

# BERENTZEN-GRUPPE AKTIENGESELLSCHAFT

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## SUSTAINABILITY REPORT 2017



BERENTZEN-GRUPPE  
Durst auf Leben



BERENTZEN-GRUPPE  
Durst auf Leben

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## (1) Foreword by the Executive Board

Ladies and gentlemen,

dear readers,

As a responsible beverages producer and provider of fresh juice systems, we bear an obligation towards our employees, the environment, society and all stakeholders of the Berentzen Group to deeply embed social and ecological issues in our commercial activities and place an ever greater focus on them in the future.

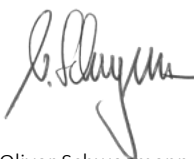
The voluntary preparation of the first Sustainability Report is a significant step for Berentzen-Gruppe Aktiengesellschaft and the affiliated subsidiaries to reflect the great importance of sustainability aspects in our business. The Sustainability Report, which we intend to publish once a year along with our Annual Report from now on, firstly serves to obtain a picture of the status quo: Where exactly do we stand? Which measures and projects have we already implemented? At what places is there (still) need for action? Secondly, the Sustainability Report is intended to document how we develop from here: What progress has been achieved from year to year? Have we met our own targets? Where are greater efforts needed?

It was very important for us not to have this Report prepared by external advisers but to organise it within the Company in order to achieve the greatest possible "learning curve" from the results and to really effect lasting changes. For this reason, we built up the stand-alone Corporate Social Responsibility portfolio last year to be responsible for all issues relating to sustainability. Some of the first material projects that have already been successfully implemented in this context include the introduction of three new Berentzen Codes for the areas of marketing, suppliers and conduct, the performance of social audits and the conversion of electricity supplies at the production locations to a green electricity tariff. We also have a lot of plans for the coming year, such as the introduction of what is referred to as a "social intranet" to be used as a platform for interaction within the corporate group and the building up of an environmental management system.

All these projects and many other measures are presented in detail in this Sustainability Report. We would be pleased to be able to exchange ideas and suggestions with you. Please feel free to send us your feedback at [csr@berentzen.de](mailto:csr@berentzen.de). We are convinced that only those businesses will be profitable in the long term that make social and ecological topics an important basis for their commercial activities.

We hope you enjoy reading this Report and look forward to entering into a dialogue with you.

Yours sincerely,



Oliver Schwegmann

Member of the Executive Board



Ralf Brühöfner

Member of the Executive Board



## (2) Profile of the Corporate Group

### (2.1) About this Report

There has been a strong growth in the interest in topics relating to the social and ecological responsibility on the part of businesses in recent years. The German Act Implementing the CSR Directive (CSR-Richtlinie Umsetzungsgesetz) that came into effect in April 2017 once again underlined the importance of this issue and also generated pressure on many companies to take action by increasingly addressing non-financial performance indicators as part of their financial reporting.

The voluntary preparation of the first Sustainability Report is a further significant step for Berentzen-Gruppe Aktiengesellschaft (hereinafter: the Berentzen Group) and the affiliated subsidiaries to rendering the responsible management, the activities to date and the objectives of the coming years within the Berentzen Group visible and transparent to the general public.

For outside parties, the Sustainability Report is the visible result of the sustainability activities within the corporate group; the process underlying its creation has generated a great deal of new impetus and also revealed one or two blind spots. Some areas of activity were already well known, others have come to the fore through the systematic approach to the reporting and will be given greater attention in future.

Berentzen-Gruppe Aktiengesellschaft is publishing the 2017 Annual Report at the same time as this Sustainability Report; the Annual Report contains the Management Report, consolidated financial statements and the Corporate Governance Report. The Corporate Governance Report was extended this year for the first time to include a description of the diversity concept. The Annual Report contains all financial indicators of importance for economic development, while the Sustainability Report mainly covers economic and social matters. For this reason, the ratios and information contained in the Annual Report will only be repeated in this Sustainability Report where absolutely necessary for understanding the matter at hand. In order to avoid an excessive number of double entries, a reference is generally made to the relevant page of the Annual Report where further information on the issue can be found. The Annual Report further contains a summary of the content of this Sustainability Report.



The German Sustainability Code (Deutsche Nachhaltigkeitskodex, DNK) with the new set of indicators for the GRI standards was used for the preparation of the Sustainability Report for the 2017 financial year. The underlying data generally date from 2017. In order to demonstrate the development of important ratios (such as consumption of electricity and natural gas), the data platform used for selected indicators was extended to 2015 and 2016.

The reporting is performed at Group level; this means that it covers all active production, sales and administrative locations. Location-specific data are aggregated for the whole corporate group for presentation. The consideration behind this is that presentation of personnel-related data as part of a location-specific presentation might permit conclusions to be drawn on individuals or groups of individuals.

In future, the Sustainability Report will be published at yearly intervals together with the Annual Report of Berentzen-Gruppe Aktiengesellschaft.

Our Corporate Social Responsibility portfolio is available for questions or suggestions at the following e-mail address [csr@berentzen.de](mailto:csr@berentzen.de) or telephone number +49 (0) 5961 502-575.

## (2.2) Locations and product groups

The Berentzen Group is one of the leading beverage groups and one of the oldest producers of spirits in Germany with a history going back over 250 years. The range of products of the diversified beverages group extends from freshly squeezed orange juice and regional water brands and soft drinks through to spirits.

The business activities of the Berentzen Group essentially comprise the production and distribution of spirits and non-alcoholic beverages and the development and distribution of fresh juice systems.

In the 2017 financial year, the Group generated revenues of EUR 172.1 million, employing on an annual average a headcount of 465 <sup>1)</sup> (including trainees: 490) at seven locations in three countries.

Berentzen-Gruppe Aktiengesellschaft is the parent company of the Berentzen Group; its head office is in Haselünne, Germany. Alongside the parent company, the Berentzen Group comprises more than 20 national and international group companies (an overview of all group companies can be found on page 130 of the Annual Report of Berentzen-Gruppe Aktiengesellschaft).

As of December 31, 2017, the Berentzen Group had a total of more than nine business locations, of which five are in Germany (Haselünne (two), Minden, Stadthagen, Grüneberg) and four in other countries (Austria, Turkey, India, China). However, the locations in India and China only consist of the respective head office of a distribution company. These two distributions companies are inactive and are currently being dissolved. For this reason, they have not been taken into consideration in the preparation of this Sustainability Report.

Most of the spirits are produced at the location in Minden; these include the products under the umbrella brands of Berentzen and Puschkin as well as the traditional brands of *Strothmann*, *Bommerlunder*, *Doornkaat*, among others. Minden is furthermore the site of production of the branded dealer and private-label products marketed by the Pabst & Richarz Vertriebs GmbH subsidiary which operates in the Group's Spirits segment. For organisational purposes, the logistics centre in Stadthagen is also allocated to the spirits production at the Minden location. The logistics centre is responsible for planning and carrying out the physical distribution of spirits as well as dispatching the products from Berentzen Hof's online shop.

<sup>1)</sup> Specifically with a view to increasing readability, the Sustainability Report dispenses with gender-neutral language. In terms of equal treatment, the designations in question generally apply equally to both sexes; this also applies to all gender-specific designations used.

The head office of the Vivaris Getränke GmbH & Co. KG group company (hereinafter: Vivaris) is also located at the Haselünne location. Vivaris also has a second production location at Grüneberg in Löwenberger Land. In addition to mineral waters, the range of own brands and products includes regionally significant brands such as *Emsland Quelle* and *Märkisch Kristall* as well as lemonades, wellness and energy drinks and the Mate and cola drinks developed under the *Mio Mio* own brand and established at a national level. The Company's second pillar is the franchise business that has been in operation for more than 50 years.

Since 2017, the corporate group's head office location has been once again home to a distillery, the Berentzen Hof distillery, which produces among other things the new *Korn2Korn* premium spirit (for more on the new distillery read onwards from page 34). Alongside the Berentzen Hof Distillery, the traditional Berentzen Hof in Haselünne is also home to Der Berentzen Hof GmbH.

There are international operating companies in Turkey (Spirituosen-Vertriebsgesellschaft Berentzen Alkollü İçkiler Ticaret Limited Şirketi in Istanbul) and in Austria (T M P Technic-Marketing-Products GmbH - hereinafter: T M P - in Linz). T M P manufactures high-quality fruit presses under the Citrocasa brand and oranges left untreated after harvest under the frutas naturales brand and bottles specially adapted to the technology of the machines involved for the bottling of freshly squeezed orange juice (more details on the products can be found on page 8 of the Annual Report onwards).



### (3) Sustainability management at the Berentzen Group

#### (3.1) Strategy

As a beverages producer, the Berentzen Group bears responsibility, through the beverages and spirits it produces and distributes, for consumers and also for the environment and the society in which it operates. However, it does not manufacture any products where sustainability in the strictest sense is embedded by the business model at every stage in the value added chain. For this reason, the objective for the next few years is to reinforce sustainability in all areas of the Company and in all processes and make it part of our vision and mission.

As a corporate group that acts responsibly, the Berentzen Group's ambition is to continually improve in all areas in which its business activities have the greatest impact on sustainability issues. The sustainability strategy includes putting into practice a sustainable way of thinking and going about business in all areas and processes of the Company.

The topics material to the Berentzen Group and its stakeholders were broken down into three areas of activity

- Our staff
- Responsible management
- Energy and resource management

In these areas of activity and as a part of all topics specified in relation to the areas of activity, targets are set on an ongoing basis and measures elaborated with a view to achieving these targets. Wherever possible, national and international standards and frameworks, such as the German Sustainability Code, the ETI (Ethical Trading Initiative) Base Code or ISO 50001, are used as a guide.

All areas of activity are quantified by means of indicators that were in some cases collated at an earlier date but in other cases were not collated on the basis of the DNK until preparation of the first Sustainability Report. Over the coming years, these indicators will be tested in practice and, depending on whether they are deemed applicable or material, will be put to continued use, adjusted or replaced. Targets relating to the indicators will be set; this will allow the corresponding measures to be derived with a view to meeting these targets (you can read more on the targets and measures achieved to date and those planned for the future from page 49 onwards).

### (3.2) Organisation

As a stock corporation (Aktiengesellschaft) organised under German law, the Berentzen-Gruppe Aktiengesellschaft's corporate bodies comprise the annual general meeting, the Supervisory Board and the Executive Board. The Supervisory Board is made up of nine members, of which one third are employee representatives in accordance with the German One-third Participation Act (Drittelbeteiligungsgesetz).

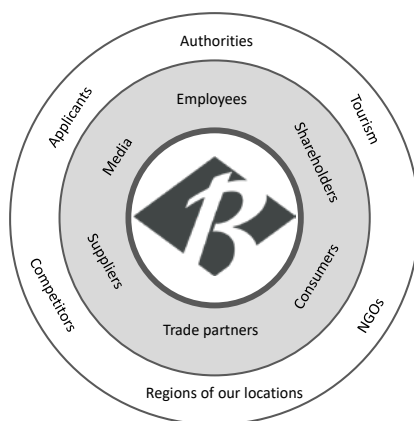
According to the Articles of Association, the Executive Board of Berentzen-Gruppe Aktiengesellschaft consists of at least two people. As management body, the Executive Board of the Berentzen-Gruppe Aktiengesellschaft manages the business, determines the strategic direction of the Company and implements the same in consultation with the Supervisory Board. Currently, responsibility for the Purchasing, Research and Development, Marketing, Production and Logistics and Sales portfolios and the Controlling, Corporate Social Responsibility, Finance, Information Technology, Personnel, Legal and Corporate Communications portfolios are each assigned to one member of the Executive Board.

As a staff unit of the Berentzen-Gruppe Aktiengesellschaft, the Corporate Social Responsibility portfolio reports directly to the Chief Financial Officer. Relevant sustainability issues within and outside of the corporate group are discussed with the Executive Board and the respective portfolios and priorities set. Ultimate responsibility for strategic decision-making relating to sustainability and the monitoring of the objectives within the Berentzen Group lies with the Executive Board. Implementation at an operating level is the responsibility of executives within the portfolios of Berentzen-Gruppe Aktiengesellschaft and the affiliated subsidiaries.

For the preparation of the Sustainability Report, data was collected from all locations in Germany and from the Turkish and Austrian distribution businesses. For this purpose, staff from the Controlling, Purchasing, Finance, Personnel and Production portfolios as well as other departments were nominated to represent the various entities of the Berentzen Group as members of the project group and who were responsible for collecting and processing the necessary data.

### (3.3) Dialogue

A management programme relating to the topic of sustainability was launched within the Berentzen Group in 2015. Individual interdisciplinary projects have paid greater attention to establishing the areas in which the business activities have a particularly strong impact on the environment of the Berentzen Group and its stakeholders and where there is the greatest need for action. On the basis of the day-to-day business and the dialogue held with departments and project teams the following stakeholders were identified as relevant:





### Taking account of stakeholder expectations

Our dialogue with stakeholders plays a decisive role for the Berentzen Group. Changing values and changes in consumer consciousness - e.g. a healthy and balanced lifestyle or a return to a regional focus- have to be taken into consideration in the Group's activities just as much as the interests of shareholders or the people living in the regions of our locations. For this reason, stakeholder issues are recorded and, through the departments, are incorporated into the sustainability strategy.

A survey of the most important stakeholders - employees, suppliers, customers and consumers - on the topic of sustainability was performed in 2016 to find out which issues are especially relevant to these stakeholders. The aim was to encourage employees in particular to address this topic and to have a look at their own company in this respect; the idea behind this being that many members of staff come into contact with sustainability issues every day on account of their day-to-day business- in production, the HR department or in purchasing, to name a few examples.

### Employees

Each and every employee is an ambassador of the Berentzen Group who carries the principles and values out into the world. The intranet provides them with a wide range of internal information and daily updates on the development of the Company. Once a month, a press review is sent out to employees informing them of the reporting on the Berentzen Group. Members of the works council and management provide information on current topics at the works meetings.

The Berentzen Group is always interested in ideas on how to improve safety, quality efficiency or productivity and appreciates suggestions from employees. The "Querdenker" employee suggestion scheme consequently offers employees the opportunity to actively contribute suggestions for improvement and take away benefits for themselves. The suggestions are assessed by a panel and are rewarded by bonus depending on how effective they are.

Individual talks with employees will be held throughout the entire corporate group in 2018; such talks had been held in the past years but only on an irregular basis. The intense exchange of ideas between staff and their supervisors promotes dialogue and reveals the potential and skills of employees and provides them with an opportunity to talk freely and in confidence not only about any problems there may be but also about wishes and future developments. Moreover there are many events at which members of staff from all levels of hierarchy and all locations meet up.

For employees, the topic of ongoing training and personal development specifically plays an important role. Alongside a wide range of individual training schemes and ongoing training measures, the standard training for all members of staff held in the past financial year formed the basis for extending the range of training opportunities regularly on offer. There are plans to supplement this range with further opportunities in the 2018 financial year.

