

# We

are



Our Hochland Magazine

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## The Natec Network Turns Five: Retrospect and Prospect



Emma Aer will  
lead Franklin  
Foods



Digital services for  
new employees



# Editorial



Dear Hochlanders,

Natec, without a doubt, is a very successful company. And, anyone taking a look at its most recent history could easily be led into thinking that things have always been this positive and that Natec has enjoyed steady growth since its foundation in 1974.

However, this couldn't be further from the truth! That's because, over its history, Natec has gone through a series of failures and new beginnings.

In 1992, Natec, which was then based in Opfenbach, would have gone bankrupt had not been for its shareholders, who covered Natec's losses using their own personal assets.

This difficult situation was brought about by a period of unhealthy growth: The company's slicers weren't competitive, it accepted unprofitable orders and increased its number of employees in Opfenbach from 35 in 1984 to 110 in 1992.

When I joined Hochland in 1994, there were a number of drastic measures in place to try to save our machine-construction specialist subsidiary: The slicer segment was sold off, vertical integration was severely cut, the company was moved back to Heimenkirch and the number of employees reduced to 25. Luckily, Hochland was able to take on about 50 of Natec former employees.

All of these measures were successful and Natec subsequently turned a corner thanks to the development and commissioning of its first FreePack 1200 in the same year. In 1995, Natec went on to supply the new Hochland production facilities in Kazmierz, Sighisoara and Raos with production lines for producing processed cheese.

However, then Natec got into difficulty again in 2005 / 2006. This was followed by intense discussions about the company's future orientation – as well as, whether or not to sell it. Fortunately, this didn't happen and, In 2007, Na-

tec became a subsidiary of Hochland AG and hence came under the governance of the entire board. Natec's FreeSlice then went on to become a strong seller in subsequent years and the increase in orders from external customers meant that Natec became increasingly less dependent on Hochland orders.

Today, Natec is a shining example of a very successful company and the Natec-Network has enjoyed very healthy growth over the past years. This growth is based on its machines, which are superior to any competitors' in terms of innovation, productivity and hygiene, and which is why we are also not engaging in any price wars and why we do not have to. The integration of Gold Peg has furthermore generated multiple benefits for our customers and has removed a number of interfaces. Having a presence in Wisconsin / USA and Melbourne / Australia has made a huge difference to our services and customer satisfaction in America, Asia and Oceania.

Looking back, we feel we genuinely have reason to be proud of the way Natec progressed after its fresh start in 1994.

Natec's history is also a reminder of the importance of modesty and caution in managing a company.

It is also an example of how Hochlanders do not give up even in seemingly hopeless situations and have the capacity to effectively working through difficulty.

To conclude, I would like to express my sincerest thanks to all Hochlanders who have contributed to this success and never lost faith in Natec.

With best wishes,



## The Natec Network Burger – a symbol of competence

# The Natec Network turns five

Natec USA LLC in Hartland, Wisconsin celebrated its fifth anniversary at the beginning of July. However, 2015, the year it was founded, signifies a much more important development yet: It was the year the foundation for the Natec Network was laid, which is now operating very successfully with its own offices on three continents.

“It was the end of June 2015 when a small group of highly motivated Natec people arrived in Hartland to found the new company. We received a lot of help with our startup right from the word go”, the Natec pioneers remember. They are now looking back “on five years of steady growth and unwavering success”, which is not least due thanks to the people on site.

In a next move, the spare parts warehouse and Gold Peg’s Service division are also to be moved to the US site in November. Since it isn’t possible to move them to the current site for space reasons, the company is also planning to move into a new office building in October. The ink on the lease agreement has only just dried. This new building also has space for a test laboratory in which we will be able to present our latest technologies to customers.

The collaboration agreement between Natec and Gold Peg in Australia was also sealed in 2015. The two companies had been providing services to the same customers – Natec with filling machines, Gold Peg with cookers – for many years. The two well-known market players are now pooling their experience and innovative spirit in the Natec Network in order

to offer customers the best of both.

The collaboration between the two in the Natec Network has many advantages for both companies: Natec has been able to expand its product portfolio and has switched from simply offering machines to offering turnkey production lines. This switch had already started at the beginning of the new century and has been successfully driven forward by the company’s present Managing Director, Thomas Haas. Today, the Natec Network offers a wide range of technologies such as mixers, cookers and packaging machines.

Natec Network technologies can be used to produce a wide range of products: Processed cheese, cream cheese, pasta filata, meat products, soups, sauces and dressings, vegetarian and vegan products, processed fruit and vegetables, baby food, specialist foods and pet food, as shown by our report on page 4.

Another advantage for the company is its proximity to its parent company, Hochland, and ability to exchange know-how and specialist staff: Natec, for example, employs food technologists with a wealth of experience in recipe formulation and understanding

of the requirements of different producers and their products. Added to that, they are also often able to test production processes at Hochland’s production facility under realistic conditions.

In order to make all of these advantages visible to customers, the Natec Network marketing team has been working to create a striking visual image over the past months. The image’s main element is made up of a burger, the different elements of which represent our competence and expertise, from processed cheese to sauces and meat processing.

content pertaining to Gold Peg.

The Natec Burger has also been the inspiration for the cover image of this issue of “We are Hochland”. In future, the Natec Network’s unique communication slogan will be “Empower your potential”. This is intended to convey to current and future customers that the Natec Network is able to offer them the perfect integrated solution for a wide range of applications. Thanks to our international orientation and presence, this applies worldwide.



The burger theme is also being continued on the new website, a preliminary version of which was launched online at the beginning of July. The Natec Network’s signature colours, the Natec blue and Gold Peg’s gold, have been kept. The next steps will involve creating a German website and adding

The number of people employed within the Natec Network has also grown and currently amounts to 170. Five years ago, it was 110. Natec GmbH in Heimenkirch employs 114 people (2015: 84). Gold Peg employs 51 people in Australia (2015: 25), and Natec LLC increased its personnel from 2.5 to 6 people.

## RotaTherm® cooking system can solve a multitude of issues

# Gold Peg – we deliver

Designed and manufactured by Gold Peg in Australia, RotaTherm is the world's leading direct steam injection (DSI) continuous cooking system. As shown in the following example, this innovative equipment is the perfect solution not only for processed cheese.



*Shane Enayati with the first dog food roll 'babies'.*

RotaTherm can solve a multitude of food processing issues, as well as optimally produce sauces, dips, baby food, and more. So, when a pet food manufacturer came to us with a challenging expansion project, we knew we had the solution.

This particular customer, V.I.P. Petfoods, already had a semi-continuous cooking system onsite; a process whereby different ingredients were added in three different stages, each stage requiring extensive manual cleaning, resulting in large amounts of effluent each week, not to mention a lot of man-power.

