

# CORPORATE GOVERNANCE DECLARATION IN ACCORDANCE WITH ARTICLES 289F AND 315D OF THE GERMAN COMMERCIAL CODE

As of 16 May 2024

The corporate governance declaration in accordance with articles 289f and 315d of the German Commercial Code (HGB) provides information on the key elements of Südzucker AG's corporate governance structures, relevant corporate governance practices, the composition and working methods of the executive and supervisory boards and their committees, as well as the objectives to be defined and the approaches to be implemented in the composition of the executive and supervisory boards.

## Declaration of Compliance as per section 161 of the German Corporation Act (AktG)

In November 2023, the executive and supervisory boards issued a declaration of compliance with the GCGC recommendations in the version dated 28 April 2022 as per section 161 of the German Stock Corporation Act (AktG). Südzucker AG complies with the recommendations of the code with the exception of the items outlined in the declaration of compliance. There are no recommendations in the code that do not apply to Südzucker AG due to overriding legal requirements. The complete version of the 2023 declaration of compliance – as well as the declaration of compliance for prior years – is posted on Südzucker AG's website ([www.suedzucker-group.com/en/Entsprechenserklaerung](http://www.suedzucker-group.com/en/Entsprechenserklaerung)).

## Publication of compensation report and compensation system

A separate report on executive and supervisory board compensation is published on Südzucker's website.

The compensation report, including the auditor's report pursuant to § 162 of the German Stock Corporation Act (AktG), will be made publicly available at [www.suedzucker.com/en/investor-relations/corporate-governance/verguetungsberichte](http://www.suedzucker.com/en/investor-relations/corporate-governance/verguetungsberichte) after approval by the annual general meeting; in advance of this, the compensation report for the last financial year can be viewed as part of the invitation to the upcoming annual general meeting that will pass a resolution on this report when the documents are published.

The current compensation system approved by the annual general meeting as well as the last compensation resolution can be accessed at Südzucker's website ([www.suedzucker.com/en/investor-relations/corporate-governance/verguetungssysteme](http://www.suedzucker.com/en/investor-relations/corporate-governance/verguetungssysteme)).

## Disclosures on corporate governance practices

Responsible management and control of the company with a focus on long-term value creation (corporate governance) have always been of great importance to Südzucker. The basis for this is an effective collaboration between the executive and supervisory boards, respect for the interests of the workforce and other groups associated with the company (stakeholders), open corporate communications and compliance with legal provisions and internal company policies.

The German Corporate Governance Code contains recognized standards of good, responsible and sustainable corporate governance. Consequently, Südzucker consistently aligns its corporate governance with the recommendations and suggestions of the GCGC and follows them with the individual exceptions presented.

Südzucker views corporate governance as an ongoing process and continues to develop its understanding outside of the code. Corporate governance practices that go beyond the legal requirements and the recommendations of the GCGC are derived from our vision and our shared values. The main guidelines are primarily summarized in our compliance guidance, in the code of conduct for managers and employees of Südzucker Group and in the code of conduct for suppliers.

## Compliance/Compliance management system

Compliance with laws and internal policies is an integral part of Südzucker AG's successful and sustainable business activities.

Compliance is thus embedded in Südzucker Group's corporate mission and documented in a compliance management system (CMS). Südzucker's CMS contains all rules and measures required to guarantee that everyone at the company knows they must conduct themselves in accordance with the law and to recognize associated risks. It specifies responsibilities, training measures and reporting channels and is based on the seven basic elements of IDW auditing standard 980 "Auditing of compliance management systems" published by the German Institute of Auditors (IDW).

## Compliance culture

At Südzucker Group, practicing compliance is the responsibility of the executive board, as well as the managers of all the group departments, divisions and subsidiaries or companies in which Südzucker Group holds a stake. Through their actions and communications, the executive board and managers should create an

environment that makes very clear the importance of compliance within the company ('tone from the top')

### Compliance objectives

The aim of CMS at Südzucker is to guarantee that the company and its employees conduct themselves in accordance with applicable laws, that non-compliance risks are recognized early and that such risks are prevented through appropriate countermeasures. Any violations shall be tracked and communicated to the responsible parties.

The prevention of corruption and bribery within Südzucker Group is also one of the objectives.<sup>1</sup>

### Compliance risks

Compliance risks arise when there is any kind of non-conformance with laws and regulations. The main focus at Südzucker is in the areas of antitrust laws, corruption and bribery prevention, capital market/reporting obligations and data security.