The topics of energy and water consumption, waste avoidance and internal communications are also considered to be important by employees. The first Sustainability Report and the launch of the "Responsibility" tab on the corporate website ([www.berentzen-gruppe.de](http://www.berentzen-gruppe.de)) will provide more in-depth reporting on this topic both internally and externally. The 2017 financial year saw the initiation of the first measures intended to further improve the flow of communication within the Company. As of 2018, this will be supplemented by enhanced communications from the Corporate Social Responsibility portfolio.

### Trade partners and customers

The Berentzen Group takes part in a constant exchange with trade partners and customers as part of their business relationships. Members of staff regularly meet up with them at various trade fairs and industry events and exchange ideas and information about current topics and trends or present new products.

In the survey, suppliers and trade partners stated that they consider the reduction in the energy and water consumption, the reduction in emissions and waste avoidance to be important topics.

### Consumers

Interaction with consumers takes place through a large number of channels: by post or e-mail through the customer service just as much as through social networks or at events. The vast majority of customer issues, such as complaints and general inquiries on such matters as ingredients, former products, sponsoring possibilities, sourcing, etc., are dealt with by Corporate Communications. All consumers placing an inquiry receive a personal and individual reply.

Alongside the reduction of energy and water consumption, reduction in emissions and waste avoidance, the use of renewable energies are of particular importance for consumers.

### Suppliers

The Berentzen Group maintains long-term business relationships with their suppliers based on mutual trust. Suppliers have the greatest influence on sustainability issues in the value added chain. There are supply and quality assurance agreements in place with important suppliers, also with regard to sustainability aspects. All of them are specifically requested to comply with the Supplier Code of Conduct published in 2017. The adoption of this Code kicked off the process of intensifying the dialogue with suppliers on sustainability issues. (more on this topic on page 21 onwards)

### Shareholders

The annual general meeting is the most important platform for interaction with shareholders. As a German stock corporation listed on the regulated market (General Standard) of the Frankfurt Stock Exchange, Berentzen-Gruppe Aktiengesellschaft is obliged to publish an annual financial report and a half-yearly financial report. The annual financial report for Berentzen-Gruppe Aktiengesellschaft is prepared in the form of an annual report. Furthermore, ad hoc announcements, director's dealings and voting rights notifications have to be published. In order to create the highest possible degree of transparency towards shareholders, Berentzen-Gruppe Aktiengesellschaft has further made the decision to keep the capital markets informed on a voluntary basis within the framework of a Q1 and Q3 interim report. In addition, all relevant company news is published not only as a press release but also released in a targeted manner as corporate news for the capital market. Interested investors can make use of capital market forums and roadshows in which the members of the Executive Board of Berentzen-Gruppe Aktiengesellschaft take place in person to directly obtain information on the corporate group, its economic development and the future strategic direction.

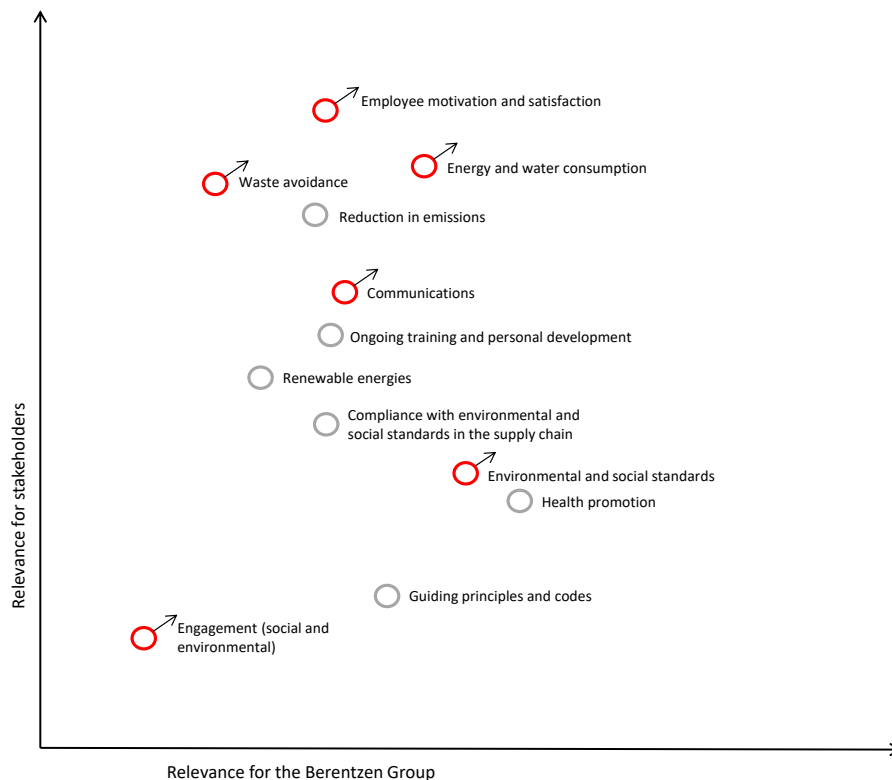
Shareholders and interested investors alike always have the possibility of submitting their questions and issues to Berentzen-Gruppe Aktiengesellschaft's dedicated Investor Relations Manager, whether by telephone, e-mail or post.

## Media

The public listing and the high brand recognition mean that the Berentzen Group is subject to media scrutiny. For example, the corporate group's press releases are taken up by a number of outlets, especially in the area online and print media. 23 press releases were issued last year. The Berentzen Group is also present on radio and television, however. The Berentzen Group's press office maintains close and personal relations to the representatives of various forms of media. For example, answers are given to numerous press inquiries - on topics relating to the capital market or market research. In addition, the press office coordinates and realises a large number of interviews with capital market, industry and general media on various subject areas.

### (3.4) Challenges in material areas of activity

The 2016 survey on sustainability provided an insight in the importance of many topics for our stakeholders. Alongside providing an assessment of set topics, a lot of other information was also provided that was not directly incorporated in the results but plays a role in the internal evaluation and for future assessments and provide valuable pointers for further issues.



The materiality matrix shows the topics that were classified as particularly relevant by the stakeholders surveyed. On the Y-axis they are arranged in ascending relevance for the stakeholders surveyed, on the X-axis by relevance for the Berentzen Group. The arrows indicate an assessment of the current development in terms of quality. Specifically the topics of employee motivation and satisfaction, environmental and social standards, energy and water consumption, communications and commitment are of great significance from an internal perspective as measures relating to these important topics have been defined and introduced that are currently being implemented.

There are plans to reinforce our dialogue with the most important stakeholders in future. By actively involving further stakeholders in the dialogue, the intention is to identify further relevant issues that will be included in future reporting.

### **Our staff**

In the area of activity relating to staff, the topics of

- health promotion
- life-work balance
- ongoing training and personal development
- employee motivation and satisfaction and
- communications

are decisive. The relationship between the Berentzen Group and its staff is decisively characterised by these topics and they are a contributing factor to what extent employees identify with the corporate group. Employees who have strong emotional ties to a company and are satisfied with the working conditions are less frequently ill, are less likely to give notice and are happy to recommend the company to others. This presupposes that the employees feel comfortable at their place of work and have appropriate opportunities for development, that they can balance work with their private lives, that they feel appreciated and are actively involved in decision-making processes and are kept informed of developments.

Potential risks in the area of activity relating to staff include a potential shortage of specialists, a high sickness rate and a high level of fluctuation. (read more on the measures taken to counteract this risk on page 14 and onwards).

### **Responsible management**

Key issues in the area of activity relating to responsible management include the following:

- Guiding principles and codes
- Compliance with environmental, quality and social standards
- Compliance
- Social and cultural engagement

Guidelines and guiding principles are required that demonstrate to employees what is ethical and legally correct conduct in all areas of the Company to enable them to act in accordance with the law and the principles of the corporate group. Only in this way can it be ensured that employees remain within the confines of the law and base their interaction on mutual respect and appreciation. The codes and guidelines also provide information on the rights to which the employees of the Berentzen Group and the employees of suppliers are entitled, on how to advertise the products of the corporate group in a responsible manner and which environmental standards have to be met. Management systems and audits provide assistance with compliance with environmental, quality and social standards, which are reviewed on a regular basis by internal or external authorities. Social and cultural engagement, especially in the local environment, makes a contribution to the development of the regions of the locations and provides a boost to the attractiveness of a company in that region.

The business activities of the Berentzen Group are subject to a number of national and international legal regulations. The Berentzen Group and its employees must comply with these national and international legal regulations, industry standards, the Berentzen Group's Codes and commitments and internal guidelines voluntarily entered into.

Any breaches of the law occurring within the Berentzen Group or even within the value added chain seen as a whole can lead to considerable disadvantages for the Berentzen Group. These include, for example, fines and claims for damages, potentially of significant amounts, as well as penal sanctions. Over and above this, there is the risk of reputational damage of a business or also of personal nature, not only in the event of an actual breach of the law but often already in the event of a suspicion or merely the appearance of a breach of the law (read more on the measures taken to counteract this risk on page 21 and onwards).

### Energy and resource management

In the area of activity relating to energy and resource management, the following

- energy and water consumption
- reduction in emissions
- waste avoidance

are the key topics. Significant ecological impact arises from the use of material, raw materials, water, electricity, heat and other components. Alongside costs, use of the same are, as a rule, associated with emissions and other environmental impact where the cause can directly or indirectly be allocated to the value added chain of the Berentzen Group. A particular role is played in this respect by the combustion of fossil fuels. The activities along the value added chain cause waste that is likewise associated with environmental impact depending on the form of disposal involved and possibility for reuse or recycling. The reduction in all environmental impacts by the Berentzen Group through economical and efficient use of all resources, through the avoidance of waste and the use of renewable energies and materials is one of the Berentzen Group's declared objectives.

The main potential risks relating to this area of activity consist of our own wells becoming contaminated or drying up and of the direct or indirect consequences of climate change. These also include economic consequences in the form of rising energy prices and further price increases as well as costs necessitated by adjusting to the consequences of climate change (read more about the measures that are being taken to counteract this risk on page 37 and onwards / further potential risks can be found on page 79 of the 2017 Annual Report).





## (4) Our staff

### (4.1) The basis for our success

Last year once again, the employees of the Berentzen Group made possible the success of the corporate group, safeguarded future competitiveness in a fierce market environment, thus making a significant contribution to achieving the business objectives.

The well-being and the satisfaction of employees is of great importance for the Berentzen Group, because committed, well qualified and motivated employees are the most important asset for a corporate group that generates its value added from special commitment to quality and innovative ideas.

#### *Workforce as of the December 31, 2017 reporting date*

Entity	Salaried employees	Wage earners	Trainees	Total
<b>Berentzen-Gruppe Aktiengesellschaft</b>	<b>126</b>	<b>72</b>	<b>16</b>	<b>214</b>
thereof in Haselünne	86	5	12	103
thereof in Minden	35	67	4	106
thereof in Stadthagen	5	0	0	5
<b>Berentzen Hof GmbH</b>	<b>10</b>	<b>9</b>	<b>0</b>	<b>19</b>
<b>Berentzen Alkollü İckiler Ticaret Limited Sirketi</b>	<b>17</b>	<b>0</b>	<b>0</b>	<b>17</b>
<b>Vivaris Getränke GmbH &amp; Co. KG</b>	<b>59</b>	<b>124</b>	<b>9</b>	<b>192</b>
thereof in Haselünne	34	61	4	99
thereof in Grüneberg	25	63	5	93
<b>T M P Technic-Marketing-Products GmbH</b>	<b>42</b>	<b>0</b>	<b>0</b>	<b>42</b>
<b>Group</b>	<b>254</b>	<b>205</b>	<b>25</b>	<b>484</b>

As of the end of the 2017 financial year, there were 484 <sup>2)</sup> members of staff (2016: 487) employed at the head office in Haselünne and the national and international locations.

In order to maintain employee satisfaction, their health and labour, the Berentzen Group offers a wide range of measures in the field of health management and flexible working time models. Under the company's health promotion programme, that is structured into the areas of exercise, nutrition and relaxation, various measures were implemented in the 2017 financial year aimed at protecting the employees' health and promoting a healthy lifestyle.

#### Ausblick

The measures under the company's health promotion programme will continue in 2018 and will be supplemented by new offerings. The establishment of a regular staff survey is intended to provide employees a platform on which they can express their issues and wishes in future as a means of ensuring that problems and negative developments are identified in good time and countermeasures can be initiated.

The holding of structured talks with employees was approved in all group companies in February 2018, on the basis of a works agreement- where necessary. This makes it possible to make more intense use once again of an instrument of personnel development that had been deployed for many years in the past.

In the area of personnel development, the Berentzen Group invests not only in the development of their new recruits and executive staff. On the contrary, training and development is promoted in all areas. In future, these measures are to be systematically recorded, evaluated and included in reporting.

#### (4.2) Employee-related ratios

The number of reportable occupational accidents (also commuting accidents) has been more than halved since 2015 (23) and stood at 10 accidents over the 2017 financial year. The absolute number of days of illness fell to 6,857 days in the 2017 financial year (2016: 7,655 days). On the other hand, the illness rate, the ratio of paid absences due to illness to planned working time), increased slightly from 3.7 percent (2016) to 3.9 percent (2017).

The Berentzen Group offers various working time models in order to meet employees' needs at different stages in their lives. The part-time ratio saw a slight downward trend in the 2017 financial year, from 16.0 percent (2016) to 15.3 percent.

As of the December 31, 2017 reporting date, the proportion of women in the corporate group seen as a whole came to 36.8 percent. This means that this figure saw a slightly positive development in comparison to the previous year (35.9 percent) but not significantly up on the figure of 36.5 percent seen in the 2015 financial year. (More information on the diversity concept can be found on page 40 ff. of the 2017 Annual Report)

Of the nine members of the Supervisory Board, one is a woman. This corresponds to a proportion of 11.1 percent. Within the Executive Board of Berentzen-Gruppe Aktiengesellschaft, the ratio of women stands at 0.0 percent.

<sup>2)</sup> without temporary staff.

*Employee-related ratios at group level as of the December 31, 2017 reporting date*

	2017	2016	2015
<b>Illness data</b>			
Reportable occupational accidents (also commuting accidents)	10	18	23
Days of illness	6,857	7,655	7,035
Illness ratio [%]	3.9	3.7	4.0
<b>Further employee-related ratios</b>			
Average headcount	490	488	488
Headcount	484	487	491
Number of part-time employees	74	78	80
Number of women	178	175	179
Number of trainees	25	30	35
Number of exits	60	49	62
Part-time ratio [%]	15.3	16.0	16.3
Ratio of women [%]	36.8	35.9	36.5
Trainee ratio [%]	5.2	6.2	7.1
Turnover rate [%]	13.0	10.9	13.8
Average term of employee [years]	13.8	14.2	14.0

The trainee ratio fell to 5.2 in the reporting period (2016: 6.2 percent). As several training departments made slight downward adjustments to their needs and to increase the chances of being offered a permanent position following their training, fewer trainees were employed than in the previous year. Furthermore, training for some professions starts every second or third year, rather than annually, which is similarly reflected in the trainee ratio.