The aim was to increase productivity to yield 12,000 kg of pet food per hour, reduce processing time, and improve the quality and consistency of their products. Due to the

RotaTherm's flexible and controllable processing conditions, all ingredients – including vegetables, rice and meat particles – could be added to the upfront blend and maintain their shape and texture to achieve a fresh look after cooking. This rapid and thorough heating process also creates great protein binding and requires less gum and binding agents, whilst the buffering includes agitation to keep the particles evenly distributed through the product when sent to the 'chub' fillers.

All of the components - blending, cooking and filling - are integrated into one continuous system. Which is exactly what our customer needed.

### An Installation Adventure

Gold Peg was right on track to meet the RotaTherm® delivery date based on the customer's short installation window of time. FAT (factory acceptance testing) had cleared all hurdles, and so the equipment was transported up to the customer, located in Queensland – about 2,000 km from Gold Peg head office in Melbourne, Victoria.

Installation had begun, and everything was going smoothly... until COVID-19 hit. Borders were closing, all company travel came to a halt and flights were being cut back. The onsite Gold Peg people were forced to return home. The complete

installation was looking to be in jeopardy (not to mention the commissioning), as the customer couldn't move the 'window'. Time was of the essence...and it looked like we'd run into a solid wall.

Back at Gold Peg, we were brainstorming ideas to find a way forward...and a road trip was born. We soon had a senior team willing to travel, permits were granted, and we knew it was the only way we could finish what we started.

Now, road trips are in every Australian's DNA and our intrepid team took to this adventure like a duck to water.

Armed with face masks, gloves and hand sanitiser, Technical Manager, Shane Enayati and Project Engineer, Didier Henri – took to the highway. Two days (and way too many snacks) later, the guys crossed the patrolled border into Queensland, ready to report for work on our customer's site.

The time on site went without a hitch, and our customer's expectations were met. The machine's features and functionalities had been tested and was now producing their pet food. Success!



*12,000 kg/h RotaTherm® Continuous Cooker*

Our customer, Mr Greg Goodlock (Production Manager of V.I.P. Petfoods) said this - "The RotaTherm continuous cooking process & technology has significantly shortened our processing time – improving our overall productivity exponentially – while producing consistently high quality

products with good healthy chunks, just as we like it!"

### Here's to all the happy, well-fed pets!

As we mentioned, the RotaTherm isn't just for pet food. In fact, many processed cheese customers around the world have the capacity to produce 10's of thousands of kilograms

per hour. Gold Peg is proud to support the growing list of companies talking to us about their industrial cooking needs.

There's not much we won't do to ensure that our customers are happy, even when it means taking a ~3,600 km round trip and at a maximum of 110 km/h!



The first dog food rolls 'dressed' in final packaging.

## Digital services (not just) for new employees

# Welcome@Hochland

What makes Hochland stand out is its unique culture, which is the result of every employee's creative input every day. Question is, how can we help new employees to join in this process from day one and learn what it means to be a Hochlander?

Open doors inviting visitors into our Hochland world – this is the image that our new colleagues are welcomed with on our English-language Welcome@Hochland SharePoint site. These doors symbolise the openness and transparency in our company – and an invitation to new employees to get a general feel for what we are about.

The site showcases all of the most important elements that make up our unique and international corporate culture at Hochland. These elements will in future be presented to users in short films. And, at present, the International HR Coordination division is developing a total of four short English-language videos to that end.

The first video will be titled "Management and collabo-

ration policies" and explain in no more than three minutes how we collaborate at Hochland and provide suggestions for applying our policies in daily working life. In line with the idea that less is more, the following educational units are increasingly more compact. All of their contents are presented in a playful and informal way.

However, although these videos are primarily targeted at new employees, they are just as relevant to Hochlanders who have been on board for a longer time. The new format is intended to inspire everyone to engage more intensely with our corporate policies.

Poland has been the first country to publish the new welcome page in Polish and we are looking forward to seeing other countries

doing the same in the near future, and France, Romania and Russia have already registered their interest. The companies in the USA and Australia are obviously

Performance Management for newcomers" module.

To conclude: we hope you will enjoy exploring this new site, regardless of



able to make use of the existing English version straight away.

In addition to the videos, we are also gradually going to add more and more content to our Welcome@Hochland site. This will also include a digital "Hochland

whether you are a newcomer or have already been with us for many many years. We would also welcome any feedback and suggestions, which you can submit using the "Feedback" button right on the new Welcome site itself.

## Interim management at Franklin Foods coming to an end

# An important part of the Hochland Group

Volker Brütting has been acting as the interim manager of Franklin Foods since the middle of February. He has already paid an 'inaugural visit' to Florida. This was to be followed by visits to the production facilities in Arizona and Vermont – but then came Covid-19! In August, he joined 'We are Hochland' for a chat about his experiences and the future of Franklin Foods.

### What has it been like managing a company remotely?

If somebody had told that I was to manage Franklin Foods as interim manager but would only be able to do so remotely with Visio, I would have said: "Sorry, that's completely out of the question!" Having actually done it, I would now have to say that discussing technical issues using Teams actually works quite well. Having two colleagues at Franklin Foods that I know very well – Christoph and Sebastian – has also been a tremendous help to me. Zoltan Mester, who is currently managing the production plant in Arizona, also has Hochland DNA, which again, makes things easier.

That said, Teams is unfortunately not so good for one-to-one conversations, in particular sensitive ones. These kinds of meetings really need to be face to face. Not actually being on site also means that my sources of information are very limited. Things like bumping into people at the coffee machine and hearing how things are at the plant, and/or getting a glimpse of peoples' management skills, is also something that I miss a lot.

**Director and co-owner Jon Gutknecht has now**

### left after 20 years at the helm – that was a big change, both for the company and for the personnel. How did people react?

I was worried that his closest staff would be very sceptical of me and resist the approach taken by Hochland. But that never happened. What has become clear is that Jon Gutknecht and myself have completely different leadership styles. He was a patriarchal leader and that is also how most of the management approach their roles. Changing this through training as opposed to by replacing people will continue to be one of our major challenges over the coming years. Other approaches, such as New Performance Management and Hochland's policies are also not quite as engrained yet as we know them to be and appreciate that they are in other countries.

### Is there anything we can learn from our Franklin colleagues and from the American culture?

Yes! Their "Just do it!" attitude to situations where we can easily get stuck in analysis followed by paralysis. Another thing is that the company virtually manages all of its operations across the whole continent itself, which is pretty admirable. If we were to do that, it would

mean that we had to manage everything from Finland to Moscow and Lisbon from Heimenkirch.

