



Press release

"Net Zero Farming": DMK Group starts future project with pilot farms The aim: developing transferable concepts for further emission reduction in agriculture

Bremen, 08 November 2022. By joining the Science Based Target Initiative at the beginning of the year, DMK Group made its climate targets transparent and validated them. The company is already working on many aspects to achieve its goals: from adding vegan products to the portfolio, to reducing packaging waste and avoiding food waste, to extensive energy and water efficiency projects in the factories or the possible use of hydrogen in the trucks used for milk collection. Another relevant lever, however, are the farms. In addition to the agricultural climate check, which farmers can use to draw up their individual climate balance and identify potential for improvement, the DMK Group is now taking an important next step with several pilot farms, the so-called "DMK Net Zero Farms". The aim: implementing concepts to reduce emissions on these farms, testing them out and gaining insights. The next step is to identify ways to make these findings transferable to all farms.

According to current research, the entire German agricultural sector emits 65 million tons of CO₂e annually - that is 7.3% of the German greenhouse gas emissions. Within the framework of the European Green Deal, emissions from agriculture are to be reduced by 34% already by 2030. A necessary, albeit ambitious goal. At DMK Group, milk production accounts for around 80% of the company's total CO₂ footprint - hence, there is the greatest potential for action here. *"Climate change over the medium term represents the biggest challenge and at the same time the biggest responsibility for society, but also for us as a company and our farms. This makes clear: we need solutions for even more climate protection and sustainability in agriculture. As DMK Group, we want to continue fulfilling our responsibility with the findings from our pilot farms, making a significant contribution to emission reduction and to the future viability of the industry,"* says Dr Philipp Inderhees, Global Head of Corporate Strategy at DMK Group.

Collaboration as key

Because the climate challenges are this huge, they can only be solved together. For DMK, this also means learning from others and actively promoting collaboration across industry boundaries when it comes to net zero farming. *"It is very important to us to involve not only our farmers but also our customers directly in this project,"* says Inderhees.

DMK has set up the "Climate Think Tank" to provide project advice and support, bringing together experienced experts from science and practice as well as customers. Specialist advice is provided by the Thünen Institute of Business Administration, the Leibniz Institute of Agricultural Engineering and Bioeconomics, the plant breeding and biotechnology company KWS, the partner for digitalisation in milk production - FarmCHAMPs, as well as the animal nutrition specialist Josera, the agricultural trading company AGRAVIS and the management consultancy Gottwald&Klepsch. The project is supported by customer partner Mars Wrigley.

Climate-friendly pilot farms

Inderhees: *"In our strategy we have set ourselves the goal of reducing our greenhouse gas emissions by a further 20% along the entire value chain by 2030".* The vision of a "DMK Net Zero Farm" is new territory for all those involved, as there has been little practical experience in this field to date. In addition, the average CO₂ value per kilogram of milk at DMK farmers is already at a low level compared to the rest of the industry - so the further reduction of the footprint is ambitious. Together with its partners, the DMK Group wants to address the question of which site-specific options there are for reducing and offsetting remaining emissions on the pilot farms in order to bring the farms towards net zero. The aim is to develop practical concepts for the everyday life of farmers that also prove their economic worth. By the end of 2025, measures such as the use of feed additives to reduce methane,



humus storage in the soil or the cultivation of native protein crops will be tested and innovative approaches tried out in 3 DMK pilot farms. Prospectively, all farms are to benefit from the findings of the project and transferable concepts are to be developed.

About the DMK Group

Employing around 7,500 workers at more than 20 locations in Germany, the Netherlands and other international hubs, Germany's largest dairy cooperative processes milk into foodstuffs of the highest quality. The product portfolio ranges from cheese, dairy products and ingredients to baby food, ice cream, whey products and vegan products. Brands such as MILRAM, Oldenburger, Uniekaas, Alete and Humana have earned the trust of consumers at home and abroad, making the company an established player in its home markets and selected target markets around the globe. As one of the largest suppliers to the German food retail industry with a total revenue of 5.5 billion euros, the DMK Group is one of Europe's leading dairy companies.

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