The turnover rate increased from 10.9 percent (2016) to 13.0 percent but it is still down on the level seen in 2015 (13.8 percent). The rise in the turnover rate, which may also be a sign of a decrease in employee satisfaction, will be examined over the course of 2018 by means of intensified personnel measures and surveys of employee satisfaction. This is intended to ensure a situation is reached where the turnover rate, at the very least, finds its way back to the previous year's level and will fall significantly again over the next few years. A low level of turnover and long terms of service ensures that a corresponding amount of expertise and experience remains within the corporate group. In the past financial year, the average term of service stood at 13.8 years, thus significantly above the German national average <sup>3)</sup>.

<sup>3)</sup> [www.statista.com/statistik/daten/studie/164977/umfrage/arbeitnehmer--dauer-der-betriebszugehoerigkeit-1992-und-2008/](http://www.statista.com/statistik/daten/studie/164977/umfrage/arbeitnehmer--dauer-der-betriebszugehoerigkeit-1992-und-2008/) (only available in German)

*Age groups and average age in the corporate group*

	2017	2016	2015
< 30 Jahre [%]	18.8	18.1	19.1
≥ 30- ≤ 50 Jahre [%]	46.3	47.8	48.1
> 50 Jahre [%]	34.9	34.1	32.8
Durchschnittsalter [Jahre]	43.5	43.5	43.1

At 43.5, the average age of employees is unchanged on the previous year (2016) and shows only a slight increase in comparison to 2015 (43.1 years).

**(4.3) Training and development**

Further development of employee skills is also an important prerequisite to achieving joint success within the corporate group. Alongside specialist knowledge itself, interdisciplinary skills make a contribution to success. The range of training on offer is structured to be needs and practice-oriented and effective. Alongside specific further training possibilities aligned to an individual's field of work, internal training courses for groups are also on offer. The objective of such standard training courses is to increase staff employability and to be able to meet demand for specialist personnel from the existing staff in the long term. Advanced training for employees is promoted by granting leaves of absence and assuming the costs of ongoing training, for example.

For many years now, the Berentzen Group has been training young specialist staff for the future and for its own requirements, thus maintaining the level of staff qualification. At the end of the 2017 financial year, the Company had 25 trainees in eight different training professions and two dual-track students studying business administration.

The Berentzen Group is committed to the training opportunities provided in the region and participates in the "AusbildungPlus" training programme in which commercial training is linked to advanced training as a certified business administrator. This ensures, among other things, a targeted and practice-oriented qualification over and above the minimum requirements of training. Practical modules take place as part of this programme in which trainees are given input about current projects by partner companies, thus ensuring a great degree of practical relevance. The Berentzen Group put on a practical module on the topic of "introduction of a marketing and supplier code and a revision of a code of conduct" in November.

A parents' evening was held for the first time in the past financial year. Trainees in the first year of their apprenticeship were able to invite their parents and siblings to give them an impression of their day-to-day work. Alongside a guided tour through the Berentzen Hof and a guided tour through the Vivaris production area, there was also a brief walk through the offices in which the trainees presented the department to which they are currently assigned. Over and above this, the Berentzen Group offered 17 school and university students the possibility of completing an internship in order to put their theoretical learning into practice in the 2017 financial year.

#### **(4.4) Remuneration**

Remuneration within the Berentzen Group in Germany is based on the respective collective bargaining agreements in place for the various operations within the spirits industry (Berentzen-Gruppe Aktiengesellschaft, Der Berentzen Hof GmbH) and the soft drinks industry (Vivaris). The collective agreements govern, among other things, payments such as holiday pay, a special annual bonus and additional time off for older employees. A non-collective salary or payments in excess of the collective agreement in addition to the collectively agreed terms is paid for specific positions and executives within the Company. T M P in Linz is generally subject to the Austrian collective agreement for retail employees. This collective agreement governs issues such as working time, remuneration for overtime, etc. and allocation to employment groups. These employment groups and the length of service are used to define the minimum wage. Here again, voluntary allowances are paid over and above the minimum wages.

Within the Berentzen Group there is a target agreement system in place for specialist and executive staff in order to provide an incentive for achieving the corporate objectives. The target agreements are considered to be a variable component of the annual salary and are agreed in writing between supervisors and staff at the beginning of the year and assessed after the end of the financial year. The assessment is made on the basis of quantifiable commercial ratios as well as the extent staff have achieved their personal and individual targets. The target agreements consist of group and departmental targets as well as individual targets. Alongside the group and departmental targets that can be used to measure long-term value creation, sustainability targets can be taken into consideration in the target agreement, especially with regard to individual targets.

In addition to the fixed compensation, the Executive Board also receives performance-related remuneration that is specified in the service agreements currently in place. In this respect, a predetermined percentage of the variable remuneration is paid as long-term remuneration in the following financial years depending on the amount and development of consolidated EBIT in the two following years to safeguard the Company's long-term development. (More information on this topic can be found on page 75 of the Annual Report)



#### **(4.5) Life and work**

The Berentzen Group helps its employees achieve a balance between their private and working lives. To this end, there are different working time modes, including a family-friendly part-time mode on offer. In the field of training, one female trainee was last year granted the possibility of completing her training in part time; this involved a reduction in the weekly working hours.



There are a range of benefits in place to ensure that employees feel comfortable at their place of work. They have access to free drinks during working hours, for example. Various works agreements govern voluntary employee benefits on company anniversaries, a monthly payment in kind and special payments in kind at Christmas and for birthdays. To celebrate 25 years of service to the Company, employees further have the possibility of putting on a party for colleagues free of charge.

#### **Company pension plans**

As part of its company pension plans, the Berentzen Group works together with the Hamburger Pensionskasse pension fund. The option of obtaining tax benefits on deferred compensation has already been exercised by a large number of employees, in some cases according to the terms of the collective bargaining agreements.

#### **Internal sport groups**

Even after work, some employees meet up to keep fit. Alongside an in-house football team that also occasionally plays matches against other companies in the region, there is a table soccer league and a running group that successfully participated in the Haselünne Old Town Run last year. With running distances of between five and ten kilometres, all participants were able to successfully complete their chosen distances. The participants received support in the form of shirts and free drinks.

#### **Qualitrain**

Since 2013, the corporate group has been a member of the Qualitrain company fitness network. In this way, it offers its employees the possibility of using a large number of fitness studios and physiotherapy studios with training expertise in the region in return for a subsidised monthly contribution.

#### **Leased bicycles**

Since June 2017, the Berentzen Group has offered its employees the possibility of leasing company bicycles within the scope of a salary conversion scheme. This offer was taken up by 31 employees in the 2017 financial year who leased a total of 47 bicycles. In this respect, some employees made use of the option of also leasing a bicycle for their partner.

#### **Lectures and events**

As part of the health promotion programme, lectures and events were held on the following topics in 2017:

- Exercise, nutrition and relaxation
- Campaign day on the topic of healthy drinking
- Workshop on how to deal with and overcome stress

All measures were well received with a good attendance rate and further measures are planned for 2018.

### **(4.6) Occupational safety**

In the area of occupational safety and health protection, seminars on the topics of fire prevention, first aid and hygiene (HACCP) were held in the 2017 financial year. In addition, every new colleague is given instructions on the topic of occupational safety. Over and above this, workplace protection and safety training is provided to all employees on a yearly basis.

The Company's workplace protection delegates meet at occupational safety committee meetings to exchange information and collaborate in other ways. Potential work-related safety and health hazards are examined as part of regular on-site inspections and any hazards identified are eliminated by means of specific workplace protection measures.

**(4.7) Employee rights**

The right to information is comprehensively implemented at the Berentzen Group. All new employees are given a welcome folder with detailed information about the corporate group. Over and above this, the employees are regularly kept up to date on current developments at the Company by means of announcements. In addition to being sent out by e-mail, the announcements are also publicised on local noticeboards to make them available to those employees who use electronic tools less frequently. To complement this, the employees can access a wide range of company information through the intranet. Furthermore, there is an ongoing communication with the works councils and the economic committee on all relevant topics. The exchange takes place at regular works council meetings and meetings of the general works council.

Since 2007, the Berentzen Group has entered into a voluntary commitment to follow a Code of Conduct. In the 2017 financial year, this Code of Conduct was amended in consultation with the general works councils to meet current circumstances. The Code of Conduct forms the guidelines for responsible conduct within the corporate group. It is based on current legislation and established standards and, in addition to the expectations placed by the corporate group on employees, it also specifies the rights and entitlements on the part of employees towards their colleagues and executives (more on this topic on page 25).

In addition to this, a social audit was performed within the Berentzen Group for the first time in the 2017 financial year (more on this topic on page 22).



## (5) Responsible management

### (5.1) Sustainability in the value added chain and the corporate environment

In the 2017 financial year, the focus of the responsible management area of activity was placed on developing and implementing new binding guidelines with a view to ensuring that the actions on the part of all employees within the entire corporate group remain within the bounds of the law. At the same time, the adoption of the new Berentzen Codes forms the basis for the elaboration of a concept to make the Berentzen Group's own standards more visible to customers and consumers and simultaneously increase transparency within the value added chain.

Alongside the introduction of the Codes, the performance of a social audit constituted a further milestone along this path. The results confirm that the corporate group is in a good position overall, not only with regard to the topics of occupational safety and compliance with the provisions of the law but also with regard to employee satisfaction. There were nevertheless several deviations that have not yet been completely rectified; these deviations demonstrate that, despite striving towards the highest standards, errors may occur that constitute potential risks for employee well-being. The audit results are motivating the Berentzen Group to pursue these issues and to constantly improve itself.

Alongside codes, guidelines and other sets of rules intended to ensure compliance with laws and ethically correct behaviour, the Berentzen Group submits itself to various annual audits and certification procedures that provide customers and consumers with evidence that the Berentzen Group complies with standards and that it also requires the same of its suppliers. These certifications were renewed once again in the 2017 financial year. Two new labels joined the collection: the EU certified organic products label for the new *Korn2Korn* premium spirit and the "Gesicherte Nachhaltigkeit" (certified sustainability) label for the products in the non-alcoholic Beverages segment.

The Berentzen Group shows its commitment to culture at regional events and cultural festivities, especially in Haselünne where its head office is located. As a member of numerous associations and clubs, the corporate group takes part in regional and national dialogue and exchanges ideas and suggestions with various stakeholders.

One highlight of the 2017 financial year was the opening of the new Berentzen Hof Distillery at the traditional location in Haselünne: This not only means that the Berentzen Group has a new premium product but also that the traditional craft of distilling has regained part of its identity.

### Outlook

The shipping of the Codes to suppliers is scheduled to be completed by the end of 2018. This will be followed by the publication of the Group's own certificates and audit results on a supplier platform and the elaboration of a risk profile with the corresponding follow-up measures. In this respect, social and ecological aspects will be given equal consideration. This is intended to ensure that the value added chain is reviewed with regard to compliance with human rights and ecological requirements.

Beyond the existing management system, the introduction of a group-wide environmental management system is under preparation that is intended to provide improved transparency and reveal potential for optimisation with regard to use of resources, the volume of waste and emissions.

The Berentzen Group's social and cultural engagement at the regions of its locations is to be expanded in 2018 through support being provided to further projects and events.

#### **(5.1.1) Sedex Members Ethical Trade Audit**

After successful completion of the social audit of the Grüneberg location performed for the first time in March 2017 at customers' request, auditing of the locations in Haselünne and Minden followed in October 2017 and the auditing of the Austrian subsidiary in Linz in January 2018. This means that all Berentzen Group locations in Germany and Austria were audited between March 2017 and January 2018 with regard to observance of human rights. The Turkish distribution business has not been audited to date.

The Sedex Members Ethical Trade Audit (SMETA) is an audit standard that builds on the principles of the ETI Base Code <sup>4)</sup> and was developed by the members of the supplier platform SEDEX (abbreviation for Supplier Ethical Data Exchange). SEDEX itself is an online platform known the world over that offers its members the possibility of sharing information relating to ethical and social responsibility with customers and business partners. This platform's objective is to increase transparency and accountability in supply chains.

The audits centred around working conditions, health protection, occupational safety, pay and working hours, business practices and environmental management, and took a total of 8.5 audit days within the corporate group.

In addition to an on-site inspection and examination of documents, the auditors held a number of individual and group interviews with employees at each location in which the employees were asked questions about the core issues. The number of interviews is specified in an audit standard. The results of the interviews were treated confidentially by the auditors and only information relevant to the overall outcome of the audit was incorporated in the report in anonymised form.

The measures agreed in the audits to eliminate any deviations are already being implemented and will be concluded within the deadlines agreed with the auditor. A follow-up audit will be performed at the Linz location in 2018 to review whether the measures have been implemented correctly. The conclusion of the measures at all other locations will be documented in writing and confirmed by the auditor.

<sup>4)</sup> The ETI Base Code is the fundamental code of the Ethical Trading Initiative, an association of businesses, NGOs and trade unions with the objective of imposing social standards to improve working conditions in trade.

Alongside the deviations, there were also a large number of other aspects that were deemed positive by the auditors. Voluntary additional benefits provided by the Berentzen Group for its employees such as the sport on offer, free drinks, monthly payment in kind or the health promotion programme on offer were rated as positive. Similarly, the new Berentzen Codes that were included in the audit by the auditors were assessed as being positive especially on account of their comprehensiveness and the fact they cover an extensive range of topics.

The audit reports are published on the SEDEX supplier platform once all pending measures have been completed (read more on SEDEX on page 26 onwards). For recertification, SMETA stipulates a period of three years, which means that the next social audit is scheduled for 2020.



### **(5.1.2) The Berentzen Group Codes**

#### **Berentzen Code 2007**

With the Berentzen Code, the values and ideals of an SME on which the Company has its foundations, were set out in writing for the first time in 2007 in order to visibly document the unambiguous ethical standards. This covered a wide range of aspects of day-to-day work. These constituted the rules and guidelines providing all employees with the orientation and the necessary security in the daily work routine.

Ten years after it came into effect, it became apparent that the Berentzen Code was in need of revision as the environment in which the Company operates, specifically legislation, rules and requirements had drastically changed and the Code was therefore no longer able to cover all areas of work. Furthermore, the old version was exclusively for internal use and was not available to consumers, business partners, investors and the interested public.

Alongside the revision of the Code of Conduct, stand-alone Codes were drafted for the areas of purchasing/suppliers and marketing. Over the course of one year, staff from the Corporate Social Responsibility, Purchasing, Marketing, Personnel, Legal, Corporate Communications portfolios as well as other departments joined forces to prepare the Codes together with the Executive Board and in consultation with the general works councils. In this process, they used current environmental and social standards as well as industry standards as a general guide.