### Are the Franklin staff already starting to see themselves as Hochlanders?

I think, that might yet be a while. That said, staff are starting to increasingly feel that they are part of Hochland, which is largely due to the coordinators and people like Christoph, Sebastian, Zoltan and of course myself. I think that a lot of Franklin staff are already appreciating the benefits of having a strong parent in the background. And, many of the values, which we have only just started to communicate, appeal to the Americans just as much as they do to our European Hochlanders.

The Covid-19 crisis has been yet another area where we have been able to demonstrate our strength. At the start of the crisis, everyone thought that our safety measures were completely out of proportion. Since then, infection rates in the USA have been increasing, while Franklin has benefited from effective measures that have limited the spread of the virus, which has earned us recognition.

**We have not yet been able to successfully estab-**

### lish our brands in the USA and the development of our performance indicators is way below expectations. Why is that and what are we doing about it?

We still have a lot to learn about how the US market works. The market has changed a lot since we have taken over Franklin. Value-added brands are booming, which should actually play in Hochland's favour. However, Franklin really resisted this model in the first years. A lot of advice was ignored and perhaps Hochland showed a little too much patience. But that's now in the past. I think that building a brand in the USA is extremely difficult. It is, after all, a continent. That means that, if you want to operate at national level, your products will have to take into account consumer habits that are as different as those of a Swedish and an Italian consumer. This means that we really have to change the way we think and proceed very gradually, perhaps just state by state. Building a brand will be a huge challenge and cost an enormous amount of money. And, over the next two to three years, there are other, more important matters, that we need to attend to.

**Does that mean that we have given up on trying**

### to build a brand?

I personally believe that it will or would take longer than we initially thought, and I wouldn't completely dismiss it. It is always good to have several legs to stand on, as was evident again during the Covid-19 crisis in Germany. This additional leg would also benefit Franklin in the medium-term, but: let's just take one step at a time.

### How is Franklin performing at the moment overall?

The Covid-19 crisis has exacerbated the current situation, and things are still not looking very good. Franklin generates two thirds of its sales in the foodservice and only one third in the private label sector. If our sales ratios in Germany were anywhere near like that, our German company would not have done nearly as well during the Covid-19 crisis as it did. During lockdown, Franklin suffered several huge volume losses. The fact that we are right in the middle of undergoing a transformation means that a crisis such as this has an even greater impact. That said, we have also made a lot of progress in a number of areas, in particular in matters of transparency. But we are simply facing too many challenges at present for us to be ready to announce a turnaround.

### There are probably also a range of positive news: What have been the greatest successes so far?

The management board members recently shared the following: It has taken us three, maybe four months to achieve a level of transparency about figures, data and information that seemed

way out of reach over the past three years.

We no longer have a patriarch who makes all of the decisions, but have installed a core team that is managing and driving forward Franklin Foods's growth. We have also been able to generate a fair amount of cost savings, although they are not currently that visible because of the Covid-19 effects. We have already tackled a fair number of things, but there is also still a lot left to tackle – which is not something to be glossed over.

### Who makes up the core team?

Zeke Rice (Finance/HR), John Ovitt (Operations), Christoph Burger (Strategic Planning), Sebastian Röttger (Sales/Marketing), JT Sardina (Purchasing and Supply Chain), and Zoltan Mester (Arizona plant).

### Where are the women?

I think that this is an area where Franklin obviously has scope for improvement. That said, there is also still scope for that at Deutschland GmbH.

### Your position at Hochland Deutschland has temporarily been taken over by board member Thomas Brunner. Have you been able to let go of this role?

No. Being able to let go is most definitely not one of my strong points. But there is also a reason for this. I.e. it's not just an excuse, but because I firmly believe that, in particular in a crisis, it is extremely important that the person in charge is visible, including to my team here, for Customer Brands. So, one of the reasons I haven't let go is because I have not

wanted to. This is why I am currently tending to operate in two roles. The great thing is that our time difference is actually making this pretty easy, because Franklin Foods only starts its working day when the German one is coming to an end.

### Hochland's Vision 2025 includes plans for the future of Franklin Foods. Where do you see Franklin in five years from now?

The first point to note is that Franklin Foods plays an extremely significant role in our Vision 2025. Franklin accounts for a major part of Hochland's growth targets. This is a very positive sign for personnel, because it signals that Hochland counts on Franklin being there in the future. This is something that not all staff were fully convinced of in particular during Covid-19. Seeing that the company does not generate any positive results, it would be easy to think that Hochland might be keen to get rid of it again quite quickly. Thanks to our Vision 2025, Franklin employees now know not only that they are part of the Hochland Group, but that they are a very important one! I firmly believe that, if we are able to establish 30 percent of Hochland genes' at Franklin – better quality, better service, more innovation – Franklin will be able to become a success. In the next three to five years, I could also see it become one of the Hochland Group's top companies, not just in terms of sales, but also in terms of its result.

If we lay the groundwork, Franklin is going to hold tremendous potential for Hochland. A huge market, an entire continent, and I

believe that, between us – contributing those elements that Hochland is already really good at and joining forces with Franklin – we are simply going to be a lot better than many of our competitors.

### What is the groundwork?

Quality, service, innovation. And processes. Those are the key areas. We are not going to become a price leader, but that is also not necessarily Hochland's approach. But let's take innovation: Although the Americans may be ahead of us in terms of technologies, they aren't with respect to food. Not to mention quality – this is an area where Hochland really doesn't have to beat



about the bush about being a world leader, in particular when it comes to cream cheese. And, if we manage to become the same in the USA, some of our competitors had better watch out.

### Do you think you might feel like there is something missing once you go back to your 'old' job?

I have indeed become very fond of Franklin, and in particular the people there that I am having the great fortune to be working with. I also think that it is perfectly possible to generate a get-up-and-go kind of mindset at Franklin over the coming months and years. And that is indeed something I wouldn't mind being a part of.

We have found a new Managing Director

# Emma Aer joins Franklin Foods



Emma is originally from Finland. After completing her degree in economics, she first worked as Brand Manager for Coca-Cola and

Please meet Emma Aer – the new Managing Director of Franklin Foods. Emma will be taking up her post in January 2021.

then went on to work for a mobile gaming company in the United Kingdom. After another six years working for Nokia, she moved to the Finish cheese manufacturer Valio in 2011. The role she held at Valio as the Vice President of Marketing & Categories had a strong

international orientation right from the word go. In 2014, she took up the role of Managing Director of Finlandia's American subsidiary. In 2019, Emma then took over responsibility of the company Reima's North American operations as its President. Reima produces children's clothing and only sells its products online.

Emma's European roots and extensive experience working in the USA will further reinforce the bond between Franklin Foods and the Hochland Group. During the first months in her new role, Emma will have Volker Brütting showing her the ropes at both Franklin and Hochland.

