

SUSTAINABILITY*

Company

Foundations of the group

The foundations of the group and information about its management and corporate structure are described in detail in the section “Foundations of the group” on pages 26–29.

Employees

Information about employees can be found in the section “Employees” on pages 48–52.

Strategy and governance

Sustainability strategy

Ensuring the well-being of current and future generations through sustainable business activity is a central element of CropEnergies’ corporate strategy. CropEnergies has therefore pressed further ahead with the development of its sustainability strategy. As part of its strategy development, it is focusing on objectives and measures that are in accord with the vision of an economically and ecologically sustainable company that acts in a socially responsible manner. The aim is to embed sustainability at all levels throughout the company.

CropEnergies is also actively involved in the Südzucker Group’s strategy development. For eight strategic spheres of activity, targets, measures and indicators for measuring the degree of target achievement are being worked out and implemented throughout the group.

In further developing the sustainability strategy, the executive board has introduced even further steps to promote the company’s transparency and sustainable networking. In the 2022/23 financial year, CropEnergies disclosed information to the Carbon Disclosure Project (CDP) and joined the United Nations (UN) Global Compact. By participating in the UN Global Compact, CropEnergies has also committed to the so-called Sustainable Development Goals (SDGs).

The following seven (of a total of seventeen) SDGs have been identified by the executive board and an internal working group according to the principles of relevance and effectiveness for CropEnergies. Further fields of action may be derived from the SDGs in the current strategy development process.

Scope 1 & 2 and 3 emissions	Work safety	Diversity	Sustainable sourcing
Water	Circular economy	Employee satisfaction	Health and nutrition

* The Sustainability section is not part of the independent auditor’s mandate.

SDG	CropEnergies target contributions		
	Gender equality	Achieving gender equality and empowering all women and girls	<ul style="list-style-type: none"> • Diversity concepts for Executive Board & Supervisory Board; “Empowering Women” programme for the targeted promotion and better networking of women in leadership positions
	Affordable and clean energy	Ensure access to affordable, reliable, sustainable and modern energy for all	<ul style="list-style-type: none"> • Investments and further developments, e.g., in the field of renewable energies and second-generation renewable fuels, eFuels, green electricity and green hydrogen
	Decent work and economic growth	Promote sustained, broad-based and sustainable economic growth, full and productive employment and decent work for all	<ul style="list-style-type: none"> • Collective agreements, Supplier Code of Conduct, Supplier and Site Risk Analysis, Supplier Ethical Data Exchanges (SEDEX) Membership • Shaping a work culture that actively promotes safe behaviour and ensuring safe production facilities and working conditions
	Industry, innovation and infrastructure	Build resilient infrastructure, promote widespread and sustainable industrialisation and support innovation	<ul style="list-style-type: none"> • Circular economy and implementation of the “innovation from biomass” strategy as integral elements of the CropEnergies Group • Diversification strategy into areas such as biochemicals or advanced fuels
	Responsible consumption and production	Ensure sustainable consumption and production patterns	<ul style="list-style-type: none"> • Reduction of resource requirements through the fullest possible use of raw materials • Procurement of biomass in compliance with high quality and sustainability requirements and from predominantly regional sources • Alternative raw materials and continuous improvement of energy efficiency in production • Efficient implementation and execution of management systems (environment, energy and quality)
	Climate action	Take urgent action to combat climate change and its impacts	<ul style="list-style-type: none"> • Continuous improvement of business activities with regard to their environmental and climate impact • Continuous optimisation of the energy efficiency of production processes • Greenhouse gas reduction targets, renewable fuel production and biomass-based chemicals that reduce the use of fossil raw materials
	Partnerships for the goals	Strengthen means of implementation and breathe new life into the Global Partnership for Sustainable Development	<ul style="list-style-type: none"> • Respecting the interests of all key stakeholders • Maintain long-term partnerships, e.g. with raw material suppliers and customers • Networks and initiatives: UN Global Compact, SBTi, Ecovadis, CDP, Renewable Carbon Initiative, Sustainable Agriculture Initiative

(Source: UN Global Compact)

Structure and organisation

The Chief Technology Officer has overall responsibility for sustainability. The sustainability department co-ordinates the development of the sustainability strategy and handling of group-wide sustainability issues. Content and implementation processes are initially designed on a cross-divisional and cross-site basis and subsequently implemented at a local level. The CropEnergies executive board is informed about sustainability issues at regular intervals and is involved in the strategy process in a steering capacity. It informs supervisory board and audit committee about strategic and legal developments pertaining to sustainability.

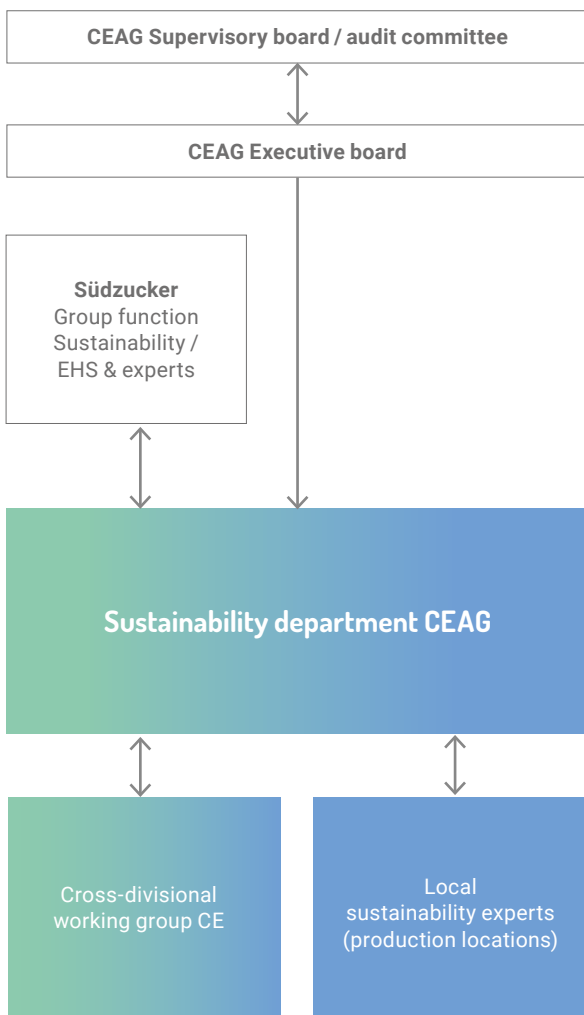
EU taxonomy

The EU taxonomy (EU sustainable finance taxonomy) is a classification system for defining sustainable economic activities. The European Commission’s aim is to redirect financial flows into sustainable activities so that private investments also make a contribution to the European Green Deal.