The new Berentzen Codes set standards. They make clear why the Berentzen Group is trustworthy and responsible in its actions and they communicate the requirements placed on employees, suppliers and business partners that are put into practice in the Company. The main aspects contained in the Codes are as follows:

#### **The Berentzen Group's Marketing Code of Conduct**

The Berentzen Group is proud of its products that offer pleasure and provide a little enjoyment in life. But, consumed immoderately, alcoholic and sugary drinks in particular can also have negative effects on the health of consumers. As a beverages producer, the Berentzen Group has a social obligation to advertise for its products in a responsible manner and to market them responsibly. In order to fulfil this obligation towards those people who enjoy its products, the Berentzen Group has set out guidelines for product-related communications in its Marketing Code of Conduct. The Marketing Code of Conduct applies to the entire Berentzen Group and its employees, all marketing and communications partners as well as all activities and measures in the area of marketing.

Marketing by the Berentzen Group must comply with the law in each country in which it operates and generally follow the rules of conduct issued by the German Advertising Council in their current version. These rules of conduct are supplemented by the Marketing Code of Conduct and the industry's voluntary commitments currently in place.

The Marketing Code of Conduct specifies guidelines on how to handle alcohol responsibly. For example, advertising does not associate alcohol with the operation of vehicles, sports activities or the workplace. Furthermore, advertising should not address minors or pregnant women. Gradually adding warning notices to the labels on branded spirits in the form of pictographs ("18+", "Don't drink and drive", "not suitable for pregnant women") are intended to work towards this end.

The nature and alcohol content of beverages must be declared in a clear and unambiguous manner. Advertising must include consumer information on the alcohol content but should, nevertheless, refrain from emphasising as a key issue that a product contains a high percentage of alcohol in communications of any form. Hazards from the consumption are never trivialised nor is excessive consumption of alcohol promoted. It is the voluntary decision of each and every adult as to whether and on what occasions he or she consumes alcoholic beverages.

Another issue addressed is moderate consumptions of sugar and raising awareness of the effects of performance-enhancing functional drinks, such as energy drinks, because both can exert negative effects on the health of consumers if consumed excessively. In the production of lemonades, for example, the aim with regard to all new own products developed by the Berentzen Group is either to reduce the sugar content in comparison to existing products or to achieve a reduction by replacing it with sugar substitutes. Warning notices on the packaging of performance-enhancing functional drinks are furthermore intended to create greater awareness for the issues of excessive use.

After the Codes had come into effect, the Berentzen Group began making the Marketing Code of Conduct available to its marketing and communications partners and having receipt confirmed in writing. This procedure will continue in 2018.

### The Berentzen Group's Supplier Code of Conduct

With the Supplier Code of Conduct, the Berentzen Group is pursuing the objective of forming the basis for a common understanding of what constitutes reasonable living and working conditions for employees <sup>5)</sup> that is upheld by all suppliers of the Berentzen Group and their employees. It applies to all suppliers to the Berentzen Group. These include all third parties who work on a regular basis and to a material extent either for the Berentzen Group, in its name or together with it or are involved in the value added chain of products or in the rendering of services for the Berentzen Group; this list includes but is not limited to business partners, subcontractors, minority shareholders, sales representatives or freelancers.

In this respect, the Supplier Code of Conduct follows the ETI Base Code, the principles of the ILO (International Labour Organisation) and the ten principles of the UN Global Compact. The ETI Base Code is also the basis for the social audit which the Berentzen Group underwent in the 2017 financial year.

The Supplier Code of Conduct comprises eleven principles. The minimum requirements on the living and working conditions of employees have been set down in these principles. Many of these principles have also been embedded in local law in the countries in which the Berentzen Group does business, and are even stricter in some cases. The respective national laws take priority and are supplemented by the Supplier Code of Conduct. The Supplier principles are as follows:

- Freedom of choice on whether to enter into an employment relationship
- Freedom of association
- Safe and hygienic working conditions
- No child labour
- Reasonable remuneration
- Regulated working hours and employment contracts
- No discrimination
- No abuse or inhumane treatment
- Environmental concerns
- No corruption
- Competition and antitrust law

They form the basis for long-term and sustainable business relationships. Suppliers must demonstrably implement suitable measures to ensure compliance with the minimum standards defined in the Supplier Code of Conduct and review the same on a regular basis. After the Codes had come into effect, the Berentzen Group also began making the Supplier Code of Conduct available to the first group of suppliers and having receipt confirmed in writing. This is being continued in 2018 while further follow-up activities to ensure observance of human rights in the supply chain are being implemented.

### The Berentzen Group's Code of Conduct

For a long time already, the Berentzen Group has enjoyed a good reputation as a reliable business partner that acts with integrity. This reputation is an important asset that has been generated by employees <sup>5)</sup> of the Berentzen Group. At the same time, this reputation is decisive and characteristic for how the Berentzen Group is perceived by the public and contributes to creating trust in the products and brands. This trust is the basis for commercial success. To be able to implement and uphold the Company's principles on a daily basis, it is necessary for the conduct of all employees to be lawful, transparent and appropriate.

<sup>5)</sup> This group also includes contract workers, day labourers, etc.

The Code of Conduct addresses compliance with material legal requirements relevant to the Berentzen Group and is intended to be a binding guideline for lawful conduct on the part of employees. Breaches of national and international law shall be avoided and integrity maintained in business transactions by defining unacceptable conduct in business for all employees of the Berentzen Group. The Code of Conduct contains a summary of the Company's principles and specifies guidelines in the fields of lawful and responsible conduct, business and personal integrity, employees and terms of employment, assets and information as well as quality and the environment.

In this respect, the Berentzen Code published in 2007 served as a basis for the drafting of the new Berentzen Group's Code of Conduct. It was amended in terms of content to current legislation, rules and requirements and expanded to include some new topics such as competition and antitrust law, money laundering, data protection and data security and the principles of the ETI Base Code. These can be found in the Code of Conduct in their entirety as the requirements naturally not only apply to suppliers but also to the Berentzen Group itself. Over and above this, the Code of Conduct also specifies rules on employee interaction among themselves, such as demonstrating respect and loyalty towards others and the prohibition of discrimination in any form.

The Code of Conduct applies to all companies within the Berentzen Group and their employees. The corporate principles it contains not only apply to the interaction of Berentzen Group employees among each other but also to their interaction with business partners and public bodies (governments, authorities, courts, political parties and bodies, businesses, public agencies and foundations as well as all other organisations and institutions, whether acting in a public or sovereign capacity, and their respective employees, representatives or members).



### ***(5.1.3) Human rights in the supply chain: Three-stage plan***

After the Codes had come into effect and the Supplier Code of Conduct had been shipped to the first group of suppliers, the most important suppliers of commodities and packaging, implementation of the first stage of the three-stage plan to ensure observance of human rights in the supply chain began.

	Ziel	Umsetzung bis	Status
<b>1</b>	Coming into effect of the new Berentzen Codes	October 15, 2017	implemented
	Shipping to and confirmation in writing of the Supplier Code of Conduct from the key suppliers of commodities and packaging	May 2018	currently being implemented
<b>2</b>	Shipping to and confirmation in writing of the Supplier Code of Conduct from 80% of material suppliers in all categories	December 2018	pending
	SEDEX supplier platform joined	August 2018	pending
	Publication of the SMETA reports of the Berentzen Group and commencement of networking with suppliers and customers that are likewise registered with SEDEX	August 2018	pending
	Creation of a risk profile and prioritisation of suppliers on the basis of this profile and the available documents (SEDEX membership, confirmation of supplier Code of Conduct, own codes, etc.)	June 2019	pending
	Development of a more extensive audit concept for suppliers	2019	pending
<b>3</b>	Commencement of implementation of the audit concept developed in (2) and follow-up measures	2019/2020	pending

In a first step, suppliers to the Berentzen Group were divided into two different groups. Alongside commodity and packaging suppliers, there is a second group that covers suppliers of other categories, such as service providers or suppliers of auxiliary or operating materials.

By definition, the scope of application of the Supplier Code of Conduct covers all third parties who work on a regular basis and to a material extent either for the Berentzen Group, in its name or together with it or are involved in the value added chain of products or in the rendering of services for the Berentzen Group. Materiality is established on the basis of revenues invoiced, the frequency and the product category.

As of the date of publication of the Sustainability Report,

- 100 percent of material commodity and packaging suppliers in the Spirits segment
- 89.5 percent of the commodity and packaging suppliers in the Non-alcoholic Beverages segment
- 40 percent of material commodity and packaging suppliers in the Fresh Juice Systems segment

had already confirmed in writing compliance with the Supplier Code of Conduct or provided evidence that they have own codes or standards in place. Implementation has not yet been completed.

The next step involves the material suppliers in the second group being identified. Shipping to and obtaining confirmation in writing of the Supplier Code of Conduct from all material suppliers in this group is planned by the end of 2018.

In stage 2, accession to the SEDEX supplier platform on the part of the Berentzen Group is being put into effect. The SEDEX database is a platform recognised the world over that serves a transparent exchange of information on the social and ethical sustainability of companies. The Sedex Members Ethical Trade Audit forms the basis for the Berentzen Group's accession to SEDEX. In order to be able to demand evidence of compliance with human rights from suppliers, the Berentzen Group should be able to provide such evidence itself in order to set a good example and underline its credibility in this respect.

The objective is to present the Group's own certificates and audit results, such as SMETA and ISO 50001, on the platform and to put into practice vertical networking with customers (e.g., retail chains) and suppliers. By creating transparency in the value added chain,

the Berentzen Group is not only fulfilling one of the requirements from the National Action Plan for Business and Human Rights <sup>6)</sup> and the German Act Implementing the CSR Directive but also setting a visible signal for customers and suppliers that the Berentzen Group observes the principles of ethical and social sustainability.

Alongside networking, the platform provides, among other things, standardised questionnaires and a tool for risk assessment. Using these supporting resources and feedback from the shipping of the Supplier Code of Conduct in stage one, a risk profile is defined for all material suppliers with regard to the risk of infringement of human rights. This risk profile includes details of the country in which the supplier is based, such as the legal situation, audits performed and many other factors.

With the help of the risk profile, suppliers are prioritised and an audit concept is drafted on the basis of which suppliers with the highest risk assessment rating are subjected to an in-depth review.

This in-depth review takes place in the third stage. It is intended to detect effects relating to human rights, whether of an actual or potential nature, and how to rectify the same.

The objective is to identify social and ecological issues at all stages of the value added chain that are still unknown at the present time. Solutions for the issues identified in this way should be developed together with the supplier in question. In principle, it should be of mutual benefit to establish these measures. In the event of its becoming aware of specific infringements of the Code of Conduct, the Berentzen Group retains the right to terminate the business relationship or to have a targeted social audit of the supplier performed by a third party.

#### **(5.1.4) Management and control mechanisms**

##### **ISO 50001**

The energy management system pursuant to ISO 50001:2011 was successfully introduced at the Vivaris locations in Grüneberg, Haselünne and Norden<sup>7)</sup> in 2013 and extended to all locations of the Berentzen Group in Germany in 2016. An interim audit was performed at the Haselünne and Grüneberg locations in December 2017.

Systematic energy management makes it possible to record all energy flows within the corporate group on the basis of measurements and other data and to assess the consumption levels of the most important equipment and processes. The transparency provided in this way regarding energy consumption levels offers a possibility to identify potential for optimisation and to gradually implement the same. This can be used as a basis to derive technical as well as strategic and organisational measures with a view to continually improving energy-related performance and at the same time making energy use systematically and permanently more efficient.

The energy management system already lays the foundation stone for implementation of a continual process of improvement. The existing management approach is to be expanded to include an environmental management system in the future.

This is intended to assist in better reflecting the treatment of social and ecological matters in the future. The introduction of the environmental management system also requires further formal structures to be with fixed responsibilities at the respective locations.

<sup>6)</sup> [www.auswaertiges-amt.de/de/aussenpolitik/themen/aussenwirtschaft/wirtschaft-und-menschenrechte/161221-nap-kabinett-node](http://www.auswaertiges-amt.de/de/aussenpolitik/themen/aussenwirtschaft/wirtschaft-und-menschenrechte/161221-nap-kabinett-node) (available only in German)



The introduction of sustainability management software in the 2017 financial year forms the basis for continuous data collection and the building up of a sustainability monitoring system. So far, the software has been used to collect a large portion of the data for this Report and to create a database for future evaluations.

The introduction of the environmental management system is currently under preparation.

### **IFS Food**

Maintaining and constantly refining the highest quality standards in the production processes in the plants constitutes a further focal point of business activities. The International Featured Standard Food (IFS Food) quality standard is applied in all segments of the Berentzen Group.

The objectives of the annual certifications by recognised independent audit bodies is to achieve a continuous improvement in production processes with a view to ensuring highest product safety as well as increasing the value added throughout the entire process chain.

By doing so, the Berentzen Group not only creates transparency and ensures controlled safety but fulfils, alongside the requirements of its direct customers, also consumer demands for demonstrably safe, audited and high quality foodstuffs and luxury foods.

The annual IFS audit was performed at the Minden plant, the Berentzen Group's central location for the production of spirits, in June 2017 at a higher IFS standard level.

The audits for IFS certification over the course of the year for the facilities for non-alcoholic beverages in Haselünne and Grüneberg were completed in October and December 2017, respectively.

Certification of T M P was performed at a higher level in November 2017.

In this context, audits over several days performed at all facilities confirmed compliance with and fulfilment of the IFS standard requirements.

Over and above this, Vivaris fulfils at its Grüneberg location the customer requirements of the American Institute of Baking (AIB) for bottling services demanded by a US purchaser.

### **ISO 9001**

T M P is not only certified according to IFS Food but also to quality management standard ISO 9001:2015. This standard sets minimum requirements on companies' quality management systems that must be implemented to meet requirements relating to product and service quality. In this way, it helps to increase the transparency of operational processes and customer satisfaction and to lower the error rate and the associated costs.

ISO 9001 is a quality management system with a process approach that scrutinises all operational processes and uncovers potential for optimisation. As is the case with ISO 50001, the quality management standard involves the implementation of a continuous improvement process.

The most recent ISO 9001 audit at T M P was completed in June 2017.



### (5.1.5) Labels

#### Ecolabel

The premium Doppelkorn from the new Berentzen Hof distillery, *Korn2Korn*, has borne the EU Ecolabel since the end of the 2017 financial year. An authorised eco inspection office checked and certified the Berentzen Hof distillery according to EU legal regulations on ecological agriculture. One of the components of the procedure consisted of checking the producers of all raw products used. Use of the EU Ecolabel is only permitted if the products and raw materials are free from genetic manipulation and chemical pesticides and fertilisers, for example. *Korn2Korn* is produced exclusively from high-quality organic grain and the soft water from the company's own *Sankt Ansgari* spring.