Hochland Deutschland declares 2020 the Year of the Climate

# Goal: Being a dairy industry trailblazer

Welcome to the middle of Hochland Deutschland GmbH's Year of the Climate! Although Covid-19 has been the centre of attention in the most recent past, we have been very busy behind the scenes and have continued our work with a lot of passion.

We, which is Hochland Deutschland's sustainability team, are now also ready to lift the curtain and put the Year of the Climate back on the agenda. And you all play an important part in this. This is because the measures we have devised will only work if they are supported and implemented by all Hochlanders.

Hochland's sustainability measures are part of a larger picture – the 1.5-degree target of the Intergovernmental Panel on Climate Change (IPCC). Under this target, global warming is to be limited to 1.5-degrees Celsius by the end of the

century. In order to achieve this target, carbon dioxide (CO<sub>2</sub>) emissions will have to be drastically reduced worldwide.



So, what is the actual progress that has been made over recent months in terms of climate protection?

Let's start with the EU: The EU unveiled its "Green

Deal" in December 2019. This was followed by a proposal for a European Climate Law with the objective for the EU to become climate-neutral by 2050. The law will enshrine the climate-neutrality objective into law and hence make it binding for national governments.

Now, let's take a look at Germany: Germany and its European partners have pledged to reduce greenhouse gas emissions by at least 40% compared to 1990 levels by 2030. These binding European objectives have been used as the basis for developing national objectives that have

to be achieved by 2030. In Germany, this includes CO<sub>2</sub> reduction targets for transportation, housing and agriculture. The states have to check the effectiveness of their measures on an annual basis and have undertaken to take additional steps if necessary to meet them.

The German Federal Administration, i.e. all federal authorities, are set to be climate-neutral by 2030.

And now – let's take a look at Hochland's Year of the Climate: In its Vision 2025, the Hochland Group committed itself to making sustainability and climate protection a greater prior-



ity. Hochland Deutschland subsequently used this commitment as the basis for defining its climate targets, developing strategic goals and has already started to get the first people and departments on board.

We also want to contribute to the 1.5-degree target. In order to do so, we are in the process of developing a climate strategy with our external partner "myclimate". This includes calculating our carbon emissions and our 'budget', i.e. the total amount of carbon we are still allowed to produce. Our aim is to ensure that we will be able to manage with this budget and we are going to initiate measures to reduce our carbon emissions accordingly. One of the first things we want to do is to establish the carbon footprint of Hochland's milk. This will be a very complex project, which we will perform with the help of the Lake Constance Foundation (Bodenseestiftung).

The board, management, shareholders and supervisory boards are fully supporting our commitment to sustainability. This is also why Peter Stahl has agreed to accept the role of patron for the Year of the Climate. In his words: "Our industry is being heavily criticised throughout Europe and in Germany in particular. Milk production and the way it impacts on the climate is only one of a number of important issues. Our strength at Hochland is that we are not only willing to identify shortcomings, but also to tackle them. This includes the issue of

carbon emissions and their impact on the climate: We are constantly reducing our emissions wherever we can and compensate for the rest. Hochland Deutschland has been the first of the Group's companies to take action and has now become a model for all the rest."

We have already produced explainer videos on our Vision 2025 climate targets by way of introducing the issue. These videos are only available in German at the moment, but we are also planning to release other language versions in the future. We have also held a number of climate academies for employees in Germany. These academies involved the presentation of a kind of a fact box on climate change that sets out Hochland Deutschland's climate strategy and answers frequently asked questions. We also held an event for apprentices and students on this subject. In November, we will be holding a "Climate Company Challenge" together with myclimate.

Other Plant-for-the-Planet academies for children scheduled to be run in Heimenkirch, Schongau and Dieue have been postponed because of Covid-19.

Last but not least, our sustainability team is also lobbying for an employee mobility concept and is engaged in internal discussions to this end. The municipality of Heimenkirch has also already expressed an interest in our concept.

And, the big question: why are we doing all of that? First of all, it is a question of ethics: i.e. Hochland's mission statement states

that "We take responsibility for people and the environment. Whatever we do, we also do with a view to our children and our children's children." Measures such as our climate strategy demon-



strate that we take this commitment very serious. That said, our business models are also subject to the effects of climate change – which means that it represents an economic risk and opportunity at the same time. We are currently in the process of building up a lot of climate-related know-how to enable us to act quickly and to meet our customers' requirements in matters of climate protection.

We are certain that our climate strategy is completely in line with the times: Our partner McDonald's, for example, has already asked us to commit to specific climate targets. Four other customers have also already approached us because they want to develop climate projects together with us. In the same vein, we also always check what requirements our partners down the supply chain have to meet in order for us to reduce our carbon emissions together. If we succeed in lowering our carbon emissions, we will both gain

an advantage and become more competitive.

Our Year of the Climate is not intended to equate to a calendar year and it is most certain that we

will continue our efforts in 2021. We sincerely hope that you – our people – will help us in word and deed to achieve these targets and to make Hochland a pioneer in climate protection in the dairy industry.

And, what are the other Group companies doing? Reducing our CO<sub>2</sub> emissions is an overarching target within Hochland's corporate strategy. All of the subsidiaries will initially be compensating their CO<sub>2</sub> emissions from 2021 as a first step and have decided to work with Plant-for-the-planet to do so. This organisation plants trees on the Yucatán Peninsula in Mexico and promotes renewable energies through certificates. This means that compensation is making an immediate contribution to climate protection. However, we are not planning to stop at that, but to continue to further reduce our CO<sub>2</sub> emissions over time so that we will need to compensate less and less. And we are already working on that.

## Hochland sets up Compliance Management

# A helping hand

Florian Malies took on the role of Head of Compliance at Hochland Deutschland GmbH at the beginning of January. In this interview, he explains what compliance means for us Hochlanders and how we can align with it more effectively still in future.

### What is compliance?

To put it simply, compliance describes the level to which a company and its employees conform to regulations. I.e. conform to laws and internal Hochland policies.



People generally consider compliance matters to be pretty straightforward and take it for granted that companies and people naturally comply. However, it isn't quite that simple. In our working lives, we are constantly confronted with legal and internal regulations that increasingly impact on our work and make it increasingly more complex. This applies just as much to production work as it does to administration.

Staying abreast and complying with all of the relevant regulations isn't always that easy, and that's not because we're not willing to, but because we don't know all of the regulations in detail or because there are uncer-

tainties. Sometimes, one can also get onto thin ice quicker than one might expect.

### What are your responsibilities as Compliance Manager?

I am responsible for setting up a compliance management system and for developing measures that will ensure that all Hochlanders conform with the compliance requirements.

Hochland has a culture of trust that is valued across the Group and aligns with the principles of compliance. It is very important to us to maintain this crucial element of our corporate culture at Hochland. The compliance management system, which is being set up gradually, is intended to lend a helping hand to protecting this trust and to ensure that we conform to regulations. It will also provide us with sound guidance.