### Compliance program

Südzucker Group's compliance program contains all of the steps required to achieve the aforementioned objectives. Among other things, it comprises establishing appropriate guidelines, internal safeguards to maintain capital market reporting and documentation obligations and using a software solution to guarantee third-party compliance.

All of the company's divisions conduct regular training on compliance topic. These training courses are actively assigned. In fiscal 2023/24 approximately 7,106 employees including the executive

board were trained throughout the company. This represents about 93 % of the target group (active employees, including the executive Board and management staff with IT access<sup>2</sup>). The e-learning program, which is mandatory, covers a multi-year training program on compliance basics, antitrust law, corruption and bribery prevention, IT security, data protection, capital market compliance, and fraud through identity forgery. On completion of the program, participants must complete and pass a final test.<sup>1</sup>

### Compliance organization

A groupwide compliance structure with clearly defined reporting paths for all operating companies and key departments forms the core of Südzucker's compliance organization. All reports of potential violations are tracked.

The compliance officers of the main operating subsidiaries and / or the compliance officers of the Südzucker AG departments considered to be material submit case-related and periodic reports to the compliance officer and executive board of Südzucker AG. The executive board in turn regularly reports to the supervisory board and Südzucker AG's audit committee regarding compliance issues.<sup>1</sup>

In addition, the company has set up a compliance committee that discusses fundamental and current issues at regular meetings.

### Compliance communication

All employees were informed about Südzucker's code of conduct (→ [www.suedzucker.com/en/Unternehmen/Verhaltenskodex/](http://www.suedzucker.com/en/Unternehmen/Verhaltenskodex/)) and, for AGRANA employees, the AGRANA code of conduct (→ [www.agrana.com/ueber-agrana/compliance-bei-agrana/](http://www.agrana.com/ueber-agrana/compliance-bei-agrana/)

verhaltenskodex) and the corporate compliance principles (→ [www.suedzucker.com/en/Unternehmensgrundsaeetze/](http://www.suedzucker.com/en/Unternehmensgrundsaeetze/)). Posters were put up at the company sites to raise employee awareness of compliance principles during their day-to-day activities. Suspected violations of the code of conduct or the corporate compliance principles may be reported using a dedicated telephone number or e-mail address, as well as via an Internet-based anonymous whistleblower program.

In fiscal 2023/24, 35 notifications were received throughout the group via these channels. We follow up each report with care and confidentiality.<sup>1</sup>

### Compliance monitoring and development

Südzucker's internal audit department carries out scheduled and ad hoc audits and thereby monitors adherence to all legal requirements and internal guidelines. In fiscal 2023/24, selected departments, such as purchasing or logistics, were also audited for corruption and fraud at 44 % of the locations. No material violations of statutory regulations could be identified.<sup>1</sup>

No cases of corruption were identified in fiscal year 2023/24.<sup>1</sup>

Südzucker AG is considered a critical infrastructure operator and is thus subject to an audit of its information technology systems in accordance with the German Federal Office for Information Security Act (KRITIS audit). The last audit required in fiscal 2022/23 did not report any material findings.<sup>1</sup>

<sup>1</sup> This paragraph is part of the summarized non-financial statement.

<sup>2</sup> Employees on parental leave, partial retirement or long-term sickness are not included in the defined group of persons.

## Internal control and risk management system

Responsible management of business risks is fundamental to good corporate governance. Südzucker AG's executive board and Südzucker Group's managers make use of group-wide, company-specific reporting and control systems to detect, evaluate and manage these risks. The executive board regularly keeps the supervisory board apprised of existing risks and how they evolve. The audit committee deals mainly with monitoring the accounting process, compliance and the annual audit of the financial statements. It also reviews and verifies the effectiveness of the internal control systems, the risk management system and the internal auditing system. Details regarding risk management are outlined in the risk and opportunity report.

### Key features of the internal control and risk management systems

The Südzucker Group's internal control and risk management systems are based on the principles, guidelines and measures prescribed by the executive board. They include managing opportunities and risks related to achieving business objectives, ensuring internal and external accounting processes function properly and reliably and complying with relevant legal requirements and regulations.

Management of risks and opportunities covers sustainability aspects and also encompasses processes and systems used to record and process sustainability-related data, which we are continuously improving.