Up to now, technical screening criteria, according to which relevant economic activities can be evaluated in respect of their substantial contribution to the environmental objectives, have been defined, in delegated acts, for two of the altogether six environmental objectives.

Sustainability reporting in relation to the EU Taxonomy Regulation is not yet mandatory for CropEnergies. According to the draft Corporate Sustainability Reporting Directive (CSRD), wider obligations in the context of sustainability reporting and hence in the EU taxonomy are expected to apply to CropEnergies from the 2025/26 financial year onwards. CropEnergies has nevertheless opted to publish figures on taxonomy eligibility and taxonomy alignment on a voluntary basis.

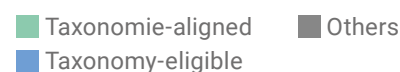
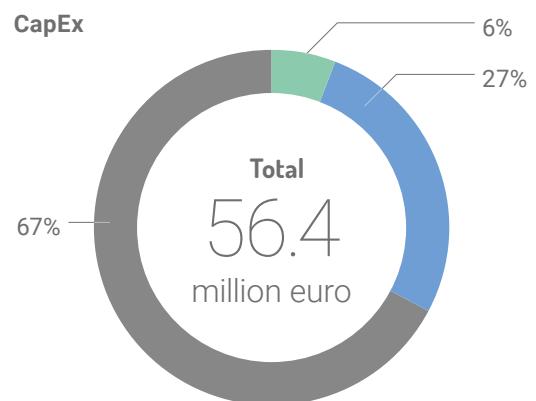
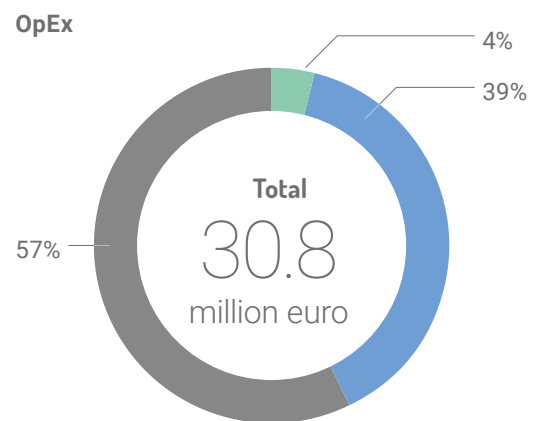
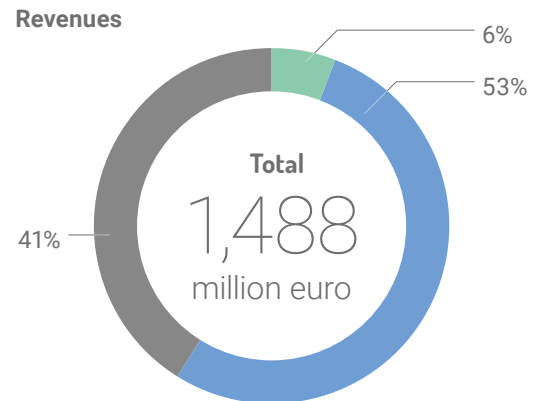
Taxonomy-aligned activities accounted for 6.1% of revenues, 3.9% of operating expenses (OpEx) and 5.5% of investments in the reporting year. These activities comprised exclusively the manufacture of residue-based fuel ethanol (economic activity 4.13 in accordance with the EU Taxonomy Regulation). With regard to the taxonomy-aligned activities from residue-based fuel ethanol, the review of the contribution to climate change mitigation and the harm caused to other environmental objectives was carried out in accordance with the technical screening criteria. Checks were then performed to determine whether significant harm had been caused to other environmental objectives. The checks involved analysing climate risks using a climate change scenario analysis, among other things. Assurance that no significant harm was caused to the environmental objectives of water protection, pollution control and protection of biodiversity was provided on the basis of plant-specific queries. Lastly, the criteria for the minimum social safeguards were reviewed for the entire group on a cross-activity basis.



In addition, taxonomy-eligible activities accounted for 52.9% of revenues, 39.3% of operating expenses (OpEx) and 27.1% of investments. These activities mainly comprised the manufacture of fuel ethanol from agricultural raw materials (economic activity 4.13 in accordance with the EU Taxonomy Regulation).

The relatively small proportion of taxonomy-aligned revenues, operating expenses and investments results from the technical screening criteria for biofuels specified by the EU in the Taxonomy Regulation, which classify only residue-based biofuels as ecologically sustainable. In this respect, the EU Taxonomy Regulation fails to recognise the important contribution that biofuels from arable crops are making to climate protection even today. For example, sustainably produced ethanol saved more than 10 million tonnes of CO₂ equivalents in the EU in 2021. The EU Taxonomy Regulation also ignores the fact that every cubic metre of ethanol produced needs to have been certified as sustainable for many years now as part of the strict requirements set out in the Renewable Energy Directive, likewise an EU regulation.

From CropEnergies' perspective, it is also incomprehensible why an investment of € 50 million in the second biomass boiler at the Wanze site is classified as non-sustainable according to the EU Taxonomy Regulation while, at the same time, operating nuclear and gas-fired power plants is recognised as sustainable under certain conditions.



External assessments

CropEnergies is participating in the Carbon Disclosure Project (CDP). Unlike in previous years, the CropEnergies Group's data were disclosed independently for the first time in this financial year and not exclusively within the Südzucker Group network. The CDP questionnaires on climate and forests have been answered. As this year was CropEnergies' first disclosure, CDP did not score the company. However, it will do so in 2023.

The Südzucker Group's sustainability management was awarded a silver medal by EcoVadis. Ryssen Alcools SAS was again awarded gold status.

The Südzucker Group has committed to participating in the Science-Based Target initiative (SBTi) and the 1.5 target. The identification of concrete science-based corporate targets consistent with the 2015 Paris Climate Agreement is at the core of the internationally recognised initiative. The submitted group targets for reducing Scope 1, 2 and 3 emissions have been reviewed and accepted by SBTi.

In addition to credit ratings, sustainability ratings are gaining in importance for capital market participants. CropEnergies was able to confirm Prime status (C+) in the ISS ESG Corporate Rating. In addition, the rating agency MSCI recently raised its assessment for CropEnergies from "BB" to "BBB".