Compliance has a lot to do with prevention. That is, preventing breaches of duty, damage claims and liability cases. Should there ever be a breach despite these measures, it has to be quickly identified and assessed. This is the only way to ensure that we can respond appropriately and avoid such breaches in future.

Hochland already has some basic codes such as the Code of Conduct, which

covers some compliance issues. However, to build a comprehensive compliance system, we first need to analyse Hochland Deutschland GmbH's most important compliance risks. Next, it will be communication and, in particular, compliance training courses, that will play a vital role in making everyone aware of and conveying a general understanding of compliance matters – because compliance affects everyone.

Talking to colleagues shows that most Hochlanders are very well aware that we have a Code of Conduct, but they don't necessarily know what it says. This is something I want to change.

The Code of Conduct is the foundation on which the compliance management system will be built. This 'corporate charter' will consequently be used as the basis for developing additional guidelines, providing detailed information on them and supporting them with examples.

One of these is going to be the "Guideline on gifts and invitations". Although point 2.2. of the current Code of Conduct sets out our policy on granting and accepting favours, it only does so on an abstract level. The new guideline will take a much closer look at this issue by providing examples and

pointing out pitfalls. Giving a special bottle of wine to an official without any ulterior motives, i.e. as a thank you gift at the end of a successful collaboration, could already get you into a pickle and might even qualify as a criminal act.

The antitrust law guideline is also a proven reference for colleagues who communicate with trade partners and competitors or work in associations and cross-company working groups. This is because it isn't just classic price fixing that's unlawful, as everyone knows and of which I am assuming that it is not an issue at Hochland. What people may not know is that even just sharing information, without ill intent, could be in breach of antitrust law, lead to high fines and have serious consequences for Hochland and the employee in question.

We are already in the process of developing a guideline for our purchasing processes together with a colleague from Purchasing. This guideline will create legal security for all. One of the first projects I completed at Hochland was to help reviewing the existing processes for procuring services. I really enjoyed collaborating with the review team and I am looking forward to working on more projects.

Those are just a few examples of my responsibilities. To make sure that we will be able to successfully implement this and future projects, it is also very important to me to foster positive and trusting relations with the management and works council. This is because it's important for all of us to act in concert, although I don't feel that that is something I need to worry about.

**You earlier said that "Compliance affects everyone". Does that mean that everyone is eligible for the training?**

This year, we will mostly focus on what we call the 'main risk groups' within Hochland Deutschland. These groups are earmarked for receiving in-person training in compliance management by the end of 2020.

Once that's done, we are planning to provide foundation training for other employees to make sure they are up-to-date and know what to look out for. This training may be provided online, as that would be sufficient to introduce people to the concept of compliance and to our Code of Conduct.

**How do you define a 'main risk group'?**

People working in Purchasing and Sales, for example, are always traditionally considered high risk in any company, because these areas are most susceptible to corruption, bribery and breaches of antitrust law such as price fixing. This is simply due to the nature of this work and has nothing to do with the Hochlanders

working in those divisions. As I already mentioned, working in an association is also associated with certain risks. These divisions have also already received external training, but it is important to have regular refresher courses.

**You started working for Hochland in January and then in March we had lockdown. Were you still able to get off to a good start with us?**

I would like to answer that question with a resounding yes! That is, I was able to enjoy two months of normal onboarding and training, which I am very grateful for.

I was already feeling pretty at home at Hochland during the job application process and my high expectations of

the company and its people have very much proven true.

**Have you already moved to the Allgäu?**

Florian Malies: I am currently staying in Heimenkirch during the week and spend the weekend, which includes a day working from home, with my family in Munich. And, it is going to stay that way for the time being. I am enjoying the contrast between the quieter life in the Allgäu and the big city. I am currently using my evenings mid-week to learn Spanish and to get a bit fitter and will also be joining the Hochland tennis group soon to that end. When I'm in Munich, everything just revolves around my family.

## Hochland's (New) Performance Management turns into Performance Management Responding more quickly to the market

Nothing is more constant than change – which is also demonstrated by the development of Hochland's New Performance Management (NPM).

2017 was the first year in which we stopped working with an annual budget. Since then, we have been using Objectives and Key Results, or OKR for short, for defining and assessing our targets at much shorter intervals. We use the OKR to regularly monitor our progress based on a four-month cycle.

The most significant change embedded in this new approach is the switch to a more future-oriented focus: our aims and ambitions are

no longer primarily based on data and experiences from previous years, but are constantly adapted to current and anticipated market trends. The more market data we have, the better this works.

The new approach means that we check and change direction if any of the conditions along our path change. This means that our customers and markets are even more centre stage when we are making decisions.

At the beginning of 2020, we realised that Performance Management has genuinely become part of our Hochland DNA over the



past three years, and no longer needs to be labelled 'new'. This was also clearly confirmed by the participants of our International Performance Management Attitude Workshops 2.0.

This is why we are now renaming it "Hochland Performance Management" – as a sign that this method has become absorbed

into our day-to-day operations and now governs the agile – i.e. fast and flexible – management of our business.

## Job fairs are history

# The virtual “Apprenticeship Day”

Seeing that all job fairs have been cancelled for this year, we had to come up with an alternative and held our first virtual “Apprenticeship Day” in July this year.



Hochland Deutschland GmbH, Hochland SE and Hochland Natec GmbH normally attend about ten apprenticeship fairs a year. These fairs are an opportunity to talk to school-leavers and their parents.

This year, we offered a range of webinars from the middle to the end of July at the same time as school-leavers were receiving their GCSE and A-level results instead. Using Teams, Microsoft’s video software, young people were able to learn more about the company and its vocational training in general, as well

as in more detail about the different vocational training and degree programs available. In order to do so, they were asked to register for various webinars through the Hochland Group website.

In these live webinars, our current apprentices and trainers explained all of the most important facts about the relevant occupations over just half an hour, while Monika Vogler and Jasmin Baldauf provided general information on the company and on joining Hochland’s vocational training program. There was also a chat session during which participants were invited to ask questions, which our apprentices answered live during the virtual sessions.

We heavily advertised our virtual “Apprenticeship Day” on Facebook and Instagram, as well as local newspapers.

The event attracted a total of 123 school leavers. By way of a follow-up, Jasmin Baldauf developed and sent out a questionnaire to all of the participants to collect feedback on how the event went and suggestions for improvement.

One respondent stated: “We have been exploring a number of occupations with our son and, time and again, found that it was really difficult for him to get any idea of what a given occupation might actually look like, especially during the corona pandemic. Your website and the virtual apprenticeship day was excellent at giving him a realistic impression of just that, and I would really like to commend you for that.