The internal control and risk management system framework determines the elements and sets the benchmark for assessing the appropriateness and effectiveness of these systems. It connects the risk management process with financial reporting

and internal control – two systems that complement each other. All divisions and corporate departments in the Südzucker Group are part of the internal control and risk management systems. The scope of activities and measures to be carried out by each division and corporate department differs depending on the importance of the individual division for the consolidated financial statements and the specific opportunities and risks associated with its operating activities.

Overall responsibility for the internal control system and risk management lies with the executive board. The Risk and Internal Control Committee pools and integrates internal control and risk management processes and helps the executive board create and maintain appropriate and effective processes for implementing, monitoring and reporting internal control and risk management activities.

The management of each division and corporate department is required to implement an appropriate and effective internal control system and risk management system in its area of responsibility based on principles that are mandatory throughout the group. Risk officers and, if necessary, risk committees are deployed in the individual divisions and corporate departments to achieve this aim.

Risk management, which is based at Südzucker Group headquarters, is responsible for monitoring and coordinating all processes to ensure the appropriateness and effectiveness of the internal control system and risk management system within the group.

Details regarding risk management are outlined in the risk and opportunity report.

The internal control system and risk management, along with their contributing elements, are regularly the subject of audit activities conducted by internal auditing.

These audits are performed either in connection with the risk-based annual audit plan or on request as part of audits scheduled throughout the year.

Based on the processes and measures described above, the executive board of Südzucker AG has no evidence that the internal control system and risk management system as a whole were not appropriate or effective as of 29 February 2024.

Nevertheless, there are inherent limitations to the effectiveness of any risk management and control system and the need to continuously enhance existing systems, identify potential for improvement and implement corresponding measures.

No system – even if it has been assessed and deemed appropriate and effective – can, for example, guarantee that all risks that actually arise will be identified in advance or that any violation of the process can be ruled out under all circumstances. The audit committee is regularly embedded in the internal control and risk management systems. Its chief tasks include monitoring financial accounting, the financial accounting process and the appropriateness and effectiveness of internal control systems, risk management and the internal auditing process.

## Company organs

Südzucker AG is a German stock corporation and as such has a dual management structure consisting of an executive board and supervisory board, each having members with independent expertise in different areas. The executive and supervisory boards work on the basis of mutual trust and closely cooperate to manage and supervise the company.

### Executive board

The executive board, as a management body, conducts the company's business in the interest of the corporation with the aim of generating sustainable value on its own responsibility and in accordance with the statutory provisions, the articles of association and the rules of procedure, which are in force in the version dated 24 May 2023.

Südzucker AG's executive board currently consists of five members including its chairman.

Some executive board members have dual responsibilities with respect to the subsidiary AGRANA Beteiligungs-AG, Vienna, Austria. The CEO of AGRANA Beteiligungs-AG is also a member of Südzucker AG's executive board. One member of the executive board of Südzucker AG is also a member of the executive board of AGRANA Beteiligungs-AG.

The supervisory board aims to select an executive board composition that guarantees that the board will be fully able to discharge its duties. For this purpose, the supervisory board primarily focuses on candidates' personal suitability, their professional skills and experience, their integrity and independence, as well as their motivation and capabilities to ensure that they can responsibly fulfill their duties at the company.

The executive and supervisory boards work together to ensure long-range succession planning for board members. The following criteria are especially important for systematic management development and long-term succession planning:

- Early identification of suitable candidates from different disciplines, professional and personal experience, internationality and different genders
- Systematic development of managers
- Demonstrable strategic and operative creative drive and leadership skills
- Proven role model of implementing corporate objectives in line with corporate values.

The supervisory board also takes into account aspects such as age, gender, internationality and various educational and professional backgrounds. To this end, the supervisory board has adopted a diversity concept, which is in force in the version dated 23 February 2022. According to this concept, the supervisory board is guided by the following objectives when deciding on the appointment of new members of the executive board:

- Number: Given the size of the company and the current organizational and responsibility structure at Südzucker Group, it is recommended that Südzucker AG have at least five executive board members. The supervisory board can appoint a chairperson or speaker from this panel.
- Age: An executive board member should hold office no longer than the end of the fiscal year in which he or she reaches the age of sixty-five.
- Internationality: It is recommended that the executive board have at least one member with international experience or specialized knowledge in one of the company's key non-German markets.