For certification, producers and dealers must provide evidence that they work according to ecological principles and preclude any commingling of organic goods with conventional raw materials and are able to guarantee traceability.

#### “Gesicherte Nachhaltigkeit” (certified sustainability)

Customers and consumers expect from businesses ever more responsibility for the consequences of business activity. In order to visualise such responsibility, the products in the non-alcoholic beverages segment will bear the “Gesicherte Nachhaltigkeit” label in future. The label acts as a visible sign for consumers that sustainability criteria are applied during the manufacture of the products and the company assumes responsibility in all areas of sustainability.

A sustainability audit was performed by Deutsches Institut für Nachhaltigkeit & Ökonomie GmbH & Co. KG, Münster, for the areas of ecology, economics and social matters before the label was awarded. The audit covers, among other things, the quality of products, services and advice, the commercial focus of the company going forward and the assumption of ecological and social responsibility.

#### “Geprüfte Qualität” (certified quality) by Romeis

The certification process for the “Geprüfte Qualität” seal of quality from Institut ROMEIS Bad Kissingen GmbH, Oberthulba, commenced in the 2017 financial year. As of April 2018, the mineral water brands of Vivaris in Haselünne, *Emsland Quelle* and *Sankt Ansgari*, will feature this seal.

The seal stands for the consistent high quality of the product's characteristics, its sensory aspects and the packaging. Furthermore, requirements on food safety and hygiene standards in production are tested. A responsible approach to business- such as handling of complaints, traceability of faulty products and crisis management- are further important criteria.

The awarding of the seal is intended to strengthen consumer confidence in brands and products and to underline towards retailers the reliability as supplier of high-quality products.

## **(5.2) Compliance: Compliance with laws, guidelines and codes**

The Berentzen Group's Codes came into effect for all employees of the Berentzen Group on October 15, 2017. They constitute the underlying compliance and anti-corruption guideline of the Berentzen Group. Over and above this, there are guidelines, instructions and other preventive measures relating to specific areas of compliance. These include, for example, organisational measures such as rules of procedure, competence guidelines, authorisation concepts and the internal control system as well as guidelines, instructions and other preventive measures that contain material regulations of individual areas of compliance (e.g., data protection, prevention of money laundering, checking of sanctions lists, capital market legislation).

### **Responsibility for the topic of compliance**

Within the Berentzen Group, responsibility for the topic of compliance has in principle been centralised at Berentzen-Gruppe Aktiengesellschaft for the entire Berentzen Group.

The Executive Board is the body legally responsible for the topic of compliance at Berentzen-Gruppe Aktiengesellschaft, and therefore also within the Berentzen Group as a whole. The background to this decision is the extent to which the Executive Board is responsible for the management of the business. This includes the duty of care for its own actions as well as for horizontal and vertical compliance. Alongside the Executive Board, the Supervisory Board of Berentzen-Gruppe Aktiengesellschaft is, within the scope of its supervisory function, responsible for the topic of compliance at Berentzen-Gruppe Aktiengesellschaft and therefore also within the Berentzen Group as a whole. The supervisory function of the Supervisory Board not only extends to the direct actions of the Executive Board but also to whether the Executive Board fulfils the requirement to set up compliance systems or whether it ensures compliance in another way. The Supervisory Board and/or the Audit Committee of the Supervisory Board of Berentzen-Gruppe Aktiengesellschaft are responsible for monitoring the effectiveness of the internal control system, the risk management system and the internal audit system.

Beneath the organisational level of the Executive Board, responsibility for the topic of compliance has been transferred to the Compliance Committee set up centrally at Berentzen-Gruppe Aktiengesellschaft; it is headed by the Chief Compliance Officer.

Compliance audits are performed by Berentzen-Gruppe Aktiengesellschaft's central legal department. Over and above this, the Internal Auditing department also performs formal and substantive compliance audits. Individual, specific compliance audits are performed by all central and local organisational units of the Berentzen Group, as all employees are responsible for compliance with the provisions of the law and the Company's internal guidelines. Another important component is the external notification office (also referred to as the "Whistleblower Hotline"), which has been set up at a central level. This office can be notified- anonymously if required- of any infringements of the principles contained in the Berentzen Group's Code of Conduct, irrespective of whether such infringements are apparent or only suspected. It serves to provide additional checks on compliant conduct and fulfilment of the compliance guidelines.

### Increasing employee and executive awareness

The Berentzen Group's Code of Conduct places obligations on all organisational levels of the Berentzen Group, including the highest level of management, to act lawfully and responsibly. Within the corporate organisation, executives are subject to special duties with regard to the topic of compliance as part of their management duties. This includes ensuring that the Berentzen Group's Code of Conduct is observed in their area of responsibility, informing employees of its content and increasing their awareness of the same, and making every effort to assist them in acting in the correct way. As part of their supervisory duties, executives are also responsible for making sure that no breaches of the law happen in their area of responsibility.

In order to provide all employees with an overview of the reasoning behind the new Codes, how the Codes came into being and, most importantly, the content of the Codes, a total of eight information events were held in Haselünne, Minden, Grüneberg and Linz. At these events, the employees were guided through the topics by the Corporate Social Responsibility and Corporate Communications officers on behalf of the Executive Board. The employees also received printed copies of the Codes. A total of 200 employees participated in the official presentations. All other employees received information from the respective local management or their superiors and were informed about the content. They received printed copies by post. In addition to the printed copies for the employees, the Executive Board sent out the Codes to the employees by e-mail and published them on the intranet and on the corporate website of Berentzen-Gruppe Aktiengesellschaft at [www.berentzen-gruppe.de](http://www.berentzen-gruppe.de).

In addition to providing an overview of the topics concerned, the events informed employees in detail of the existence of the external notification office put in place by the Executive Board. The external notification office can be contacted in three languages not only by employees but also business partners or suppliers in the event of infringement of the principles contained in the Codes or suspected incidences of the same. The contact details for the external notification office are included in each of the three Codes.

In addition to this, regular training is provided to executives and employees on selected substantive provisions of individual areas of compliance.

### **(5.3) Social and cultural engagement**

The Berentzen Group maintains a good relationship to the local stakeholders at each and every location. Alongside the contribution to the economic development of the region, this also includes social engagement and preservation of the cultural heritage. Particularly in Haselünne, the oldest town in the Emsland and home to Berentzen-Gruppe Aktiengesellschaft's head office, cultural events are promoted by the Berentzen Group and supported through the inclusion of the historical Ritterstrasse facilities.

Berentzen Hof is the tourist focus of many cultural events in Haselünne. These include the Corn and Hanseatic Market and the Spring Market that take place in alternate years and the Singer Songwriter Festival.

Over and above this, Vivaris sponsors local sports clubs. A rubbish collection campaign by local clubs was supported with a donation of drinks for the first time in the 2017 financial year.

In Austria, T M P shows its commitment in the form of annual donations, in 2017 to the charities "Herzkinder Österreich", Doctors without Borders and the Austrian Disabled Sports Association.

### Westerholtscher Burgmannshof

Westerholtscher Burgmannshof, built in 1385, is located on the premises of Berentzen-Gruppe Aktiengesellschaft on Ritterstrasse in Haselünne. It is one of seven of these castle lord's town estates in Haselünne, and one of three owned by the Berentzen Group. Alongside Westerholtscher Burgmannshof, the old noble residences Haus Dwingelo and Bentinckhof, which houses the distillery museum, are in the ownership of the Berentzen Group.

Originally in the possession of a castle lord (Burgherr), Westerholtscher Burgmannshof changed owners several times and was transferred to Berentzen distilleries in 1893. It is the only building of this kind that has been preserved virtually unchanged over the course of the centuries.

This historical building has been expertly restored and can be visited as part of guided tours through the company headquarters. Today, Westerholtscher Burgmannshof is used by Berentzen Hof for events and experience gastronomy.

### “Osterbrunnen” (Easter Wells) in Haselünne

Each year, the Berentzen Group makes a donation to support Haselünne's “Easter Wells” initiative, as part of which groups, organisations, students and local people decorate the town's wells and pumps. As part of joint initiatives, the wells are decorated for Holy Week with thousands of Easter eggs, colourful ribbons, garlands and branches and twigs and the citizens of Haselünne and visitors alike are invited to admire the work. Two wells on the Company's Ritterstrasse premises were also decorated in the 2017 financial year: the wells at Westerholtscher Burgmannshof and at Haus Dwingelo.

Anyone can take part in the initiative and the associated preparations which means that this tradition not only contributes to embellishing the town at Eastertide but also promotes interaction between the generations.

### “Korn- und Hansemarkt” (Corn and Hanseatic Market)

The historic Corn and Hanseatic Market is held in the late summer every second years. The mediaeval market takes the participants and visitors back in time and is a spectacle whose renown also extends far beyond the boundaries of Haselünne. In 2013, the Lebendige Stadt (“living town”) foundation awarded the event as one of the most attractive town festivals in Europe.

The Berentzen Group supports the Corn and Hanseatic Market as a member of the Historischer Korn- und Hansemarkt Haselünne e.V. association and by integrating the Company's Ritterstrasse premises into the festivities.

## (5.4) Membership in federations and associations

Membership in federations and associations facilitates the exchange of information and ideas with various groups of experts and supports the Berentzen Group in a large number of areas of work.

In the 2017 financial year, the Berentzen Group was a member of the following organisations:

#### Membership in federations and associations

Arbeitgeberverband der Ernährungsindustrie Nordrhein-Westfalen (AEN)

Deutscher Hotel- und Gaststättenverband e. V. (DEHOGA)

Deutscher Investor Relations Verband e. V. (DIRK)

#### Membership in federations and associations

Gesellschaft der Freunde und Förderer der deutschen Mineralbrunnenindustrie e. V. (GFF)

Haselünner Sportverein (HSV) Förderverein

Historischer Korn- und Hansemarkt Haselünne e. V.

Industrieller Arbeitgeberverband Osnabrück-Emsland-Grafschaft Bentheim e. V. (IAV)

Industrie- und Handelskammern Osnabrück, Hannover, Berlin, Bielefeld, Potsdam (IHK)

Markenverband e. V.

Organisation Werbungtreibende im Markenverband (OWM)

Schutzverband der Spirituosen-Industrie e. V.

Science to Business GmbH (Mitglied im CFO-Circle)

Stadtmarketing Haselünne e. V.

Touristikverband Emsland e. V.

Union der Pächter von Autobahn-Service-Betrieben e. V. (UNIPAS)

vereinbar e. V.

Verband der Ernährungswirtschaft e. V. (VdEW)

Verband Deutscher Mineralbrunnen e. V. (VDM)

Versuchs- und Lehranstalt für Brauerei in Berlin e. V. (VLB Berlin)

Wachstumsregion Ems-Achse e. V.

Werbekreis Haselünne e. V.

Wirtschaftsverband Emsland e. V.



### (5.5) Further issues in the 2017 financial year

#### Berentzen Hof distillery

Following a design and construction period of more than two years, the new centrepiece of the Berentzen Hof headquarters – the “Berentzen Hof Haselünne distillery – was inaugurated in September at Berentzen’s home and traditional location in Haselünne. A completely new line of premium products has been in production here since the summer of 2017, a limited edition, top-notch “crafted”

Kornbrand. A premium Doppelkorn matured in wooden barrels will follow by summer 2018, our own whiskey was barrelled in February 2018 for maturing.

In the beverages industry, “crafted” stands for a very recent trend towards sophisticated hand-made products. This is where the Berentzen Hof distillery idea comes in.

It allows the Berentzen Group to position itself as the first major German producer of spirits with its own new family of “crafted” Korn products in the premium spirits segment currently seeing dynamic growth. At the same time, the establishment of the distillery is another stage towards developing Berentzen Hof as an entertainment venue. Even now, more than 30,000 visitors come each year to see the historical premises, the shop or the distillery museum or to make use of the culinary offerings or the new conference room that looks on to the distillery. Here, visitors can experience, right up close and in real time, how products come into being at a traditional manufacturer. Over and above this, courses and Korn seminars with master distiller Andreas Büdenbender will be on offer in future.

With the new Hof distillery that has the character of a cottage industry, the Berentzen Group is going back to its roots. After the painful, but economically sensible, decision made in 2008 to dismantle the old large-scale distillery in Haselünne, the construction of the distillery also means that a piece of the traditional art of distilling is returning to the Berentzen Group.

### Korn2Korn

The new premium Kornbrand marketed under the brand Berentzen *Korn2Korn* (spoken as the English: Korn to Korn) is produced from carefully sorted organic wheat in combination with organic rye and malted organic barley as well as soft and untreated water from the Company’s own *Sankt Ansgari* spring in Haselünne. The grain is predominantly sourced directly in the region. Distilling here involves the highest standards of craftsmanship in processes that take time and a gentle distilling method on the copper still. From the milling and mashing of the grain through to bottling, each step in the process follows traditional methods. Each bottle is lovingly filled and signed by the master distiller’s own hand. This exquisite Korn is the first certified organic product from the Berentzen Group and has borne the EU organic logo since September 2017.

By distilling only once with a generous separation between first runnings and last runnings, *Korn2Korn* is given its malty, bready aromas which make it stand out from the general mass of products on the market.

In contrast to most other clear spirits, there is a purity law for Korn according to which only certain ingredients may be used. These include traditional raw materials such as wheat, rye, barley, buckwheat and oats. Furthermore, a product that bears the name of Korn may not contain any added flavourings and may not be mixed with other kinds of alcohol.

### Review of product recipes

Over the course of the 2017 financial year, the product recipes for the “Berentzen Fruities” were reviewed for sugar content. In order to establish whether the recipes would permit a reduction in the sugar content without noticeably changing the product’s characteristics, the varieties were produced with different sugar contents and tasted by a project team.

As a result, 12 varieties were identified where 1-2 percent less sugar can be used. Changing the product recipes gives rise to estimated annual savings of just under 12 <sup>8)</sup> metric tons of sugar.

<sup>7)</sup> Former production location (until 2015).

<sup>8)</sup> 11.926 metric tons, calculated on the basis of the quantities produced in 2016.



## (5.6) Prizes and awards in the 2017 financial year

### State award for foodstuffs for Pabst & Richarz

In November 2017, Pabst & Richarz Vertriebs GmbH received the State Award for foodstuffs of the State of North Rhine-Westphalia. Alongside criteria that assess the quality and the taste of the foodstuffs, the State Award also rewards the provision of training positions, payment according to current collective agreements or commitment to sustainability. These are areas in which Pabst & Richarz Vertriebs GmbH scored with regard to all criteria. Another prerequisite for the granting of the State Award was, in addition, that the respective company had received an award in Gold from Deutsche Landwirtschafts-Gesellschaft (DLG) for at least one of its products in the 2017 financial year. In the year in question, Pabst & Richarz Vertriebs GmbH received as many as 16 gold medals from DLG.