Getting your current apprentices, who are obviously enjoying their apprenticeships, to take part really added substance. Great idea and great the way you have done it. As the mother of a child who hasn’t yet decided in what to train, this was a very welcome change from what other companies offer.”

We are now planning to continue offering these kinds of virtual events even if there are going to be ‘real’ apprenticeship fairs again next year.

All of the webinars have been recorded and can be viewed on the “Jobs and career” page on the Hochland Group website.



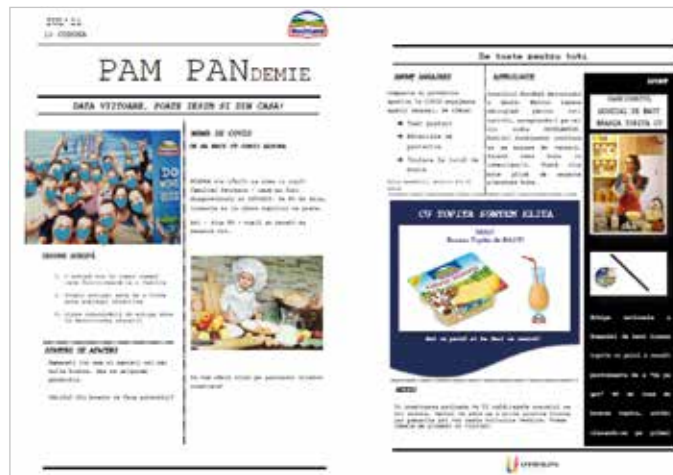
# The Rumanian sales team's first online meeting

## Virtual summer camp

The Rumanian Sales team normally meets twice a year to exchange information and build a strong team spirit. Due to the Covid-19 pandemic, this meeting had to be moved online this summer.

Under normal circumstances, distances aren't really a problem and the sales team members generally travel to the camp from wherever they are. However, this wasn't possible this summer. At the same time, there was an even greater need for the team to catch up with one another and to strengthen their bond in these unusual times. As a result, the 100-strong team swiftly got to grips with the relevant technology and then gathered for a virtual summer camp at the end of June.

Just as is custom when they meet in person, the entire team first discussed sales-related matters and then split into smaller groups to work on various set tasks. One team took it on itself to create a magazine. The



magazine was dedicated to exploring "What Hochland and the world are going to look like a year from now". The team then went on to write articles, search for appropriate images, create advertisements and to choose a name for the magazine, as well create a business forecast. Perform-

ing the task and the outcome was a lot of fun, but at the same time also a brilliant opportunity to further reflect on the current situation and to talk about it, despite the fact that people were sitting in front of their laptops large distances apart.

The second group was asked to solve a number of tasks in a strategy game called "Heroes of Troy" and demonstrate their capacity for strategic thinking – which also proved a lot of fun.

Participants' feedback about the first virtual summer camp was unanimously positive and seems to prove that, thanks to modern technology, it is still possible for us to stay close and work together in these unusual times even if we're miles apart.

Last but not least, if there is one thing to take away from this experience, it's the importance of adaptability and flexibility.



## Hochland Almgluck-Edition Sandwich Cheese Slices

# Every slice – a feast of herbs!

Our Hochland Gouda Sandwich Slices sold in Germany will now also be available with a sprinkling of herbs.

This new version will be sold under the name "Almgluck-Edition" from October onwards.

In contrast to the other cheese types, the herbs in the Almgluck Edition are not blended into the cheese, but sprinkled in a thick layer on top of the slices. These slices

look absolutely delicious and are sure to get your tastebuds tingling. Another pro: Thanks to the technology Hochland developed for this product, the dried herbs are not heated as part of the production process, which means that they retain their wonderful natural look and taste.

Herb-sprinkled cheese slices are completely unique in the cheese sector. The see-through area, through which the cheese slices are visible, and mouth-watering image of the cheese on the packaging make the uniqueness of this cheese clearly visible to all cheese lovers.

This new type of cheese makes a perfect addition to Hochland's standard range of sandwich cheese slices. All of the cheeses in this range are produced within the region, and those with the strongest flavour, such as Gouda, are made 100% in the Allgäu.

shown that the Almgluck Herb Edition has great potential, with 79% of consumers stating that they would buy them in addition to the existing types. This further strengthens the success of our Hochland Sandwich Slices, which already performed very well in 2019 (+13% sales). Hochland is furthermore very successful as a brand with young consumers and young families. This is why the Almgluck-Edition will be like a breath of fresh air affecting this entire category against the background of a generally declining market.

Our first market surveys have



## Photo calendar 2021

# Too good to waste



*This photo of her favourite dish, "Fried eggs in a roll with Hochland Salad Cubes", won Katarzyna Zyśk first place.*

Hochland Polska's photo calendar is now in its 14th year.

Our Polish colleagues were yet again invited to submit photos for this year's photo calendar competition. This year's motto: Cutting down on food waste. Competitors were asked to cook their favourite dish involving Hochland cheese, photograph it, list the ingredients and how they prepared it. They were also asked to make sure

that they would use up all of the ingredients in either this or another dish and hence not waste a thing. This in effect meant that they had to carefully plan what to shop for, how to store and cook it, and any subsequent creative use of any leftovers, i.e. to create new delicious dishes.

As in previous years, a jury then went to select the twelve best photographs and recipes – one for each month – from the many fantastic submissions.

## Hochland Romania I: New brand website

# Modern, emotional and confident

Hochland Romania launched a new brand website in June: [www.hochland.ro](http://www.hochland.ro), which perfectly aligns with Hochland's marketing campaign.

Three months previously, the marketing team sent the following brief to our advertising agency: *"We would like a friendly and modern web interface designed in line with our brand communication that showcases our different product categories in an easily accessible and visually attractive way."*

And now.... we are absolutely delighted with the outcome, which we have created together: A website

with a friendly and emotional tone that is attractive to consumers and advocates the brand in a highly credible way. The design is modern and confident. The website also perfectly picks up on our current advertising campaign and puts our well-known brand images centre stage: the blue wave, our logo, the special font and the images, which are given a playful touch

thanks to the hand-drawn decorative elements.

All of our Hochlanders are very welcome to explore the website to their heart's

content. We would also be happy to hear of any suggestions or feedback you may have.



## Hochland Romania II: A reimagined campaign

# Appreciating the simple things in life

In these unusual times, the challenge faced by our marketing team has been to adjust our communications to the special circumstances brought about by Covid-19 in order to stay close to consumers and their needs.

Our colleagues in Romania, for example, started their "The Joy of Taste #From-home" campaign in April during lockdown. This campaign was intended to inspire people to view having to stay home not as a burden, but an opportunity to stay safe and to enjoy being able to spend this valuable time with their loved ones.