- Education and career: The educational and career background of members of Südzucker AG's executive board should satisfy the required competencies of general executive board duties, as well as of the member's specific portfolio assignment.
- Gender: The supervisory board prioritizes qualifications rather than gender when selecting candidates for the executive board. Südzucker AG's executive board consists of more than three persons. Pursuant to article 76, paragraph 3a, sentence 1 of the German Stock Corporation Act, at least one woman and at least one man must then be a member of the executive board.

In fiscal 2023/24, the aforementioned objectives were again taken into account when selecting new members of the executive board. The CVs of the executive board members with information on their age, education and professional background are published on the website [www.suedzucker.com/en/unternehmen/vorstand](http://www.suedzucker.com/en/unternehmen/vorstand).

### Supervisory board

The supervisory board supervises and advises the executive board in its management of the company. It is involved in strategy and planning, as well as all issues of material importance to the company. For important business processes, such as budgeting and strategic planning, acquisitions and divestments, the company's articles of incorporation and the rules of procedure of the executive board stipulate that decisions are subject to approval by the supervisory board. The chair of the supervisory board coordinates the supervisory board's work, chairs the meetings and speaks on behalf of the panel to the outside world.

The executive board submits comprehensive, timely reports regarding planning, business developments and the group's positioning to the supervisory board – in writing and at regular meetings. Risk management and compliance are additional key reporting topics. If necessary, extraordinary meetings are held with the

supervisory board to discuss important issues. The supervisory board has established rules of procedure for its work, which are in force as per the version dated 10 November 2022 and published on the website of Südzucker AG ([www.suedzucker.com/en/investor-relations/corporate-governance/aufsichtsrat](http://www.suedzucker.com/en/investor-relations/corporate-governance/aufsichtsrat)). The shareholder representatives and employee representatives always meet separately to prepare the supervisory board meetings.

Südzucker AG's supervisory board consists of 20 members as per the articles of incorporation, of which as per the Codetermination Act ten are elected by the shareholders and ten by the employees. The term of office, which is identical for all supervisory board members, runs for the period until the end of the annual general meeting which ratifies the actions of the supervisory board for fiscal 2026/27 (that is, until the end of the annual general meeting in 2027).

The current supervisory board members are presented in the notes to the financial statements under item 37 "Supervisory board and executive board".

The supervisory board aims to select a composition that guarantees that the board will be fully able to discharge its duties. In its proposals for the election of supervisory board members, the supervisory board primarily focuses on candidates' personal suitability, their professional skills and experience, their integrity and independence, as well as their motivation and capabilities.

Moreover, when selecting suitable candidates, the supervisory board considers different professional backgrounds and experience, internationality and appropriate gender representation.

In this regard, the supervisory board has adopted a diversity policy and competence profile, which is in force in the version dated 23 February 2023. The supervisory board is mainly aiming for the following targets and competence profiles for the full board in its future composition, in consideration of the requirements of the GCGC, the sector, the size of the company and the share of international business activity:

- All supervisory board members shall have adequate corporate or operational experience.
- All supervisory board members shall be given sufficient time to fulfill their supervisory board duties.
- Each member of the supervisory board shall demonstrate the required reliability and personal integrity to fulfill the board's supervisory duties.
- At least two supervisory board shareholder representatives shall be "independent" within the meaning of recommendation C.7 of the GCGC.
- Not more than two former members of the executive board shall be members of the supervisory board.
- The audit committee shall have at least one member with expertise in the field of accounting (including internal control and risk management systems) and at least one other member having expertise in the field of auditing (financial experts). The knowledge of the financial experts shall also extend to sustainability reporting and its audit.
- The supervisory board's expertise shall comprise special knowledge mainly in the following
  - **Functional competencies:**
    - Corporate governance and strategy
    - Accounting/auditing, control and risk management systems
    - Legal/corporate governance/compliance
    - Human resources/social sustainability
    - Environmental sustainability

■ **Sectoral competencies:**

- Food production/distribution and related value chains
  - Agriculture and raw materials
  - International business/foreign markets
  - Innovation/research and development
  - Other business sectors outside Südzucker's core business
- The German Stock Corporation Act (AktG) stipulates in article 96 (2) that the supervisory board must be composed of at least 30 % women and at least 30 % men. The employee representatives have objected to the overall fulfillment of the quota. The supervisory board shall therefore have at least three female and three male members to represent the employees and shareholders.
- No candidate older than 70 shall be recommended for election or reelection to the supervisory board, unless it would be in the interests of the company.

There is no rule regarding the maximum term of office of a supervisory board member. This is to ensure continuity and long-term expertise on the supervisory board.