The North Rhine Westphalia minister of agricultural and consumer protection, Christina Schulze Föcking, congratulated the award winners and handed over the certificates in person. "The State Award gives recognition to those businesses that are active in the area of foodstuffs and nutrition in North Rhine-Westphalia and actively confront social challenges", said the minister.

### Mio Mio Mate is ginger product of the year

*Mio Mio Mate Ginger*, a Vivaris product, was chosen as the innovation of the year 2017 in the category of non-alcoholic beverages in the major annual trade survey by the publication "Getränke Zeitung". The high-ranking expert jury consisted of ten representatives of the specialist beverage wholesale industry.

*Mio Mio Mate Ginger* was introduced in January 2017 as an addition to the *Mio Mio* Mate range, which also includes the *Mio Mio Mate Banana* variety alongside the classic Mate soft drink.

Sales of *Mio Mio* products are currently seeing annual growth rates of around 65 percent. All in all, Mate beverages have developed from a niche product to an important and innovative category of beverages.





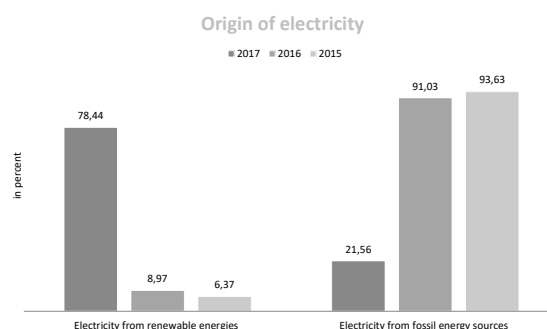
## (6) Energy and resource management

### (6.1) Our ecological responsibility

One significant ecological impact from the business activities of the Berentzen Group is the emission of climate-damaging greenhouse gases through the use of energy. For this purpose, the primary energy sources of heating oil, natural gas and electricity are used to generate the forms of energy needed in each case, such as steam, heat or compressed air. Energy management pursuant to ISO 50001 was introduced in the Berentzen Group in 2016 with a view to optimising energy consumption within the Berentzen Group and reducing the occurrence of greenhouse gases.

A natural gas fired combined heat and power plant (CHP) was installed at the Rittergasse location in Haselünne as long ago as in 2013 which has covered part of the heating needs and most of the electricity requirements since then. This efficient CHP demonstrates a higher total utilisation rate in comparison to the previous combination of local heating and electricity supplies from the central power plant system. This greater efficiency stems from the fact that most of the waste heat from the electricity generation can be used locally. Alongside cost-savings, this also avoids emissions on a long-term basis.

Over the course of the 2017 financial year, the corporate group switched to renewable energies in the area of electricity supplies. Since April 2017, 7,326 megawatt hours of certified green energy has been purchased from Northern European hydropower plants. This electricity is 100 percent climate neutral, including the upstream chains. The CO<sub>2</sub> emissions associated with electricity production are offset by certificates from climate protection projects. The transition made it possible to increase the share of renewable energies in total electricity consumption from 8.97 percent in the previous year to 78.44 percent in the 2017 financial year.



Energy efficiency also played a role in the construction of the new Berentzen Hof distillery: the cooling water incurred in the distillation process is subsequently used to heat up the mash tun as it still has a residual temperature of around 80 °C.

A new filling machine, a new bottle depalletiser and a cardboard box packer were installed in the spirits production at the Minden location over the course of 2016. The powerful filling machine significantly increased the filling capacity and also achieved an improvement in energy efficiency.

In Grüneberg, the steam boiler was modified by the installation of a new control unit and the installation of an economiser. A considerable boost to efficiency was achieved through the lowering of the pressure in the steam boiler made possible by this. Furthermore, a new blow moulding machine and two new service air compressors were installed in Haselünne.

### Outlook

As a matter of principle, the Berentzen Group strives towards boosting efficiency and minimising the quantity of raw material and energy required and the quantity of waste and waste water incurred. Electricity from fossil energy sources is now only being used for supplies to the administrative building and for fuelling our own production with the CHP. Further measures to increase energy efficiency are planned for the 2018 financial year; these include gradual conversion to LED lighting.

As part of energy management, internal targets have been set for the 2015-2025 period. These relate to reference values that differ from those chosen for sustainability reporting. In order to make the set targets more transparent in future, the plans are to review the target values over the course of the 2018 financial year and harmonise them with regard to the parameters chosen for reporting. These targets will then be likewise included in the reporting for the Sustainability Report for the 2018 financial year. The intention is to make preparation of the climate assessment likewise even more transparent in the following years and to extend it to include further sources of emissions.

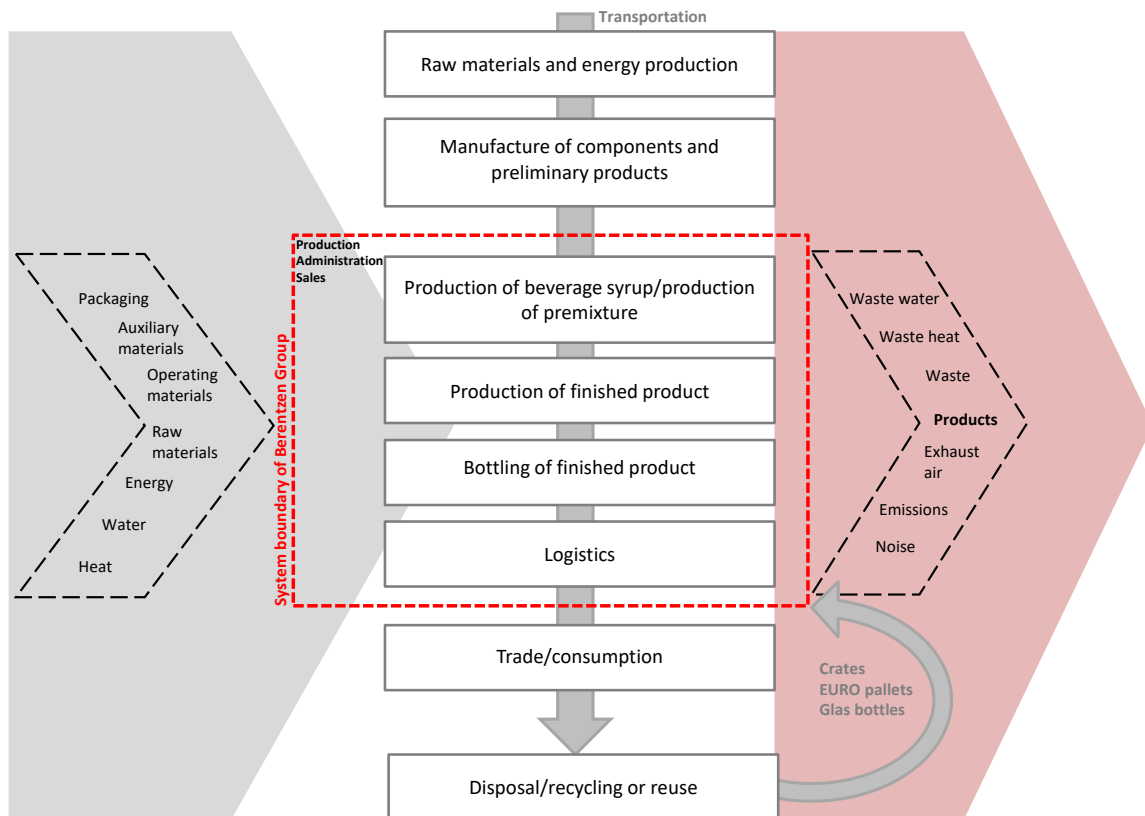
## **(6.2) Spirits and NAB value added chain**

The business activities of the Berentzen Group comprise both the production and distribution of spirits and non-alcoholic beverages (NAB) and the development and distribution of fresh juice systems. The system boundary for the purpose of sustainability reporting is the boundary of the plant at the respective production location. The distribution entities and the logistics location in Stadthagen are likewise included.

Individual stages of the value added chain of the products in the Spirits and NAB segments are performed at suppliers in upstream value added stages. The necessary components and preliminary products as well as auxiliary materials and packaging materials are produced here. A large portion of energy creation similarly takes place outside of the Group.

During the manufacture of finished products within the system boundary, and also in upstream stages, various types of waste and emissions are produced. These are either recycled, disposed of or released into the environment in the form of waste water, waste heat or exhaust air

### Spirits and NAB value added chain



Water forms the basis for the production of spirits and NAB. Heat and energy are mainly needed to power equipment and to transform the raw, auxiliary and operating materials into finished products.

Glass bottles to be filled with NAB and crates and pallets are generally part of a system of return and reuse. They are used in the circulation system and returned to circulation after use.

### (6.3) Input-output statement

The input-output statement documents the raw materials, auxiliary materials and packaging materials used in production and packaging the spirits and NAB. The goods received in the 2017 financial year as recorded in SAP are used as a basis. The figures used are purchase values; changes in inventories over the course of the year are not taken into consideration. These will be roughly balanced out in future by the use of a multi-year perspective.

Input	Quantity	Unit
<b>Raw materials</b>		
Herbs, spices	16.7	Metric tons
Oils	82.5	Litres
Aromas/concentrates/primary products	2,840.9	Metric tons
Sugar/sugar syrup	10,778.5	Metric tons
Distillates	21,734,247.1	Litres
Semi-finished products	980,670.6	Litres
Various raw materials	131.4	Metric tons
<b>Auxiliary materials</b>		
Nitrogen	67,068.2	Cubic metres
Carbon dioxide	2,083.8	Metric tons
Colourings	8.3	Metric tons
<b>Packaging materials</b>		
Paper labels	424,150.4	thousand units
Cardboard packaging	27,068.7	thousand units
Box stickers	8,387.0	thousand units
Film labels	229,224.0	thousand units
PET bottles	1,704.9	Metric tons
Shrink covers	604.7	thousand units
Stretch foil, unprinted	62.0	Metric tons
Stretch foil, printed	5,774.5	thousand metres
Other plastic packaging material	6,869.5	thousand units
Tin cans	22.6	thousand units
Plastic caps	150,234.8	thousand units
Metal caps	211,944.9	thousand units
Glass bottles	38,094.8	Metric tons
<b>Output</b>	<b>Quantity</b>	<b>Unit</b>
<b>Litres of finished product</b>	<b>227,780,566</b>	<b>Litres</b>
<b>Fillings</b>	<b>352,621,603</b>	<b>units</b>
Average quantity filled	0.65	litre/unit

As, in the case of fresh juice systems, the value creation is not part of the Company's business activities and T M P is a sales entity, the details only refer to the production of spirits and NAB. The output value of finished product in litres contains both the quantity of spirits produced as well as that of the NAB.

The input-output statement was prepared for the first time for the 2017 financial year, which means that no comparison to previous-year figures is possible. Initial conclusions as to the development of individual product groups can only be made when following financial years have been analysed.

Basically, many measures to reduce material input have already been implemented in past years. For example, transitioning card qualities from solid board to corrugated board to achieve lower surface weights brought about a significant reduction in material input.

#### Base year

2015 is used as the base year for sustainability reporting. The energy management system was introduced in 2016 and likewise refers to 2015 for the purpose of its targets.

For the purpose of comparability, the values for the base year included in this Sustainability Report are adjusted for the respective share of the Norden location that was closed down in 2015.

#### Comparability

A total of 227,780,566 litres of finished product was produced in the 2017 financial year. In terms of fillings, 352,621,603 bottles were filled with an average quantity filled of 0.65 litres. Due to the large number of products filled into different packaging units ranging from 0.02 litre for spirits through to kegs (reusable barrels) with 20 litres in the case of NAB, the reference value used for sustainability reporting is the quantity of finished product produced in litres.

The consumption data and the quantity of waste and waste water produced was determined taking into account the sales and administrative locations. While there is no direct link between the activities at these locations and the manufacture of the finished product in litres, the quantities consumed should not be left out of the calculation as no separate parameters are established for these activities. In principle, the proportion of the sales and administrative locations in the consumption data and the quantity of waste and waste water produced is not significant, however.

For the calculation of specific consumption (e.g., specific electricity consumption), the respective consumption is presented as a ratio of the total production volume <sup>9)</sup> expressed in litres or cubic metres <sup>10)</sup>. The average quantity filled must always likewise be taken into consideration, as statements on efficiency, if at all, can only be made taking into account both values. For example, efficiency can deteriorate while the production volume remains constant, if the average quantity filled falls. This is due to the higher energy consumption needed for the manufacture and processing of the packaging units and the larger number of filling processes. In addition, a fall in the quantity filled while production volume remains constant is generally associated with a higher level of material input for packaging and a higher level of waste produced.

The product mix has a further impact on the specific consumption data. For example, the filling of returnable bottles requires more heat than the filling of disposable bottles on account of the additional cleaning processes.

<sup>9)</sup> Exception: specific heating oil and natural gas consumption because only heating oil is used at the Minden location while all other locations use natural gas

<sup>10)</sup> 1 m<sup>3</sup> is equivalent to 1000 litres

The presentation of specific consumption data at group level is only of limited informative value due to the aforementioned particularities. Nevertheless, they do provide an impression of general developments throughout the corporate group as a whole. Location and segment-specific ratios that take account of further influencing factors are collected to review the development of consumption and to derive efficiency measures as part of energy management and internal sustainability monitoring system. These are of greater informative value but are too extensive, however, for presentation as part of sustainability reporting at Group level.

#### Production volume

	2017	2016	2015
<b>Litres</b>			
units	168,913,517	164,350,882	148,754,399
litre/unit	188,149,403	182,164,992	163,049,443
Durchschnittliche Füllmenge [l/Stück]	0.90	0.90	0.91
<b>Spirits</b>			
Litres of finished product [l]	58,867,049	59,292,479	54,701,144
Fillings [units]	164,472,200	184,273,555	156,715,803
Average quantity filled [l/unit]	0.36	0.32	0.35
<b>Total litres of finished product [l]</b>	<b>227,780,566</b>	<b>223,643,361</b>	<b>203,455,543</b>
<b>Average quantity filled [l/unit]</b>	<b>0.65</b>	<b>0.61</b>	<b>0.64</b>

With NAB, the average quantity filled has changed only slightly over the course of the last three years. At 0.90 litre per filling, it is significantly higher than the figure for spirits of 0.36 litre. In the area of spirits, the quantity filled demonstrates greater fluctuations – in 2016, this figure stood at 0.32 litre per filling and increased over the 2017 financial year to 0.36 litre per filling. This meant that the average quantity filled in both segments also increased from 0.61 litre (2016) to 0.65 litre (2017).

In comparison to the previous year, the 2017 financial year saw a slight increase in the production volume in litres, which can be attributed to an increase in the production volume of NAB.





### (6.3.1) Water

Responsible use of fresh water is a high priority for the Berentzen Group as a beverages producer. While there is no lack of water at the production locations, careful treatment of the springs and other sources of water owned by the Group does, however, keep the environmental impact to a minimum and secures the basis for the production of beverages in the long term.