In June, when restrictions were eased, they launched another campaign under

the motto #Backtogether.

This campaign focussed on the joy of rediscovering the simple things and what's really important: Being able to see friends again after a long time, visiting places that are dear to us and, in short, to take small steps towards returning to a normal life.

In the campaign, Hochland was posited as brand that supports people as they are finally reconnecting

with the message "A great snack is best shared".

The campaign started at the end of June with a TV spot. This spot told the story of two children who finally meet over a shared Hochland snack after only being able to meet at a distance in the park for a long time.

The campaign also included digital media, including a competition on Facebook and advertising banners on

social media, in particular for our processed cheese products and Cascaval. The team also invited well-known Romanian influencers to share photos, either of meetings with their family and friends, or of special places – where a Hochland cheese snack was obviously also always in the frame.

# All sliced products to be displayed in display boxes from now on Neat, tidy and easily visible on a shelf



The most important advantages of the switch:

- The company was able to automate the production lines for packing the products into transport boxes and hence significantly reduce production costs.
- The display boxes make Hochland's products stand out on the shelves.
- The packets of sliced cheese are always neatly arranged inside their box, can't fall out and into neighbouring shelf spaces, and can't inadvertently be spread out over the entire shelf.
- Sliced products in display boxes are quicker to replace in shelves because they can be restocked much quicker and easier.
- The bright colours attract consumers' attention and the display boxes provide extra advertising space for our products and brands.

In July and August, Hochland Russia switched all of its processed cheese and Fe-taxa slices to a new display box.

Hochland Russia decided to go ahead with this project in the autumn of 2018 and subsequently set up a project team. This team was made up of people from Marketing, Technology, Quality Management, Production, Purchasing,

Sales, Controlling and IT and was headed by manager Evgeniya Shundeyeva. The associated investment was finally approved in the summer of 2019.

In the following months, the team worked to implement the project with a great deal of passion and without a hitch. This included assessing a wealth of suggestions, many discussions and testing various display options in the production department and on shelves.



Right near the end, the Covid-19 pandemic introduced a slight complication: Due to the fact that the Russian borders were closed, the specialist entrusted by J+P Maschinenbau GmbH to commission the packaging machine it had built for the project was unable to attend in person. However, our Engineering and Technical Services and the IT team were eventually able to solve this problem with the supplier's help. Hence, this was the day that remotely commissioning a machine without any of the manufacturer's experts in attendance became a first in Hochland Russia's history!

## The Team



Pavel Kuzmin  
Production & Technique Director



Alexey Shtepin  
Purchasing Specialist



Evgeniya Shundeyeva  
Project Manager



Olga Lobova  
Purchasing Manager



Maxim Staroverov  
Senior Packaging & Development Manager



Alexander Bestsenyy  
Technical Project Manager



Igor Kondratyev  
Senior Controlling Specialist



Alexandr Udotov  
Brand Manager



Alexey Sergeev  
National Sales Manager



Yury Shashkin  
National Sales Manager



## A new product range in Poland

# A delicious family adventure

We launched a new product range in Poland in the middle of July: “Naturalnie, że pyszny!”, which means as much as “Deliciously natural”

“Naturalnie, że pyszny!” is the first processed cheese in Poland that is produced using 100% natural ingredients. And, of course, it also delivers 100% taste. The new product is available in five flavours: Cream, Maasdam, Emmental, Gouda and Gouda with tomatoes and chives. The packaging distinguishes itself not only through its original design, but also has a natural feel.

Packaging Hochland Naturalnie, że pyszny! in tubs is the brand’s answer to consumer’s new expectations and change in market trends: Consumers want a lot of flavour, carefully read labels and want foods with simple compositions made from natural ingredients.

The launch has been supported with a national advertising campaign on the TV, the internet, and social

media since the beginning of September. The TV spot, which is called “Delicious family adventure”, is streamed in two versions: One of which is 15 and the other 30 seconds long, and both of which involve a family setting full of emotion, humour and surprises. There are also a number of spots that are shown on the internet. Hochland Poland is also planning to run social media campaigns and to offer free samples in shops.



## Trust in local products

# Origins are increasingly more important

One of our latest changes is that our Almette tubs and Hochland’s cheese slices sold in Poland are now labelled as “Made in Poland” (Wyprodukowano w Polsce). This is because consumers in Poland increasingly want to know where their food comes from.

Polish women in particular prefer products made in their own country. They not only consider them safer than foreign products, but also want to support Polish producers.

During the Covid-19 crisis, food safety became an even greater issue yet, which further fuelled the trend to buying domestic products. This is what Hochland Polska is aiming to address with the new labelling, because many Polish consumers believe that Hochland prod-

ucts are produced in Germany. That is, they are not aware that Hochland has been producing its products in Poland for 25 years: Our processed cheese is being produced in Kaźmierz, and our cream cheeses, hard and sliced cheeses in Wegrów. All of this information can now be found on every tub and package.

Packaging is obviously not large enough to offer a lot of information. This is why we use other media to tell our story in more detail.

This includes, for example, letting consumers know that we source our most important raw material – milk – from privately owned Polish companies that we collaborate with very closely.

We have also come up with another solution for your processed cheese slices. Due to the fact that we source the ingredients for them from various suppliers, we are unable to label them as made 100% in Poland, which is what is required under law in order to use

the slogan “Made in Poland”. Hence, we have simply labelled our processed cheese slices with “Made in Poland for the last 25 years”.



## Hochland – Our recognition as a retail expert

# Expert know-how on chilled products

Hochland has taken yet another important step on its path to becoming a ‘preferred supplier’:

Hochland has just joined a body of experts in which retail and industry representatives exchange information on common standards. This body of experts deals with that part of the supply chain that leads from the retail sector to the end consumer. This refers to the product and its placement on the shelf just as much as it does to the technologies used to process the shared information.

In joining this body, we are aligning ourselves with leading branded companies and TOP retailers: The participating retailers include Aldi, EDEKA, REWE, LIDL, REAL, Penny, Kaufland and health and beauty retailers. The 15 industry partners include Coca-Cola, Red Bull, Mars, L’Oréal, Dr. Oetker, Nestlé and Ferrero – as well as, as of now, Hochland Deutschland.

What makes this special: Appointing Hochland is the first time the body has invited a company selling chilled products to join its ranks. This expert know-how has been missing from the body up to now. We will be represented in the body by Michael Reiner, Head of Sales Development, and Alexander Schad (Category Management).

### How did this come about?

This development was brought about by a number of different factors, one of which is the success of our brands as well as Hochland’s persistence in seeking contact with GS1’s (\*) decision makers.