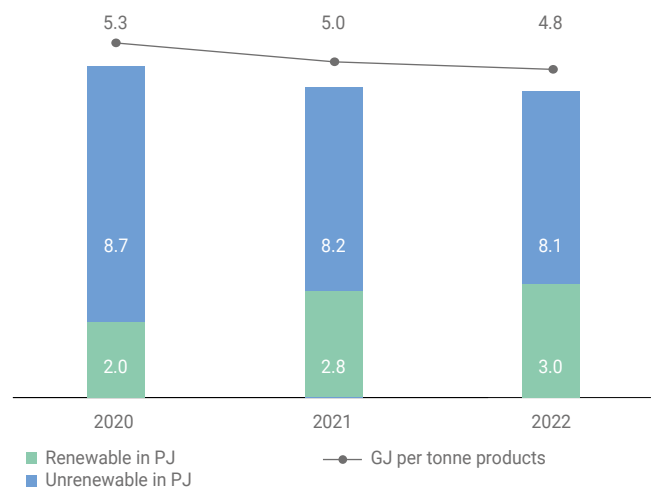
Environment and climate

Energy

CropEnergies' production stands out for its efficient processes and modern energy supply plants. Specific energy use depends not only on process management and applied technologies, but also, among other things, on the type and quality of the raw materials used.

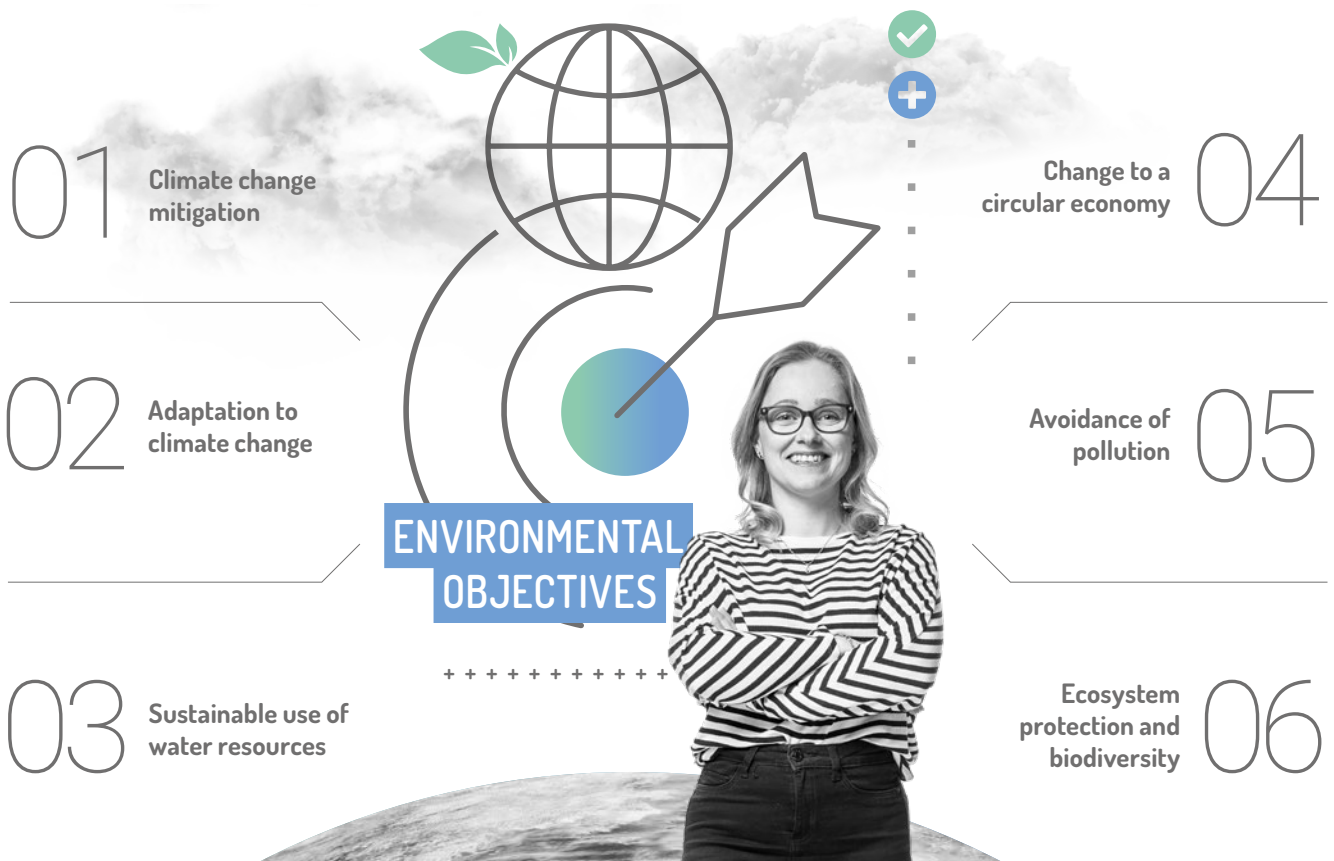
The requirements arising from the Energy Efficiency Directive (EED) have been implemented at all CropEnergies' production sites as well as in administration. A certification in accordance with ISO 50001 was performed at CropEnergies Bioethanol in Zeitz. Furthermore, an audit in accordance with ESOS (Energy Savings Opportunity Scheme) was carried out at Ensus UK Ltd in Wilton. The biorefinery in Wanze is participating in a voluntary, industry-specific agreement to improve energy efficiency ("Accords de branche de deuxième génération"). Energy audits in accordance with EN 16247 were successfully conducted for Ryssen Alcools SAS in Loon-Plage and for the administration in Mannheim.

Energy use (direct and indirect)



In 2022, 11.1 PJ* of energy were used for the processes, with the proportion of renewable energy being 27%. The specific energy requirement was 4.8 GJ per tonne of products (see figure).

* 1 petajoule (PJ) = 10¹⁵ joules (equivalent to around 278 million kWh)



At BioWanze, a large part of the thermal and electrical process energy required is produced from the husks of the wheat grain. At the beginning of 2023, a further milestone in the abandonment of fossil energy sources was achieved through the completion of the second biomass boiler in Wanze. The plant has been tested since the beginning of 2023 and is due to go into regular operation by the end of the year. The required process steam at Ensus in Wilton, around half of which comes from a plant for recovering energy from household wastes, is sourced externally.

Ryssen Alcools in Loon-Plage obtains energy from a neighbouring industrial plant's waste heat.

At the site in Zeitz, CropEnergies has started to phase out coal and, in 2022, already covered around 25% of the required process heat through natural gas. Coal is to be completely dispensed with at the site by the year 2030.

Overall, CropEnergies will gradually further reduce the consumption of fossil fuels at all its sites over the next few years.

Emissions

Scope 1 and Scope 2 emissions comprise all direct emissions as well as indirect emissions from energy use. Scope 3 emissions comprise all other indirect emissions in the upstream and downstream supply chain.