Water and waste water meters are used to measure water consumption and the quantity of waste water produced at all locations. More than 99 percent of the water consumption and waste water produced throughout the Group is incurred directly in production. In the 2016 financial year, water consumption and the quantity of waste water produced increased on account of changes to water processing at the Haselünne and Grüneberg locations. The rinsing of new gravel filters before they were put into operation caused significantly higher consumption and a greater quantity of waste water produced.

	2017	2016	2015
Well water [m³]	294,903	304,825	276,825
Municipal water [m³]	236,148	241,672	207,109
<b>Total quantity of water withdrawn</b>	<b>531,050</b>	<b>546,498</b>	<b>483,934</b>
<b>Waste water [m³]</b>	<b>263,695</b>	<b>270,802</b>	<b>224,340</b>

The specific water consumption in litres per litre of finished product has decreased in comparison to the previous year from 2.44 (2016) to 2.33 litres (2017). The average amount of waste water produced has similarly fallen: in 2016, this figure still stood at 1.21 litres and fell in the 2017 financial year to 1.16 litres per litre of finished product.

	2017	2016	2015
<b>Water consumption per litre of finished product [l/l]</b>	<b>2.33</b>	<b>2.44</b>	<b>2.38</b>
<b>Waste water produced per litre of finished product [l/l]</b>	<b>1.16</b>	<b>1.21</b>	<b>1.10</b>
Average quantity filled [l/unit]	0.65	0.61	0.64

**(6.3.2) Waste**

The total amount of waste incurred by the Berentzen Group in the 2017 financial year stood at 3,290 metric tons. All in all, the amount of waste incurred has increased from 13.83 grams per litre of finished product (2016) to 14.44 grams (2017).

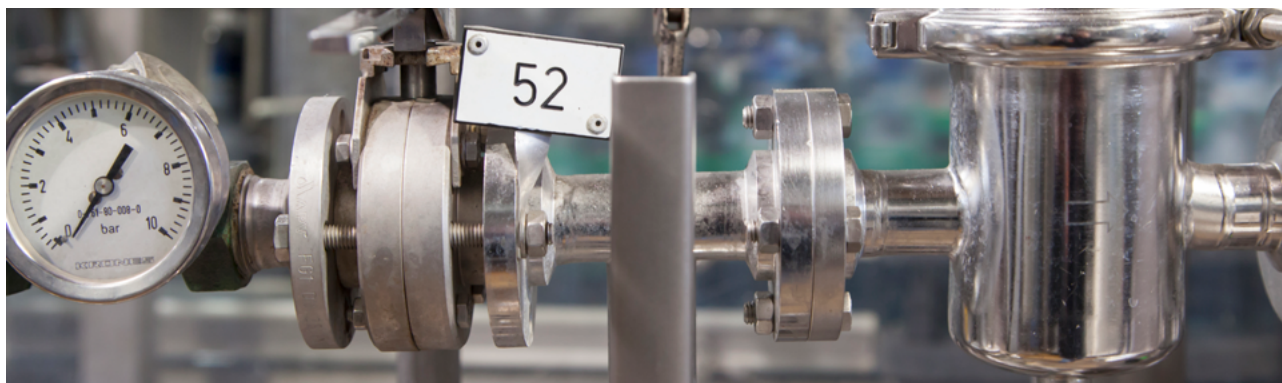
	2017	2016	2015
Glass waste [t]	1,483.3	1,366.1	1,250.7
Paper & card [t]	521.1	551.7	560.0
Plastic [t]	677.7	673.2	603.3
Metal [t]	125.7	114.3	139.2
Waste wood [t]	36.5	9.3	36.5
Compostable waste [t]	40.7	43.8	44.9
Hazardous waste [t]	6.4	11.3	3.4
Mixed residential waste and other waste [t]	398.6	322.4	308.0
<b>Total quantity of waste [t]</b>	<b>3,290.0</b>	<b>3,092.1</b>	<b>2,946.0</b>
<b>Waste produced per litre of finished product [g/l]</b>	<b>14.44</b>	<b>13.83</b>	<b>14.48</b>
Average quantity filled [l/unit]	0.65	0.61	0.64

In terms of quantity, there were severe changes in the total amount of glass waste and mixed residential waste. The greater amount of glass waste can be explained by the increase in the production quantity of NAB filled into reusable bottles. In this context, a portion of the bottles are rejected according to quality criteria and a corresponding portion of new bottles are put into circulation.

The quantity of hazardous waste that was already very small decreased by 5 metric tons in the 2017 financial year. The unusually large amount in 2016 was attributable to the fact that an old oil separator was taken out of operation at the Minden facilities. The oily slag it contained was disposed of which meant that there was a greater quantity of hazardous waste than usual.

	2017	Anteil
Reusable/ recyclable waste [t]	3,071.3	93.35%
Waste incineration [t]	212.3	6.45%
Hazardous waste [t]	6.4	0.19%

The proportion of recyclable waste within the Berentzen Group stood at 93.35 percent in the 2017 financial year.



### (6.3.3) Energy consumption

#### Fuel

The consumption of fuel rose in 2016 both in absolute and specific terms. This was due to much greater consumption by NAB production at the Haselünne location. This mainly arose from the higher proportion of reusable bottles and the increase in the quantities produced on the equipment for reusable PET bottles and reusable glass bottles. In the 2017 financial year, fuel consumption fell both in absolute and specific terms. In comparison to the base year 2015, fuel savings of 5.94 percent were achieved.

	2017	2016	2015
Fuel			
Natural gas [kWh]	16,383,521	17,607,390	15,186,172
Heating oil [kWh]	1,741,520	1,833,930	2,026,510
<b>specific fuel consumption [kWh/m<sup>3</sup>]</b>	<b>79.57</b>	<b>86.93</b>	<b>84.60</b>
<b>Comparison to base year 2015 [%]</b>	<b>-5.94%</b>	<b>2.75%</b>	<b>Base year</b>

#### Electricity

Electricity consumption increased in absolute terms in 2016 on account of the significant increase in production and fell slightly again in the 2017 financial year. Replacing equipment, exchanging motors, replacing fluorescent lights with LED illumination and using frequency controlled pumps and further measures made it possible to continually improve efficiency causing the specific electricity consumption to fall from 45.07 kilowatt hours per cubic metre of finished product (2016) to 44.17 kilowatt hours per cubic metre of finished product (2017). In the 2017 financial year, 3.24 percent less electricity was used per cubic metre of finished product than in the base year.

	2017	2016	2015
Electricity from fossil energy sources [kWh]	2,169,482	9,175,007	8,695,980
Electricity from renewable energies [kWh]	7,891,633	903,694	591,991
<b>Total electricity consumption [kWh]</b>	<b>10,061,115</b>	<b>10,078,701</b>	<b>9,287,972</b>
<b>Specific electricity consumption [kWh/m3]</b>	<b>44.17</b>	<b>45.07</b>	<b>45.65</b>
<b>Comparison to base year 2015 [%]</b>	<b>-3.24%</b>	<b>-1.28%</b>	<b>Base year</b>

### Total energy consumption

The total energy consumption at all locations of the Berentzen Group stood at 31,129,439 kilowatt hours in the 2017 financial year. This means that energy consumption rose in absolute terms but, due to the simultaneous rise in the production volume, the specific energy consumption fell by 6.81 percent in comparison to the base year (2015: 146.65 kilowatt hours per cubic metre of finished product) and stood at 136.66 kilowatt hours per cubic metre of finished product (2017).

	2017	2016	2015
Natural gas [kWh]	16,383,521	17,607,390	15,186,172
Heating oil [kWh]	1,741,520	1,833,930	2,026,510
Diesel [kWh]	2,850,347	2,928,675	3,216,146
Petrol [kWh]	42,936	66,958	72,496
Electricity [kWh]	10,061,115	10,078,701	9,287,972
District heating [kWh]	50,000	49,000	48,000
<b>Total energy consumption [kWh]</b>	<b>31,129,439</b>	<b>32,564,653</b>	<b>29,837,295</b>
<b>Specific energy consumption [kWh/m3]</b>	<b>136.66</b>	<b>145.61</b>	<b>146.65</b>
<b>Comparison to base year 2015 [%]</b>	<b>-6.81</b>	<b>-0.71</b>	<b>Basisjahr</b>

The proportion of energy from renewable sources stood at 25.39 percent in the 2017 financial year. In base year 2015, this figure had stood at 1.99 percent.

### (6.3.4) Company climate assessment

#### Basis for calculation

The climate impact was calculated for the first time in 2017 for the Sustainability Report. The calculation was made on the basis of the emission factors <sup>11)</sup> for base year 2017 and is based on the methodology of the Greenhouse Gas Protocol (GHGP) and its assessment specifications for Scopes 1–3. All emissions caused by the energy consumption throughout the group are covered.

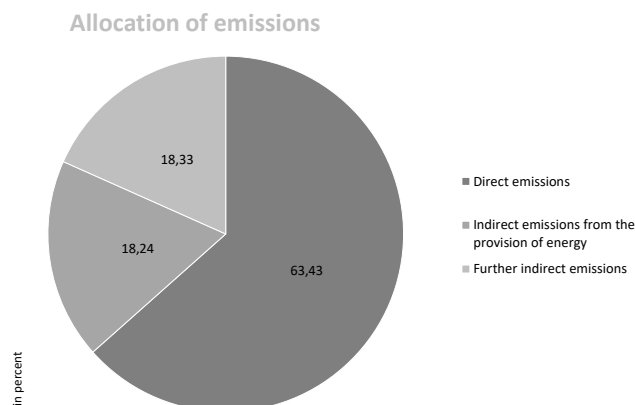
This includes the greenhouse emissions in Scope 1 caused by stationary combustion processes (natural gas and heating oil) and the company's vehicle fleet (diesel and petrol) incurred directly within the corporate group.

From Scope 2, the indirect emissions from the provision of energy from outside the corporate group (electricity and district heating) are covered. That part of the indirect emissions from Scope 3 stemming from the value added chain of fuels or production and provision of electricity are also included in the assessment.

Alongside CO<sub>2</sub>, all further greenhouse gases named by the Kyoto Protocol were taken into consideration and converted into CO<sub>2</sub> equivalents (CO<sub>2</sub>e).

#### Emissions in 2017

In 2017, the Berentzen Group caused a total of 6,587 metric tons of CO<sub>2</sub> equivalents due to energy consumption throughout the group. The specific emissions stood at 28.92 kilograms of CO<sub>2</sub> equivalents per cubic metre of finished product.



In this respect, the Scope 1 emissions are directly in the sphere of influence of the Berentzen Group, while the Scope 2 and 3 emissions can only be influenced by the choice of and consumption of energy sources.

<sup>11)</sup> The emissions factors and the global warming potential stem from the Fourth Assessment Report of the Intergovernmental Panel on Climate Change (IPCC).

A comparison with base year 2015 shows that the specific emissions have been reduced by at least 42.25 percent. In 2015, emissions of CO<sub>2</sub> equivalents came to around 10,189 metric tons, which corresponds to a specific emission value of 50.08 kilograms of CO<sub>2</sub> equivalents per cubic metre of finished product. The comparative calculation was likewise performed on the basis of the emission factors for reference year 2017. The emission factors change over time and decrease as a rule, so that it must be assumed that actual emissions were slightly higher.

	2017	2015
Emissions from heating [t CO <sub>2</sub> e]	4,271	4,090
Emissions from electricity [t CO <sub>2</sub> e]	1,416	5,076
Emissions from transportation [t CO <sub>2</sub> e]	900	1,023
<b>Total emissions [t CO<sub>2</sub>e]</b>	<b>6,587</b>	<b>10,189</b>
<b>Specific emissions [kg CO<sub>2</sub>e/m<sup>3</sup>]</b>	<b>28.92</b>	<b>50.08</b>
<b>Comparison to base year 2015 [%]</b>	<b>-42.25%</b>	

In comparison to base year 2015, savings of at least 3,602 metric tons <sup>12)</sup> of CO<sub>2</sub> equivalents were achieved in the 2017 financial year. The decrease was mainly achieved by the transition to renewable energies in the provision of electricity as the certified green energy, including the upstream chains, is 100 percent climate neutral.






<sup>12)</sup> Calculated on the basis of the emission factors for 2017.

## (7) Our sustainability targets

### (7.1) Targets in 2015-2017

Targets in the area of activity: Our staff		Measures	Status
Maintaining and/or boosting employee motivation and satisfaction		• Building up a company health promotion programme providing a corresponding range of events, workshops and further measures	●
		• Creation of the framework conditions for structured and documented talks with employees for a regular exchange of ideas between employees and executives	●
Boosting the attractiveness of the Berentzen Group as an employer in the regions of the locations		• Expanding internal communication measures relating to current topics and developments	●
		• Extending the corporate website to include a "Career" tab	●
Advanced training for employees and new recruits		• Introduction of standard training courses for advanced training and the personal development of employees over and above support for individuals	●
Targets in the area of activity: Responsible management		Measures	Status
Ensuring compliance and that there are up-to-date guidelines and guiding principles for all areas of the business		• Updating the Berentzen Code of Conduct	●
		• Development of a Marketing and Supplier Code of Conduct	●
		• Introduction and presentation of the Berentzen Codes at all locations	●
Compliance with quality and social standards		• Development of a three-stage plan to ensure compliance with human rights in the supply chain	●
		• Performance of a group-wide social audit	●
		• Confirmation of Berentzen's Supplier Code of Conduct by material commodity and packaging suppliers	●
		• Performance of regular follow-up audits (IFS, ISO 9001, ISO 50001)	●
		• Certification to obtain the "Geprüfte Qualität Romeis" seal	●
Increasing awareness of sustainability activities within the corporate group and among the general public		• Extending the corporate website to include a "Responsibility" tab	●
		• Preparation and publication of the first sustainability report according to an internationally recognised standard	●
		• Building up a system of indicators for reporting and sustainability monitoring system	●
Reduction in the sugar content of product recipes		• Reviewing and adjusting the recipes of "Berentzen Fruities"	●



Targets in the area of activity: Energy and resource management	Measures	Status
Compliance with environmental standards	<ul style="list-style-type: none"> <li>• Introduction and certification of an energy management system pursuant to ISO 50001 at all locations of the corporate group</li> <li>• Introduction of an environmental management system</li> </ul>	 
Reducing emissions	<ul style="list-style-type: none"> <li>• Transitioning electricity supplies at the production locations to a green electricity tariff</li> <li>• Converting lighting to use LEDs</li> </ul>	 
Reduction in the input of raw materials and energy as well as in water consumption and the production of waste and waste water	<ul style="list-style-type: none"> <li>• Recording ratios that reflect general developments within the corporate group as a whole</li> </ul>	

