

Sustainable Economies Due diLigence: good EXamples and the role of social dialogue

Project nr. 101126464

SUMMARY OF THE NATIONAL PEER LEARNING EVENT – GERMANY

11 July 2025

9.30 – 12.00

Online - Zoom

1. Focus of the peer learning event

The invitation to the peer learning was addressed to representatives of the companies in the case studies. In addition, employee representatives on supervisory boards in large companies were invited with the help of the Hans Böckler Foundation. In line with the target group, emphasis was placed on addressing the problems of employee representatives on supervisory boards and also works councils. Thirteen people participated in the online event. A total of 13 participants attended the online event.

2. Introduction

Hans-Gerd Nottenbohm explained that on February 26, 2025, the European Commission published a proposal for the Omnibus Regulation. The regulation is intended to consolidate the obligations of the CSRD, the Corporate Sustainability Due Diligence Directive (CSDDD), the Taxonomy Regulation, and the Sustainable Finance Disclosure Regulation (SFDR). The aim of the Omnibus Regulation is to reduce the bureaucratic burden for companies, especially SMEs. The European Parliament and the Council of the European Union will discuss the proposed regulation. Amendments are still possible during this process.

3. DMK group

Thomas Krause, Chairman of the General Works Council and member of the Supervisory Board of DMK GmbH, presents the company's sustainability efforts. DMK is the largest dairy cooperative in Germany. With around 6,800 employees, DMK processes milk into food products at more than 20 locations across Germany, the Netherlands, and other international hubs. The product range is diverse and includes cheese, dairy products, ingredients, vegan products, baby food, ice cream, and whey products. With a turnover of €5.1 billion, the DMK Group is one of Europe's leading dairy companies and one of the largest suppliers to the German food retail sector. More than 11,000 farmers and employees from a wide range of departments contribute to DMK's success. As a farmer-owned company, the cooperative structure is a core element of its identity. Food transformation plays an important role in the company's strategy.

An increasing number of consumers are paying attention to sustainability aspects such as regional production, animal welfare, climate protection, and the use of fair trade ingredients when shopping. Sustainability is a cross-cutting responsibility that involves various departments, including purchasing, agriculture, occupational safety,

environmental protection, energy management, and quality management. The aim is to enhance sustainability along the entire value chain, use resources efficiently, and implement holistic environmental protection measures in both production and retail. DMK is committed to reducing CO₂ emissions along the value chain by at least 20% by 2030 and has joined the “Science Based Targets” initiative.

With its “Net Zero Farm” future project, DMK is developing and piloting concepts for reducing emissions on farms. In the next phase, the company aims to make the knowledge gained transferable to all farms. Measures being tested include the use of feed additives to reduce methane, humus storage in soil, and the cultivation of native protein crops.

Employees have the opportunity to help shape the transformation process through the following bodies:

- Site Works Councils (BR)
- General Works Council (GBR)
- Economic Committee (WA)
- Group Works Council (KBR)
- Supervisory Board (SB)

All these committees work closely with the Food, Beverages and Catering Union (NGG).

4. Comprehensive overview about the three German case studies

Marie Markmann gave an overview of the three case studies:

Deutsches Milchkontor eG (DMK):

DMK has strategically anchored sustainability within its “**Vision 2030**” and is implementing it through a range of measures. These include promoting sustainable milk production via close cooperation with farmers, conducting carbon footprint checks, and piloting initiatives such as the “**Net Zero Farm**” project. Farmers are incentivized through the **Milkmaster** quality assurance program, and the company collaborates with external institutes and experts to strengthen its approach.

The company’s internal structure supports these efforts through its “**Corporate Strategy, Sustainability and Innovation**” department, which is responsible for implementing and further developing the sustainability strategy. Additionally, an ESG Officer and an ESG Committee—composed of employees from various departments—act as internal multipliers. Sustainability topics are also independently addressed within the specialist departments themselves.