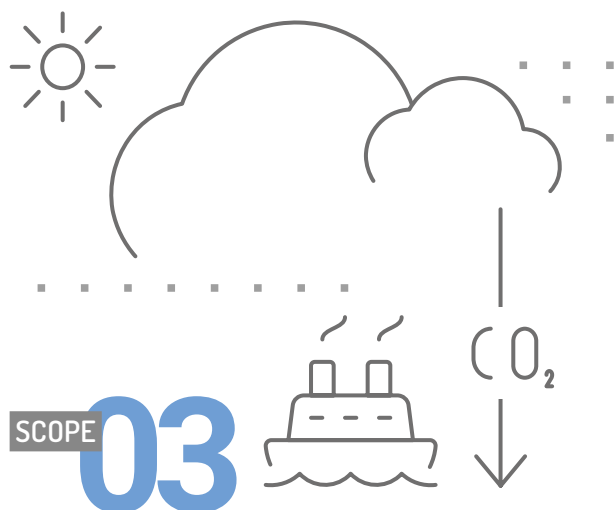
Classification of emissions



Direct emissions from own sources
 Examples: own CHP generation, production process



Indirect emissions from purchased energy
 Examples: purchased thermal and electric energy



All other indirect emissions in the value chain

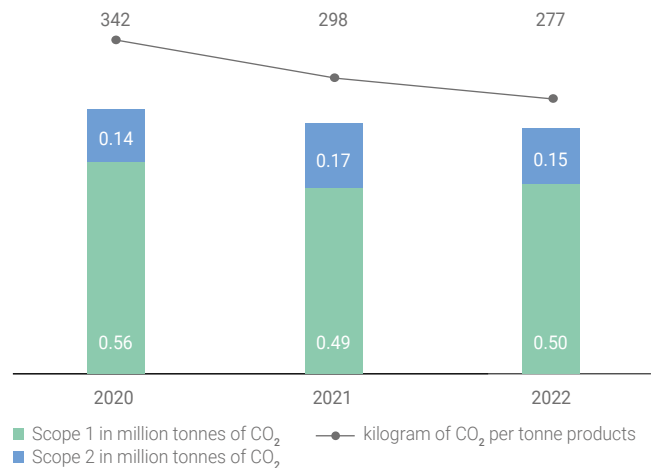
Examples Upstream:
 raw material supply,
 transport, auxiliary
 materials

Examples Downstream:
 use of products sold,
 transport

Scope 1 and 2 emissions

The amount of CO₂ emissions depends on both the total energy demand and the fuel and energy mix. The absolute Scope 1 and 2 emissions in 2022 amounted to 0.65 million tonnes of CO₂ and are roughly at the previous year's level. The specific emissions per product tonne have fallen by 7 %.

Scope 1 and 2 CO₂ emissions



Scope 3 emissions

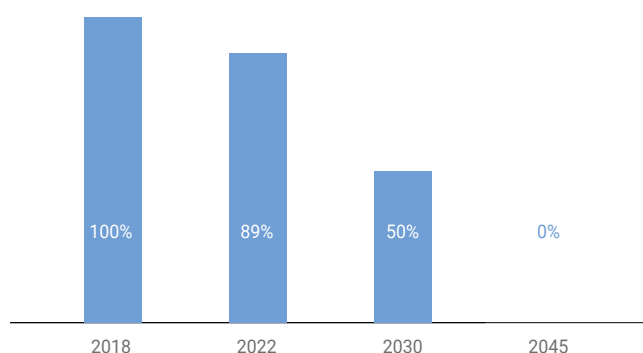
With regard to Scope 3 emissions, the upstream activities in raw material cultivation and transport are particularly relevant to CropEnergies. Downstream transport processes as well as packaging are not significant, as the products are mainly loaded loosely onto ships, trains or lorries. Disposal of the products (end-of-life emissions) is not relevant.

A considerably positive influence is to be found in the downstream activities, particularly in the use of the sold fuel ethanol. The fuel ethanol produced by CropEnergies saved Scope 3 emissions amounting to 1.3 million tonnes of CO₂ in the transport sector in 2022. The biogenic carbon dioxide produced during fermentation is collected, cleaned and liquefied at the production sites in Zeitz, Wanze and Wilton. In 2022, CropEnergies' biogenic carbon dioxide replaced more than 240,000 tonnes of fossil CO₂ in the beverage industry, among others.

Climate neutrality 2045

CropEnergies aims to have climate-neutral production by the year 2045. The first milestone is the reduction, by 2030, of direct and indirect emissions (Scope 1 and 2) from production by 50% compared with 2018. A group-wide expert group plans and evaluates concrete measures for achieving targets and reducing process emissions.

Scope 1 and 2 CO₂ emissions in %



The intended measures can be grouped into three main categories:

- improvement in energy efficiency,
- technological advance and
- replacement of fossil energy sources by renewable ones.

While a further improvement in the energy efficiency of the production plants using currently existing technologies is possible only to a limited extent, the use of alternative energy sources like sun, wind and biomass offers greater potential for reducing emissions. CropEnergies is examining concrete projects for using solar and wind energy at various sites. The commissioning of the biomass boiler at the Wanze site already achieved an important milestone on the path to renewable process energy for CropEnergies' biorefineries.

Biodiversity

CropEnergies predominantly procures raw materials of European origin, thereby avoiding land use changes in, say, tropical rain forests with high biological diversity. Agricultural raw materials from the EU also fulfil the principles of cross-compliance applicable to agricultural production with the corresponding requirements for agriculture, based, among other things, on the Habitats Directive and its protected sites as well as the Wild Birds Directive.

The biomass used by CropEnergies is also subject to strict statutory regulations to ensure the sustainability of the raw materials for fuel production. These regulations include the protection of moors and primary forests with a view to safeguarding biological diversity and natural carbon reservoirs.

As a participant in the Carbon Disclosure Project (CDP), CropEnergies supports deforestation-free supply chains and will also develop concrete management approaches as part of its own sustainability strategy.

The protection of biological diversity and threatened species is being taken into account in project planning. In terms of the development of the solar parks, CropEnergies and its partner, East Energy, are, for example, focusing on the standards of the "Good Planning" commitment of the Bundesverband Neue Energiewirtschaft. This includes the commitment to land use and to integration into the landscape as well as the commitment to increasing species diversity.

Selection of local projects for preserving biological diversity at the existing sites:

Belgium

- Planting domestic tree species in the vicinity of the production plant in Natura 2000 protected sites
- Planting near-natural hedges along the waste water treatment plant

France

- Project for protecting orchids on the factory premises
- Settlement of beehives

Climate risks and adaptation to climate change

The opportunities and risks for CropEnergies are described in detail in the section “Risk and opportunities report” on pages 75–87.