## (7.2) Targets in 2018-2019

Targets in the area of activity: Our staff	Measures
Maintaining and/or boosting employee motivation and satisfaction	<ul style="list-style-type: none"> <li>• Continuing and expanding the company health promotion programme</li> <li>• Implementation of structured talks with employees in all departments</li> </ul>
Boosting the attractiveness of the Berentzen Group as an employer in the regions of the locations	<ul style="list-style-type: none"> <li>• Introduction of a social intranet as a platform for exchanging information and ideas within the corporate group</li> <li>• Building up and implementing an employer branding strategy</li> <li>• Establishing a regular employee survey</li> </ul>
Advanced training for employees and new recruits	<ul style="list-style-type: none"> <li>• Expanding the range of training opportunities regularly on offer</li> <li>• Promoting training and development in all areas and systematic recording and evaluation of the measures</li> </ul>
Targets in the area of activity: Responsible management	Measures
Ensuring compliance and that there are up-to-date guidelines and guiding principles for all areas of the business	<ul style="list-style-type: none"> <li>• Confirmation of Berentzen's Supplier Code of Conduct by all material suppliers</li> </ul>
Compliance with quality and social standards	<ul style="list-style-type: none"> <li>• Performing the follow-up audit at the Linz location</li> <li>• Confirmation of Berentzen's Supplier Code of Conduct by further material groups of suppliers</li> <li>• Accession to the SEDEX supplier platform and networking with customers and suppliers</li> </ul>

Targets in the area of activity: Responsible management	Measures
	<ul style="list-style-type: none"> <li>• Creation of a risk profile and development of a more extensive audit concept for suppliers</li> </ul>
Increasing awareness of sustainability activities within the corporate group and among the general public	<ul style="list-style-type: none"> <li>• Refinement of the reporting and full coverage of the content required according to the DNK</li> </ul>
Strengthening social and cultural engagement	<ul style="list-style-type: none"> <li>• Expanding engagement in the regions of the locations by supporting further projects, initiatives or events</li> </ul>
Targets in the area of activity: Energy and resource management	Measures
Compliance with environmental standards	<ul style="list-style-type: none"> <li>• Preparation for and commencement of the introduction of the environmental management system</li> </ul>
Reducing emissions	<ul style="list-style-type: none"> <li>• Further continual increases in the proportion of energy from renewable sources</li> <li>• Ongoing conversion of lighting to use LEDs</li> </ul>
Reduction in the input of raw materials and energy as well as in water consumption and the production of waste and waste water	<ul style="list-style-type: none"> <li>• Adjusting the corporate objectives on the basis of the new indicators and presentation in the sustainability reporting as of 2018</li> <li>• Increasing transparency and reviewing the inclusion of further sources of emissions in the company climate assessment</li> </ul>

## (8) About this Sustainability Report

### (8.1) Data basis

A large portion of the data for this Sustainability Report was taken from the SAP ERP system. In this context, changes in inventories were generally not taken into consideration as an unreasonable amount of work would be required to obtain this information.

In the case of energy consumption, the quantities were established using metering records and invoices from the energy suppliers. In a few cases, the data was not yet available at the time of publication of this Report, for example the consumption figures for rented office space where settlement is not made until mid-year. In these cases, estimates were made on the basis of consumption figures for the previous year. These figures are adjusted retroactively in the database as soon as they are available. Significant changes to the figures disclosed in this Report are not expected.

To date, there is neither any obligation to publish a sustainability report nor to prepare a company climate assessment. The latter was generated for the first time for the 2017 Annual Report on the basis of the data available using a CO<sub>2</sub> calculator. No external review was made of the report or the results presented.

The electricity produced by the CHP was not included in the climate assessment nor was it credited as a measure to reduce emissions; on the other hand, the natural gas used for generation was fully included. Furthermore, the share of electricity that was fed into the electricity grid rather than being consumed within the corporate group was not deducted. To date, the climate assessment does not include the volatile greenhouse gas emissions from leaks and from filling air-conditioning systems that are considered relevant Scope 1 sources of greenhouse gases but it was not possible to fully calculate these figures retroactively from invoices. In order to be able to report the entire Scope 1 and 2 emissions in future, the scope and the transparency of the climate assessment will be extended and improved in places in the following years.

Over the coming years, a review will be performed as to whether the indicators stated are suitable for group-wide reporting on a permanent basis or whether individual indicators need to be adjusted and whether further, material indicators should to be included. As part of refining the reporting, it is possible that the method of data collection will change in places to improve the quality of the data. Wherever necessary, this will be reported at the corresponding place.

Indicators that are specified for reporting according to the DNK but are classified by the Berentzen Group as not being material have not been determined for this Sustainability Report and will also not be reported on in the future.

An overview of all indicators can be found in the following table.

**(8.2) DNK-Index**

DNK criterion/ GRI SRS indicator	Description	chapter (page)/ comment
<b>General</b>	Company name, logo, reporting year, set of performance indicators used, third-party audit, reporting obligation yes/no, contact Describe your business model (incl. business purpose, products/services)	Profile of the Corporate Group (p. 4 ff.)
<b>1. Strategic Analysis and Action</b>	The company declares whether or not it pursues a sustainability strategy. It explains what concrete measures it is undertaking to operate in compliance with key recognised sector-specific, national and international standards.	Strategy (p. 7)
<b>2. Materiality</b>	The company discloses the aspects of its business operations that have a significant impact on sustainability issues and what material impact sustainability issues have on its operations. It analyses the positive and negative effects and provides information as to how these insights are integrated into the company's processes.	Challenges in material areas of activity (p. 11 ff.)
<b>3. Objectives</b>	The company discloses what qualitative and/or quantitative as well as temporally defined sustainability goals have been set and operationalised and how their level of achievement is monitored.	Our sustainability targets (p. 49 ff.)
<b>4. Depth of the Value Chain</b>	The company states what significance aspects of sustainability have for added value and how deep in the value chain the sustainability criteria are verified.	Sustainability in the value added chain and the corporate environment (p. 21 ff.)
<b>5. Responsibility</b>	Accountability within the company's management with regard to sustainability is disclosed.	Organisation (p. 8)
<b>6. Rules and Processes</b>	The company discloses how the sustainability strategy is implemented in the operational business by way of rules and processes.	Strategy (p. 7) Management and control mechanisms (p. 28 f.)
<b>7. Control</b>	The company states how and what performance indicators related to sustainability are used in its regular internal planning and control processes. It discloses how suitable processes ensure reliability, comparability and consistency of the data used for internal management and external communication.	The indicators, mentioned in this sustainability report, are used for internal control as well. Data basis (p. 52)
<b>SRS-102-16</b>	Values, principles, standards, and norms of behavior.	The Berentzen Group Codes (p. 23 ff.)
<b>8. Incentive Schemes</b>	The company discloses how target agreements and remuneration schemes for executives and employees are also geared towards the achievement of sustainability goals and how they are aligned with long-term value creation. It discloses the extent to which the achievement of these goals forms part of the evaluation of the top managerial level (board/managing directors) conducted by the monitoring body (supervisory board/advisory board).	Remuneration (p. 18)
<b>SRS-102-35a</b>	Remuneration policies.	Remuneration (p. 18) Further information can be found on page 75 of the 2017 Annual Report.
<b>SRS-102-38</b>	Annual total compensation ratio.	Classified as not being material for the Berentzen Group.
<b>9. Stakeholder Engagement</b>	The company discloses how the socially and economically relevant stakeholders are identified and integrated into the sustainability process. It states whether and how an ongoing dialogue takes place with them and how the results are integrated into the sustainability process.	Dialogue (p. 8 ff.)

DNK criterion/ GRI SRS indicator	Description	chapter (page)/ comment
SRS-102-44	Key topics and concerns raised.	Dialogue (p. 8 ff.)
10. Innovation and Product Management	The company discloses how innovations in products and services are enhanced through suitable processes which improve sustainability with respect to the company's utilisation of resources and with regard to users. Likewise, a further statement is made with regard to if and how the current and future impact of the key products and services in the value chain and in the product life cycle are assessed.	Management and control mechanisms (p. 28 f.) Our ecological responsibility (p. 37 f.)
G4-FS11	Percentage of assets subject to positive and negative environmental or social screening.	Classified as not being material for the Berentzen Group.
11. Usage of Natural Resources	The company discloses the extent to which natural resources are used for the company's business activities. Possible options here are materials, the input and output of water, soil, waste, energy, land and biodiversity as well as emissions for the life cycles of products and services.	Input-output statement (p. 39 ff.)
12. Resource Management	The company discloses what qualitative and quantitative goals it has set itself with regard to its resource efficiency, in particular its use of renewables, the increase in raw material productivity and the reduction in the usage of ecosystem services, which measures and strategies it is pursuing to this end, how these are or will be achieved, and where it sees there to be risks.	Challenges in material areas of activity (p. 11 ff.) Our sustainability targets (p. 49 ff.)
SRS-301-1	Materials used by weight or volume.	Input-output statement (p. 39 ff.)
SRS-302-1	Energy consumption within the organisation.	Energy consumption (p. 45 f.)
SRS-302-4	Reduction of energy consumption.	Energy consumption (p. 45 f.)
SRS-303-1	Water withdrawal by source.	Water (p. 43)
SRS-306-2	Waste by type and disposal method.	Waste (p. 44)
13. Climate-Relevant Emissions	The company discloses the GHG emissions in accordance with the Greenhouse Gas (GHG) Protocol or standards based on it and states the goals it has set itself to reduce emissions, as well as its results thus far.	Company climate assessment (p. 47 f.)
SRS-305-1	Direct (Scope 1) GHG emissions.	Company climate assessment (p. 47 f.)
SRS-305-2	Energy indirect (Scope 2) GHG emissions.	Company climate assessment (p. 47 f.)

DNK criterion/ GRI SRS indicator	Description	chapter (page)/ comment
SRS-305-3	Other indirect (Scope 3) GHG emissions.	Company climate assessment (p. 47 f.)
SRS-305-5	Reduction of GHG emissions.	Company climate assessment (p. 47 f.)
14. Equal Opportunities	The company reports on how it complies with nationally and internationally recognised standards relating to employee rights as well as on how it fosters staff involvement in the company and in sustainability management, what goals it has set itself in this regard, what results it has achieved thus far and where it sees risks.	Employee rights (p. 20) Sedex Memembers Ethical Trade Audit (p. 22 f.)
15. Equal Opportunities	The company discloses in what way it has implemented national and international processes and what goals it has for the promotion of equal opportunities and diversity, occupational health and safety, participation rights, the integration of migrants and people with disabilities, fair pay as well as a work-life balance and how it will achieve these.	Dialogue (p. 8 ff.) Our staff (p. 14 ff.) Sustainability in the value added chain and the corporate environment (p. 21 ff.)
16. Qualifications	The company discloses what goals it has set and what measures it has taken to promote the employability of all employees, i.e. the ability of all employees to participate in the working and professional world, and in view of adapting to demographic change, and where risks are seen.	Our staff (p. 14 ff.)
SRS-403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities.	Employee-related ratio (p. 15 f.)
SRS-403-4	Health and safety topics covered in formal agreements with trade unions.	No formal agreements regarding health and safety topics with trade unions.
SRS-404-1	Average hours of training per year per employee.	This indicator is not being reported yet. It will be verified, if the indicator might be a key indicator in the future.
SRS-405-1	Diversity of governance bodies and employees.	Employee-related ratio (p. 15 f.) Further information can be found on page 40 of the 2017 Annual Report.
SRS-406-1	Incidents of discrimination and corrective actions taken.	No Incidents of discrimination in 2017.
17. Human Rights	The company discloses what measures it takes, strategies it pursues and targets it sets for itself and for the supply chain for ensuring that human rights are respected globally and that forced and child labour as well as all forms of exploitation are prevented. Information should also be provided on the results of the measures and on any relevant risks.	Three-stage plan (p. 26 ff.)

DNK criterion/ GRI SRS indicator	Description	chapter (page)/ comment
<b>SRS-412-3</b>	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening.	In 2017, there have been no significant investment agreements and contracts.
<b>SRS-412-1</b>	Operations that have been subject to human rights reviews or impact assessments.	Sedex Memembers Ethical Trade Audit (p. 22 f.) 4 out of 5 business locations have been reviewed, which corresponds to 8 percent.
<b>SRS-414-1</b>	New suppliers that were screened using social criteria.	Three-stage plan (p. 26 ff.) The compliance with the Berentzen supplier code of conduct is binding for all suppliers.
<b>SRS-414-2</b>	Negative social impacts in the supply chain and actions taken.	In 2017, no negative social impacts were identified in the supply chain .
<b>18. Corporate Citizenship</b>	The company discloses how it contributes to corporate citizenship in the regions in which it conducts its core business activities.	Social and cultural engagement (p. 32 f.)
<b>SRS-201-1</b>	Direct economic value generated and distributed.	This information can be found on page 122 of the 2017 Annual Report.
<b>19. Political Influence</b>	All significant input relating to legislative procedures, all entries in lobby lists, all significant payments of membership fees, all contributions to governments as well as all donations to political parties and politicians should be disclosed by country in a differentiated way.	No significant input relating to legislative procedures in 2017.
<b>SRS-415-1</b>	Political contributions.	No significant input relating to legislative procedures in 2017.
<b>20. Conduct that Complies with the Law and Policy</b>	The company discloses which measures, standards, systems and processes are in place to prevent unlawful conduct and, in particular, corruption, how they are verified, which results have been achieved to date and where it sees there to be risks. The company depicts how corruption and other contraventions in the company are prevented and exposed and what sanctions are imposed.	The Berentzen Group Codes (p. 23 ff.) Compliance (p. 31 ff.)
<b>SRS-205-1</b>	Operations assessed for risks related to corruption.	To date, there has been no assessment for risks related to corruption.
<b>SRS-205-3</b>	Confirmed incidents of corruption and actions taken.	No incidents of corruption identified in 2017.
<b>SRS-419-1</b>	Non-compliance with laws and regulations in the social and economic area.	No non-compliance with laws and regulations in 2017.



**(8.3) Abbreviations and units**

Abkürzung	Bedeutung
CHP	Combined heat and power plant
CO <sub>2</sub>	Carbon dioxide
CSR	Corporate Social Responsibility
DNK	Deutscher Nachhaltigkeitskodex (Sustainability Code)
EBIT	Earnings before interest and taxes
ETI	Ethical Trading Initiative
HACCP	Hazard Analysis and Critical Control Points
IFS	International Featured Standard
ILO	International Labour Organization
NAB	Nonalcoholic Beverages
NGO	Nongovernmental organization
SEDEX	Supplier Ethical Data Exchange
SMETA	Sedex Members Ethical Trade Audit
Q1	Quarter 1
Q3	Quarter 3

Einheit	Bedeutung
CO <sub>2</sub> e	Carbon dioxide equivalent
kg	Kilogram
kWh	Kilowatt hour
l	Liter
m <sup>3</sup>	Cubic meter
%	Percent

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