermined criteria together with the management and the board of directors.

to push this digital project further. In the next step, the technical implementation of such an online portal should be considered in parallel. Since etventure has not the technical know-how to do this, a new partner was brought on board: Together with diva-e (<https://www.diva-e.com/de/ueber-diva-e/ueber-uns/>) we will enter the second phase.

The rough framework of our clients' idea is sketched out, and in each phase of

Thank you, Hochland!

Anyone who goes travelling...

...has stories to tell. During the celebrations for the 25th anniversary of Hochland Polska there was a competition in which five Hochländer could win a short trip. In the meantime they are all back and here are their travel reports.

The main prizes were trips to countries where Hochland has production facilities. The winners were allowed to take a companion with them. Hochland paid for the flight and three nights in a hotel.

The five Hochländer received their prizes with great joy. If this evening was already a very emotional experience for them, then the trips became an even greater one:

Alicja Sapieryńska won a trip to Moscow, Katarzyna Pawłowicz to Munich, Renata Owsianka went to Bucharest, Wojciech Korczak got to know Barcelona and Roman Konieczny was taken to Paris.

Renata started her journey already in August 2019. It was her first flight, but she was happy to take up this challenge. "The visit to Bucharest was a great experience. I was particularly impressed by the large squares and parks," she says. Also Kasia and her husband travelled to

Munich in August. Kasia especially liked the English Garden, the Olympic Park and the architecture of the Bavarian capital. She can also recommend the good Munich beer.

In September, Roman and his wife set off to conquer Paris. Besides the well-known tourist attractions they recommend the boulevards along the Seine which become a colorful picnic place in the evening. In September Alicja and her companion travelled to Moscow. She was most impressed by the Kremlin and its art treasures.

Wojtek and his wife Agnieszka were back from their trip just in time before the editorial deadline of this edition. And how did they like Barcelona? "It was fantastic. Barcelona is a very beautiful city with many parks, the beautiful cathedral, the sea and mountains. It's a pity the trip was so short, but we have many reasons to go back there."



The happy winners at the award ceremony on stage.

The Hochland family stands for diversity and beautiful places where our companies and plants are located. Our winners would like to thank Hochland for making it possible for them to celebrate the 25th anniversary

of the company in such a unique way.



“New” performance management is no longer „New“

(N)PM training at Hochland continues



Since 2017 we are working Hochland-wide without an annual budget. In the meantime it has become a habit for us to look at our future development every four months instead. So “New Performance Management” is no longer “new”.

Regular reviews every four months allow us to assess the accuracy of our goals and measures. We have an eye on whether something is changing in our environment and can take this into account more quickly.

More than 70 Group managers took part in “NPM Attitude Workshops” at the beginning of 2018. So the aim was to learn what each individual needs to live the performance management philosophy. In other words, to (re-)act more quickly and flexibly, instead of checking once at the end of the year

whether actual business development is in line with the budget.

In line with our guidelines, (New) Performance Management aims to increase employee involvement and empowers employees to take the initiative. But this has to be learned. For this reason, an international training program (“NPM Toolbox”) has been held over the past two years, both in English and as a local version in some of our subsidiaries. It reached over 150 participants.

Now a version “2.0” of the international “PM Attitude Workshops” is starting. We no longer need the “N” for “New”. In January and February, the international managers will discuss the status of implementation in the group and our progress and work on what is needed to develop Hochland further. Initially, one focus of the workshops will lie on how to use feedback constructively and in a forward-looking manner, thereby supporting a positive way of dealing with errors –

because this has enormous learning and therefore development potential.

In addition, the “PM-Toolbox 2.0” will take up the proven contents of the past two years such as “Facilitation Skills” and “It’s all about people”.

The modules are set up and accompanied by local HR managers in cooperation with the international HR coordination and our trainer John Ireland.

Great-Place-to-Work surveys are completed

How attractive is Hochland as an employer?

In 2019, the Hochländer were again invited to take part in an employee survey in cooperation with the Great Place to Work Institute. The GoldPeg in Australia took part for the first time.

Every three years, management and HR colleagues want to find out from employees what it is like to work for Hochland and how good the atmosphere is.

Hochland Russland already started in March last year, followed by Hochland Romania. In the summer the colleagues from Hochland Española took part

in the survey for the first time since 2012, followed in September by Hochland Germany, Hochland SE, E.V.A. GmbH and Hochland

Natec. In November, Hochland Polska finalized our participation in the survey.

The three companies that were the last to take part in the Great Place to Work competition are eagerly awaiting the outcome of the survey to see whether they were able to place themselves among the best employers in their country.

So let’s keep our fingers crossed for Hochland SE, Hochland Polska and Hochland Deutschland!

In February, when all the results are available, an international report will be written and presented to the local employees.





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