A climate change scenario analysis was conducted for the CropEnergies’ Group’s four production sites in the 2022/23 financial year. The aim was to determine the physical climate risk for each site. The SSP1-2.6 and SSP5-8.5 scenarios recommended by the Intergovernmental Panel on Climate Change (IPCC) were used. The actual conditions as well as an optimistic and pessimistic scenario were analysed up to 2040 and 2060 in each case. The analysis is in line with the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) in the relevant areas.

The following climate-related risks were classified as relevant for the group: heat waves, storms, forest and wild fires, droughts, water shortage as well as floods and rising sea levels. Data regarding the exposure of, and possible damage to, the production sites were gathered by means of standardised questionnaires, which then provided the basis for assessing the sites’ potential physical climate risk. The next steps will be derived on the basis of this initial analysis.

Circular economy

CropEnergies’ aim is to further develop the established circular economy in all of its biorefineries. For example, it aims continually and systematically to minimise resource requirements, energy and water use as well as the input of harmful substances and wastes into the environment whilst observing the highest quality standards. What is essential here is the fullest possible utilisation of the deployed biomass and the closing of energy and material cycles.

Additional potential in terms of careful and efficient use of resources is realised by means of integration into the Südzucker Group’s network of sites. For example, a broad product portfolio including sugar, molasses, sugar beet pulp, calcium fertiliser, glucose, gluten, bran, fuel ethanol, technical alcohol, neutral alcohol, liquid and dried protein animal feed as well as biogenic carbon dioxide is being produced from sugar beet and grain in a total of five production plants in Zeitz.

Water

CropEnergies aims to manage water resources sustainably by reducing fresh water requirements in its production facilities by means of its recycling concept. The water withdrawn is mainly surface water and is usually sourced from adjoining rivers.

To treat the waste water from production, CropEnergies operates biological industrial sewage treatment plants that have both aerobic and anaerobic units, at most of its sites. In the case of the anaerobic units, the biogas arising is used to generate energy. The water that has been cleaned is returned to neighbouring rivers. The remaining quantity of waste water is discharged into third-party waste water treatment plants or urban sewage plants, which means that environmentally responsible treatment is always ensured.

Water withdrawal and return

(information in million m³)

	2020	2021	2022
Surface water	5.6	6.3	6.6
Ground water	0.4	0.2	0.1
Water supplier	0.5	0.7	1.2
Water withdrawal	6.5	7.2	7.9
Water return	5.8	6.6	6.0

Strictly speaking, the difference between the withdrawn and the discharged water does not represent consumption of water, as it remains in the natural water cycle. This is mainly water that, for example, is released into the atmosphere via cooling or drying processes or is contained in the product.

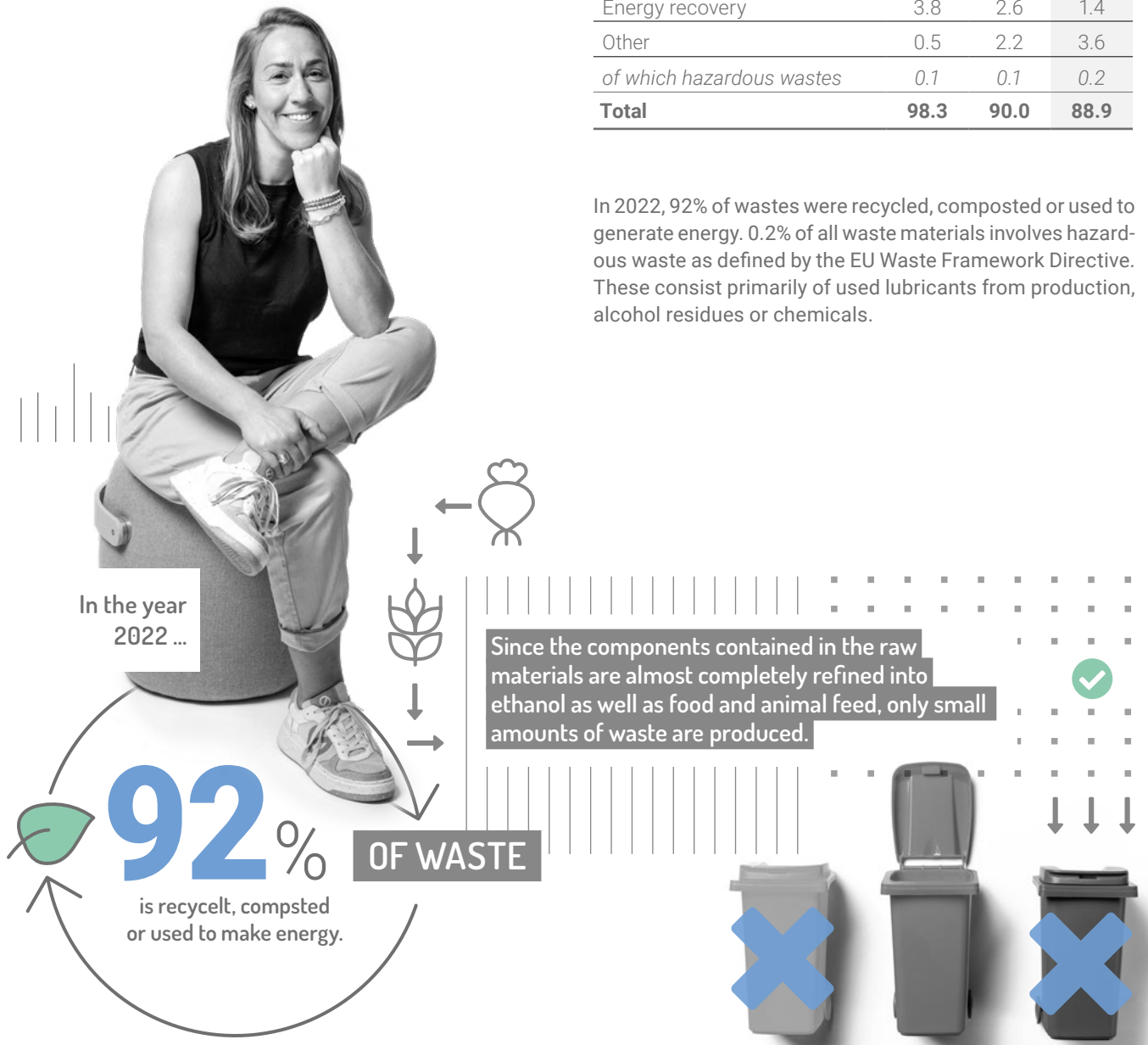
Waste

As the components contained in the raw materials are almost completely refined into ethanol and protein-rich products, very little waste quantities are generated. Where wastes cannot be avoided, CropEnergies aims to achieve a high recycling and recovery rate in accordance with sustainability and resource conservation.