This included Hochland’s Sales Development division intensifying the dialogue with our retail partners and implementing a number of joint projects over the past

years. Our shopper surveys, for example, provide retailers with regular insights into market trends and consumer (shoppers) behaviour, and help them adjust their offers to buyer’s needs.

These efforts go back as far as 2012, when a working group – to which Tobias Prokein and Sabine Heubuch effectively contributed – developed the specifications for assigning EAN codes to products. The barcode developed by GS1 has become a global standard that is recognised worldwide. Hochland achieved the best rating in the last retail survey performed by GS1 in Germany for its Category Management, i.e. its advice to retailers on how to best position products classed as cheese in self-service shelves.

Our contribution to this body of experts will henceforth allow us to create new contacts with our retail partners’ most important divisions and further strengthen these relationships. We are expecting that this strong network will generate new insights that will enable us to continue to tackle relevant issues in the future. All of this work is of course in line with our compliance policy and does not involve exchanging information relevant under competition law.

### (\*) What is GS1?

The aim of GS1 (Global Solution) is to define a global standard for all retail and industrial companies that covers the entire value chain from A to Z. On its website, GS1 describes this aim as follows:

*“It all started with a simple beep. 1974 was the year the first ever barcode was being scanned in an American supermarket. This scan spelled the beginning of retailers’ use of automated checkouts – and the dawn of GS1.”*

*“The fact that machines were suddenly able to process information about a product by reading their barcodes is also what made it possible to develop modern supply chains as we know them today. Worldwide, over six billion products are now being scanned every day and the barcode developed by GS1 has become the universal standard in global trade.”*

*“GS1’s standards are the global language for efficient and secure business processes that are globally recognised across countries and continents. GS1 provides its customers with a total of 24 standards from over 20 sectors that cover the entire supply chain.”*



## Opening of our new export centre in Bremerhaven

# From the Allgäu to the coast

Export out of Europe is currently achieving higher monthly sales than ever and is supplying customers all over the world. From the word go, all of the associated logistics and container processing operations have been handled by the distribution centre in Buxheim, which is located 760 kilometres from the harbour and hence not ideal for supplying customers all over the world. This is about to change.

Due to the fact that the space available in Buxheim for processing export orders is very limited and that the associated processes have to be completed to a tight schedule, we have long since reached capacity here. Every delay has organisational consequences for all of the subsequent steps, which translates into more work and complexity when it comes to the daily management of operations and dispatches.

In order to tackle this problem, the logistics division examined these factors in a project called “Nordhafen” and analysed all of the available options and transport modes for use in a new logistics concept for Export out of Europe (EooE). We also looked for new partners and locations, held negotiations, studied the departure timetables of the ships, researched train con-

nections, calculated routes and, in the end, came up with a lot of options.

### Everyone lent a hand

After running the first calculations, it was clear that the perfect location for a new export centre would be near one of the German harbours. At present, over 80 percent of our containers are already being shipped from the terminal in Bremerhaven. Due to the fact that we need temperature-controlled warehouse space, we were only left with a handful of choices.

In the 2019/20 winter semester, we asked the University of Kempten to provide us with a neutral assessment of the economic and environmental aspects of the new warehouse location. We then also entered into discussions with the SCM, the Material Logistics, the EooE Sales, the plant manager, the IT and

QM divisions and agreed a logistics concept. All of the data generated pointed to the same decision: that we had to move!

### Hitting the ground running

Next, we found a logistics expert in Bremerhaven, Heuer Port Logistics, whose premises offer completely new logistics possibilities for Hochland. Having formerly been the largest German import hub for bananas, the company's setup is perfect for storing and distributing our Hochland cheese. Heuer is both a specialist for temperature-controlled logistics as well as worldwide container shipping,

The warehouse is supplied with products from the production facility in Heimenkirch on a daily basis by lorries that travel by night to Bremerhaven. Following a brief storage in the free port

and an inspection by the veterinary authorities, the pallets are loaded directly into the containers to a weight of up to 30 tonnes before being sent on their way to South Africa or Taiwan.

This has allowed us to relax our tightly scheduled processes, significantly increase loading capacity, reduce our CO2 emissions by several hundred tons and to minimise process risks. All of the associated data is predominantly exchanged through EDI and all of the operations are taken care of by a joint team that uses Teams, which is already saving us a lot of time in our daily communications with Bremerhaven. The first seven containers were loaded onto the ship CMA CGM NERVAL and transported to a customer in Libya at the beginning of August. Just a week later, we were able to





celebrate yet another small milestone: this time, it was a total of 19 containers that were loaded onto a ship – a new record for a single week!

The new Export Centre Bremerhaven is enabling us to meet all of our logistics requirements and to create new possibilities when it

comes to offering our customers not just good products, but also good service over the coming years.

The support of all of those involved and their openness to considering new approaches, including when things were difficult, has

been extremely valuable in this project. This project has also helped us to get that little bit closer still to achieving the larger goals of our Vision 2025.

TPM – together we are stronger

## Pooling competencies

TPM, short for “Total Productive Management”, aims to increase manufacturing machinery performance through regular maintenance and optimisation. It does so by focussing on teamwork and the personal initiative of the people working with machinery on a daily basis.



TPM was introduced in Heimenkirch in 2005 and in Schongau in 2007. Since then, a lot has happened. Both sites have developed TPM in ways that meet their specific needs and have achieved impressive results. That is, they didn't just increase all of their machineries' performance, but also generated a lot of cost savings. Our standardised cleaning and maintenance plans, for example, also make an important contribution to the positive results achieved in our annual IFS audits.

As of last year, the two sites have been working on pooling their respective TPM competencies in order to be able to better meet the increasing requirements associated with production, technology and administration. The aim: to learn more from one another and initiate new projects. In order to do so, the two people in charge of TPM, Klaus Weiß (Schongau) and Martin Stephan (Heimenkirch), adopted a new TPM strategy together with their plant and production managers.

This strategy is:

*“To make TPM the key tool used by our production facilities in Heimenkirch and Schongau to continuously improve occupational safety, the quality of our products and our productivity. Pursuing these improvements in this way is key ensuring our future competitiveness.*

*This strategy will be implemented on the basis of the key TPM pillars. We are going to map out and further highlight the strengths of those pillars that are the most important to us. TPM pillars that are already firmly established and do not or require only little improvement will be addressed in a way that requires little resources. In this case, the primary concern will be to maintain existing standards*

*rather than further push them.*

*The two sites will engage in intensive information exchange. The aim of this exchange is to learn from one another, to develop standard tools and systems and to use them in a meaningful way. These sites will furthermore be able to draw on the support of other Hochland production facilities if required.”*

This collaboration will be based on the TPM strategy, a common logo, uniform names for the individual TPM elements and a “TPM house”. The collaboration is being rounded off by regular meetings between the people responsible for the TPM pillars and the TPM managers.

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