As a cooperative, DMK places a **strong emphasis on shared responsibility and employee involvement**. Farmers, who are cooperative members, have long recognized the impact of climate change on agriculture and are calling for stronger climate action. Their involvement is ensured through active participation in committees, advisory services, regular information events, and idea competitions. At the operational level, there is regular exchange with company management, though no specific structures have been established for employee participation in ESG topics.

GLS Gemeinschaftsbank eG:

At GLS Bank, sustainability is not treated as a separate strategy but is fully integrated into the **overall business strategy**. Sustainability targets are set at the bank-wide level, including goals for lending volume and improvements to key performance indicators. The bank uses “**images of the future**” in six areas—such as housing, education, and nutrition—to guide its vision and define the strategic direction for financing decisions. Impact targets specify the expected contributions of financing projects, while impact indicators operationalize the vision by defining key conditions that must be met to achieve these targets. These tools enable concrete evaluation of funded projects and companies.

Investment and financing decisions are guided by clear positive and exclusion criteria. **The GLS Investment Committee** decides on the inclusion of financial instruments in the bank's investment universe, while a “Pre-Approval of Loan Content” committee handles financing requests that may involve conflicts of interest.

GLS Bank’s cooperative concept is built on the idea of promoting its members economically, socially, legally, and culturally—rather than generating profit. Members serve as a corrective to ensure alignment with cooperative values, and the organization uses money as a means of enabling positive social outcomes. Although there is no formal or dedicated ESG department, quarterly risk reports serve a communicative function within the organization. Identified risks are passed along to relevant departments, which then adapt sustainability targets or processes as needed.

AGRAVIS AG:

Sustainability at AGRAVIS is also embedded in **the corporate strategy**, with a strong focus on climate protection, environmental stewardship, biodiversity, employee well-being, and sustainable procurement. Emissions are addressed both internally (Scope 1 and 2) and externally (Scope 3), with the latter primarily originating along the supply and value chain. In 2024, AGRAVIS reported 60.4 million kg CO₂ equivalent for Scope 1 and 2 emissions, based on the GHG Protocol. Energy efficiency and the expansion of renewable energy—particularly photovoltaic systems—are key priorities, especially in animal feed production facilities.

Scope 3 emissions, which include raw materials and transportation, are acknowledged as critical but have not yet been quantified. In 2024, AGRAVIS launched its own “**Sustainable Procurement**” platform to evaluate over 31,000 suppliers using a risk-based approach, resulting in 493 detailed ratings that year. The company also provides CO₂ calculation tools for agricultural businesses and engages in partnerships such as CO₂-reduced wheat cultivation, offering farm-level accounting and advisory services.

AGRAVIS embraces a **strong cooperative spirit**, with a commitment to long-term, collaborative, and responsible development. It is well-integrated into cooperative structures and actively promotes innovation through employee involvement campaigns, further reinforcing its cooperative identity and participatory culture.

5. Position of the trade union concerning the regulative frame work

Walter Voigt of IG Metall criticized the newly proposed European Omnibus Regulation, arguing that it weakens the scope of the Corporate Sustainability Reporting Directive (CSRD). Under the new proposal, only companies exceeding the following thresholds would be required to report:

- 1,000 employees, and
- €50 million in annual turnover, or
- a balance sheet total of €25 million.

Additionally, the deadlines for the second and third wave of companies subject to reporting requirements would be postponed from 2026 and 2027 to 2028.

The voluntary VSME standard is intended to serve as the foundation for a new voluntary reporting standard. This aims to make it easier for non-reporting SMEs within supply chains to collect and share the information required by reporting companies. The proposed changes seek to reduce the so-called “trickle-down effect” by ensuring that SMEs only need to provide the information required under the voluntary standard.

6. Discussion about the motivation and opportunities among employees in enterprises

The discussion focused on the question how can trade union motivate employee representatives to make their jobs secure through more sustainability in enterprises.

7. Conclusion

The peer learning event provided valuable insights into how sustainability and due diligence practices can be effectively integrated at company level, and highlighted the essential role of social dialogue and employee participation in shaping a just and future-oriented transition.