Wastes for re-use and disposal
(information in 1,000 tonnes)

	2020	2021	2022
Recycling	81.4	72.0	73.9
Composting	7.8	5.6	7.0
Landfilling	4.8	7.5	2.9
Energy recovery	3.8	2.6	1.4
Other	0.5	2.2	3.6
<i>of which hazardous wastes</i>	<i>0.1</i>	<i>0.1</i>	<i>0.2</i>
Total	98.3	90.0	88.9

In 2022, 92% of wastes were recycled, composted or used to generate energy. 0.2% of all waste materials involves hazardous waste as defined by the EU Waste Framework Directive. These consist primarily of used lubricants from production, alcohol residues or chemicals.



Supply chains and products

Raw materials

CropEnergies' sustainability activities begin as early as the upstream stages of the value chain, particularly in respect of the procurement of raw materials. CropEnergies' biorefineries use only agricultural raw materials of European origin that are preferably procured close to the respective site. CropEnergies has set itself the target of sourcing 95% of raw materials from Europe and 75% from within a radius of 250 km.

Agricultural raw materials from the EU fulfil the principles of cross-compliance applicable to agricultural production with the corresponding requirements for agriculture. The sustainability criteria for raw materials for the production of biofuels go beyond the cross-compliance requirements (see the section "Biodiversity"). In order to guarantee this, all interfaces involved in production are regularly audited by independent experts and certified in accordance with certification systems recognised by the EU. Compliance with the sustainability criteria is laid down in the contracts with raw material suppliers.

Apart from agricultural raw materials, CropEnergies also processes residues into renewable fuel. In the past financial year, this made up 9% of the ethanol sold in the transport sector. The quantity of ethanol manufactured from residues is to be gradually increased in the next few years.

Supplier assessment

Raw materials, goods and services are purchased by the CropEnergies Group in accordance with ecological, economic and social criteria.

The code of conduct for suppliers, which specifies guidelines for sustainable procurement and defines the environmental, labour and social standards to be met, is part of the tendering procedures and contract negotiations with suppliers. It applies to suppliers across the entire value chain and can be downloaded from the website (<https://www.cropenergies.com/de/downloads>).

Further information about supply chain risk analysis and compliance with due diligence can be found in the section "Society" on pages 14–15.

Product responsibility and quality

The quality management system supports the realisation of CropEnergies' corporate objectives, covering all processes from raw material procurement to the production process through to deliveries to customers.

In addition to this management system, CropEnergies brings about a high level of appreciation for quality and product safety by raising employees' awareness and encourages a feedback culture throughout the company.

The management system, which covers all aspects of product safety, serves as an organisational and communication tool in the company itself, but also in relation to suppliers and customers. The responsibilities and processes described in the quality management system reliably guarantee the promised quality of products and services. Continuous improvement and a constantly improving product safety culture are important goals of this quality management system and support the long-term, trusting co-operation with suppliers and customers.

The HACCP concept is a central element of the quality management system, with a structured hazard analysis being used to examine each individual step in the production of food in respect of potential hazards for the health of consumers and in the production of animal feed in respect of animal health. Corresponding countermeasures are initiated immediately, where required. The risk assessment is used as the basis for preparing a monitoring plan and defining analyses. The collected data are systematically reviewed, and expert opinions are prepared on a regular basis in order to ensure the continual safety of food and animal feed for the end consumer. Any discrepancy is examined by the HACCP team and, if necessary, by an expert team or even a crisis team.

Other essential elements of quality management relate to long-term supplier relationships and detailed raw material specifications, qualified employees, safe production processes and the close coordination with customers. Rigorous complaint management for the entire product portfolio is also integrated into the system as an additional tool for the constant improvement of processes and products.

External certifications

CropEnergies' customers attach great importance to the verification of safety and legislative compliance of products by external certification bodies. Accordingly, production processes are geared to internationally recognised standards involving extensive requirements on the evaluation procedures. Depending on customer requirements, the production sites have various specific certificates that are listed in the table below. In 2022, CropEnergies conducted a SMETA (SEDEX Members Ethical Trade Audit) 4-pillar audit in Wanze, which places additional requirements on social responsibility, ethical behaviour, environment management and business practices. SMETA audits will be extended to other sites at CropEnergies over the next few years.

Code	Standard for	Sites covered
ISO 9001	Quality management system	CropEnergies AG, BioWanze SA, CropEnergies Bioethanol GmbH, Ryssen Alcools SAS
ISO 50001	Energy management system	CropEnergies Bioethanol GmbH
ESOS	Energy Savings Opportunity Scheme	Ensus UK Ltd
EN 16247	Energy audit	CropEnergies AG, Ryssen Alcools SAS
REDCert EU	Renewable energies	BioWanze SA, CropEnergies Bioethanol GmbH, Ryssen Alcools SAS
ISCC EU	Renewable energies	Ensus UK Ltd
2BSvs	Renewable energies	Ryssen Alcools SAS
SURE	Renewable energies	BioWanze SA, CropEnergies Bioethanol GmbH
ECOCERT	Organic production	Ryssen Alcools SAS
IFS Food	Food safety	BioWanze SA
GMP+	Animal feed safety	CropEnergies AG, BioWanze SA, CropEnergies Bioethanol GmbH
FEMAS	Animal feed safety	Ensus UK Ltd
Koscher		BioWanze SA, CropEnergies Bioethanol GmbH, Ryssen Alcools SAS
Halal		BioWanze SA
VLOG	GMO-free animal feed	CropEnergies Bioethanol GmbH
SMETA 4 Pillars	Business ethics and environment	BioWanze SA

In the “Renewable Energy Directive”, the European Union has defined sustainability requirements for the cultivation of biomass for energy uses. The entire value chain, from raw material extraction to the production of the fuel through to its delivery, must be completely certified as sustainable. Independent certification systems approved by the European Commission and national authorities are responsible for monitoring these processes.

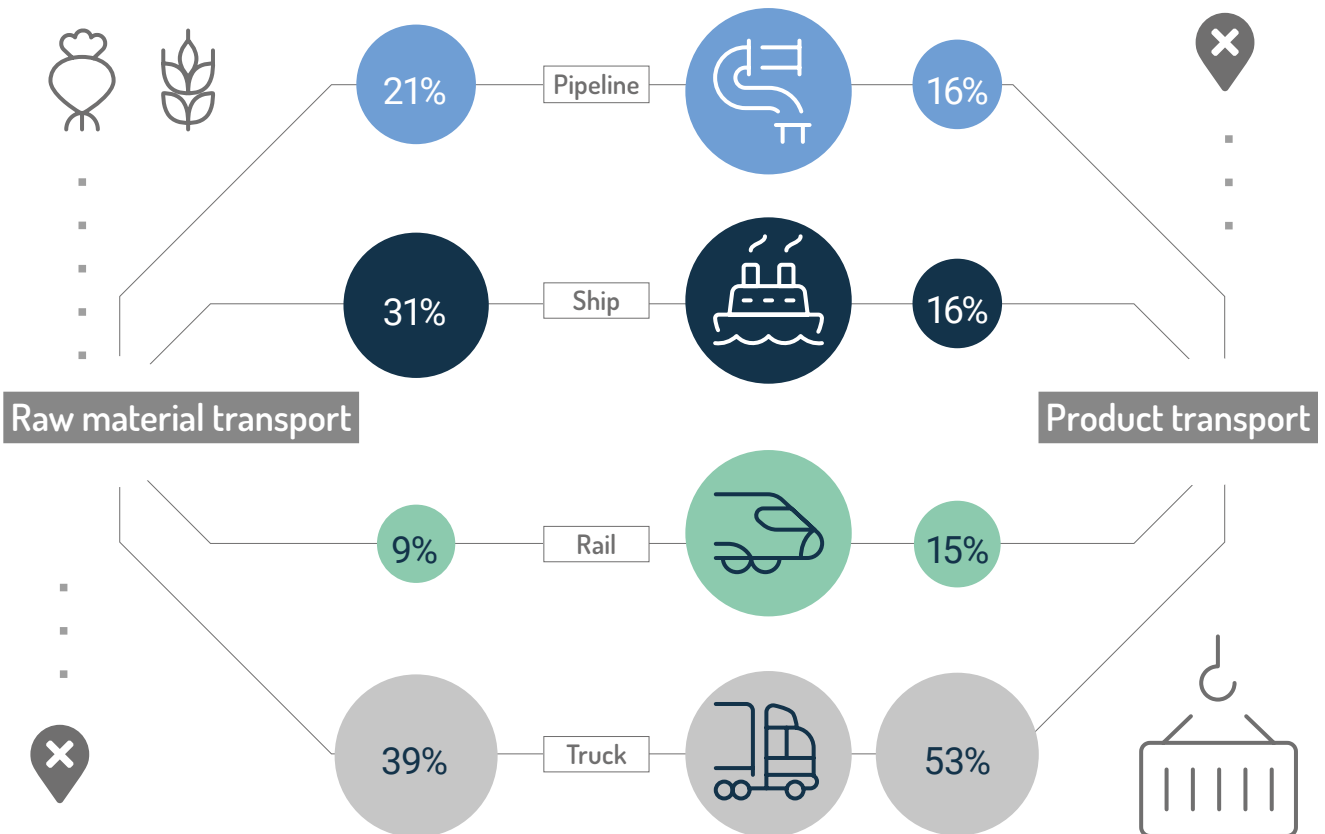
This statutory requirement is being significantly exceeded at CropEnergies, with the fuel ethanol produced saving, on average, over 75% of greenhouse gas emissions.

In 2023, the sites in Zeitz and Wanze implemented the requirements on the use of renewable energy for electricity and heat generation by means of the new SURE certification.

All CropEnergies’ ethanol plants are certified as sustainable in accordance with at least one of the certification systems recognised by the European Commission (e.g., REDcert EU, ISCC EU or 2BSvs) and are audited on an annual basis. The certifications ensure that the fuel ethanol produced fulfils the sustainability criteria of the Renewable Energy Directive. This also includes, for example, greenhouse gas emissions being reduced by at least 50% compared with fossil fuels.

Logistics

Smooth operation of the plants is contingent upon efficient goods movement. This means needs-oriented raw material supply on the one hand, and continuous product delivery, on the other; both against the background of limited storage possibilities and optimum use of production capacity.



CropEnergies' biorefineries are located in close proximity to raw materials on water routes or near railways. This shortens transport routes and enables low-emission deliveries to be made, mostly via sea or rail. Loon-Plage is connected to the port of Dunkirk via pipeline, procurement being mainly based on the sea route. At Wilton, around 63% of the raw materials used are delivered via sea, while it is more than 50% at Wanze. The plant at the network site in Zeitz is connected to Südzucker AG's sugar and starch production via pipeline networks.

The distribution logistics to the customer are likewise mostly carried out via sea or rail, which are climate-friendly. Around 53% of products are transported by lorry, particularly DDGS, DGS, and CDS, which are mostly delivered over short distances. Just under two-thirds of the ethanol, on the other hand, is transported by ship or rail. At all sites, the fermentation gas reaches the respective CO₂ liquefaction plant via pipeline.

Society

CropEnergies is conscious of its corporate responsibility and is committed to conducting its business in an ethical, legal and responsible manner. Corporate ethics include compliance and integrity; CropEnergies' code of conduct is reproduced in full on its website <https://www.cropenergies.com/de/investor-relations/compliance>. It takes account of applicable legislation and international standards such as the United Nations' (UN) Declaration of Human Rights and the Conventions of the International Labour Organisation (ILO). CropEnergies aligns its due diligence with the OECD Guidelines for Multinational Enterprises and the rules of the Supplier Ethical Data Exchange (SEDEX).

Management approach

As part of the Südzucker Group, CropEnergies focuses on a systematic, integrated and risk-based approach with a view to recognising, preventing, minimising or putting an end to human rights and environment-related risks or violations.

The group-wide code of conduct is binding on all the Südzucker Group's managers and employees. It includes, among other things, a ban on child and forced labour, a mandate on the protection of human dignity and a ban on discrimination. Breaches of the code of conduct can be reported confidentially and anonymously by employees as well as by external third parties, e.g., customers and business partners, via an electronic whistleblower system (see the section "Compliance"). In addition to the code of conduct, a group-wide human rights policy specifies the responsibility for protecting human rights.

A new group-wide uniform risk analysis approach was formulated and deployed for the production sites and supply chains in the 2022/23 financial year. In a first step, CropEnergies carried out an abstract risk analysis based on a series of country- and industry-specific indexes such as the Children's Rights in the Workplace Index and the Corruption Perception Index as well as other sources. Based on this, a detailed risk analysis is being carried out to specify, weight and prioritise the risks identified in the first step with a view to taking corresponding measures depending on the level of risk.

Social audits have a key role to play in the implementation of human rights due diligence. Since this financial year, CropEnergies has been a member of the SEDEX platform for improving responsible and ethical business practices in global supply chains. In future, the company's sites are to be regularly audited by independent institutions according to the SMETA (SEDEX Members Ethical Trade Audit) methodology.

Social commitment and value creation in rural areas

The focus of CropEnergies' societal and social commitment is on promoting projects in the vicinity of its production sites as well as supporting and sponsoring clubs, schools, science and teaching.

CropEnergies' production sites are in rural areas and in the immediate vicinity of raw material production. They not only make an important contribution to the preservation and creation of long-term and qualified jobs, but also contribute towards development of the regional economy and agricultural holdings.

Stakeholder dialogue

Forms of dialogue

The following table shows the main stakeholders and forms of dialogue for CropEnergies. As CropEnergies was unable to continue the personal dialogue with stakeholders in the usual form during the coronavirus pandemic, it adapted communication to the changed framework conditions. The new formats include, for example, the virtual annual general meeting in the past few years and numerous other virtual meetings and conferences.

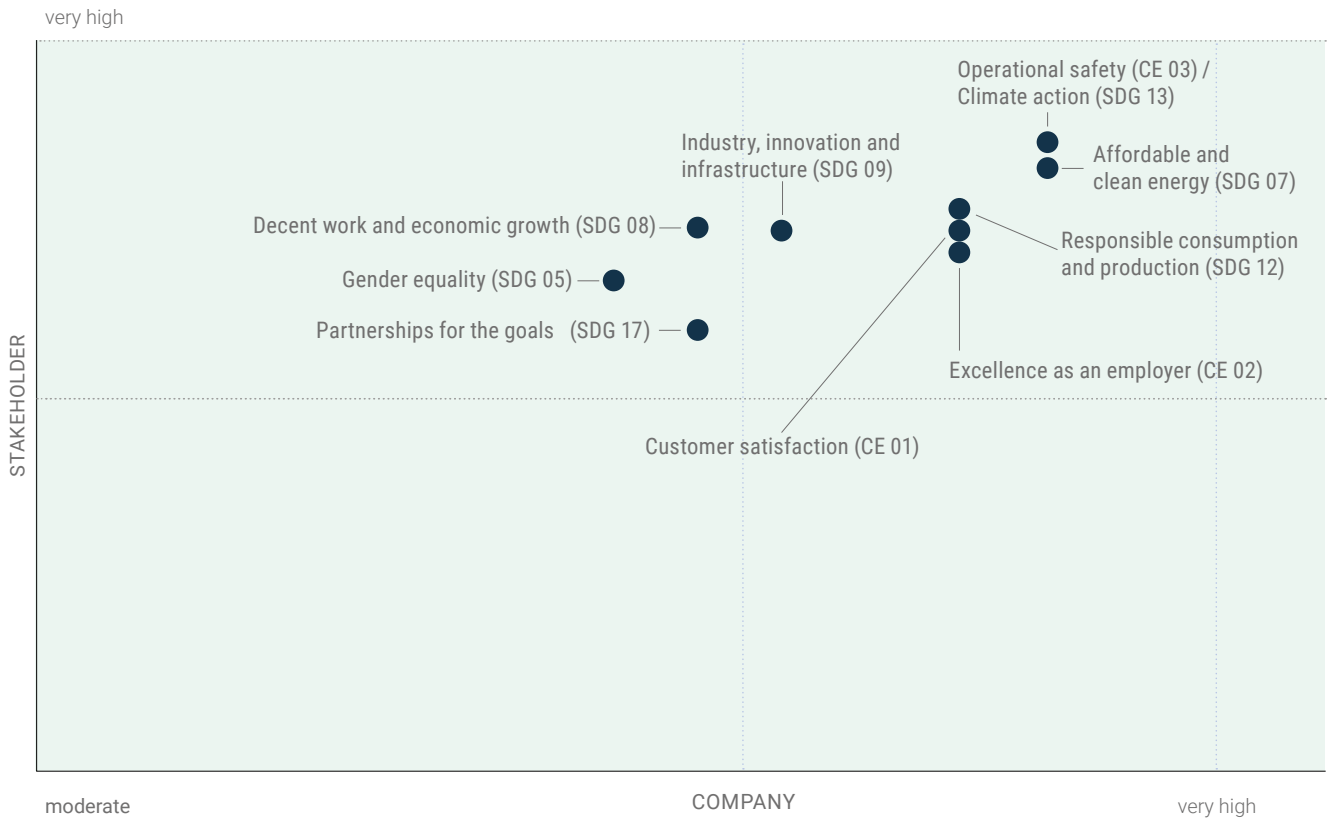
Materiality analysis

CropEnergies committed to the SDGs in 2023 (see the section "Sustainability strategy"). In addition, the company is already pursuing three non-financial strategy objectives. These altogether ten objectives were weighted, by stakeholders and company representatives, for prioritisation purposes according to their relevance for the CropEnergies Group.

The analysis shows the very high relevance, for CropEnergies as a company, of safety at work, the fight against climate change and the provision of sustainable energy. With the international working group on safety at work (see the section "Employees") and the group-wide expert group on reducing process emissions (see the section "Environment and climate"), CropEnergies is working directly towards the two first-named objectives, among others. The provision of sustainable energy is, on the one hand, pivotal to the company's core business due to fuel ethanol, but is also being pursued by means of various solar and bioenergy projects, on the other.

Furthermore, CropEnergies is working today, and will work in future, on customer and employee satisfaction strategies (see the section "Quality" and the section "Employees"), ensuring, for example, sustainable production patterns through alternative raw materials and continuous improvement of energy efficiency in production.

Main stakeholders	Main forms of dialogue
Suppliers	Information events (trade fairs, "Grain and Feedstuff" forum), talks with suppliers
Customers	Product specifications, certifications, services
Employees	Works meetings, town hall meetings, training courses, appraisal interviews, employee magazine, circulars, video messages, intranet
Shareholders, capital market, investors, financial institutions	Financial reporting, annual general meeting, analysts' conferences, roadshows, conference calls, website
Society and the general public (residents, authorities, industry associations/interest groups, research/scientific bodies, journalists, media, parties, politicians)	Press releases and talks, factory tours, research collaboration and projects, political dialogues, website



CE goal 01 Customer satisfaction

CE goal 02 Excellence as an employer

CE goal 03 Operational safety

SDG 05 Gender equality

Achieve gender equality and empower all women

SDG 07 Affordable and clean energy

Ensure access to affordable, reliable, sustainable and modern energy for all

SDG 08 Decent work and economic growth

Promote sustained, inclusive and sustainable growth, full productive employment and decent work for all

SDG 09 Industry, innovation and infrastructure

Build resilient infrastructure, promote inclusive and sustainable industrialization and faster innovation

SDG 12 Responsible consumption and production

Ensure sustainable consumption and production patterns

SDG 13 Climate action

Take urgent action to combat climate change and its impact

SDG 17 Partnerships for the goals

Strengthen the means of implementation and revitalize the global partnership for sustainable development