According to the supervisory board, the current composition is in line with the objectives of the diversity concept and the competence profile.

All members of the supervisory board have the knowledge, skills and entrepreneurial or operational experience required to properly perform their duties. They are familiar with the sector in which Südzucker AG conducts business. There are no former Südzucker AG executive board members on the supervisory board. The CVs of the supervisory board members including information on age, education and professional background are published on the website [www.suedzucker.com/en/investor-relations/corporate-governance/aufsichtsrat](http://www.suedzucker.com/en/investor-relations/corporate-governance/aufsichtsrat).

The board has at least two independent members, which, considering the ownership structure, is in compliance with requirements. Susanne Kunschert, Stuttgart, Germany, and Julia Merkel, Wiesbaden, Germany, are independent of Südzucker AG, its executive board and the controlling shareholder Süddeutsche Zuckerrübenverwertungs-Genossenschaft eG (SZVG).

The supervisory board includes at least three persons who meet the requirements of the GCGC for financial experts: Susanne Kunschert, Stuttgart, Germany, chair of the audit committee; Helmut Friedl, deputy chair of the audit committee; and Dr. Claudia Süßenbacher, Vienna, Austria, member of the audit committee.

Due to her professional background, her work as an auditor and, in particular, her many years of experience as managing partner of Pilz GmbH & Co. KG, where she is responsible for finance, Susanne Kunschert has amassed a wealth of expertise in auditing and financial accounting, including knowledge and experience in applying financial accounting principles and internal controlling and risk management systems. Her professional expertise also extends to preparing and auditing sustainability reports. Ms. Kunschert is – together with her brother and co-shareholder Thomas Pilz – responsible for preparing and auditing sustainability reports at Pilz GmbH & Co. KG and receives regular training in this area.

Dr. Claudia Süßenbacher has many years of experience in risk management and, in particular, as managing director of Raiffeisen-Holding Niederösterreich-Wien reg. Gen.m.b.H., in each case with responsibility for risk management, compliance, legal and infrastructure & IT security. Moreover, she is an expert in the areas of auditing and financial accounting, including the associated knowledge and experience in applying accounting principles and internal control and risk management systems. Her expertise also extends to reporting on sustainability and its audit. Dr. Süßenbacher regularly participates in further training courses.

Similarly, Helmut Friedl has expertise in auditing financial statements as a result of extensive further training and his many years of service on Südzucker AG’s audit committee, most recently for five years as audit committee chairman. This also includes preparing and auditing sustainability reports. Mr. Friedl also regularly attends training courses on these subjects and chairs Südzucker’s committee for strategy and sustainability, which is responsible for this topic.

The special expertise required by the diversity concept and the competence profile is represented on the supervisory board and is summarized in the qualification matrix as per recommendation C.1 of the GCGC (→ table 044).

#### Education and training

Two information events on sustainability reporting were held in the 2023/24 financial year. Members of the supervisory board are solely responsible for any education and training measures they may require in fulfilling their duties. They are appropriately supported by Südzucker AG.

#### Supervisory board self-assessment

The supervisory board regularly assesses how effectively it and its committees fulfill their duties. This is done annually using a questionnaire, with no outside assistance. Each year, the questionnaire is regularly revised and amended according to the latest revision of the code. The questionnaires are evaluated and the results and improvement suggestions discussed at each November meeting. The aim is to continuously improve the work of the supervisory board and its committees.

#### Supervisory board committees

The supervisory board has formed an executive committee, audit committee, agriculture and raw material markets committee, strategy and sustainability committee, social committee, media-

#### Qualification matrix

	Supervisory board	Audit committee
<b>Functional competencies</b>		
Corporate Governance and strategy	●●	●●
Accounting/auditing, control and risk management systems	●●	●●●
Legal/corporate governance/compliance	●●	●●
Human resources/social sustainability	●●●	●●●
Environmental sustainability	●●	●●
<b>Sectoral competencies</b>		
Food production/distribution and related value chains	●●	●
Agriculture and raw materials	●●	●●
International business/foreign markets	●●	●●
Innovation/research and development	●	●
Other business sectors outside Südzucker’s core business	●●	●●

● At least one member has special expertise in the respective area.  
 ●● At least 25 % of the members have special expertise in the respective area.  
 ●●● The majority of the members have special expertise in the respective area.

TABLE 044

tion committee and nomination committee from among its members. These committees prepare and supplement its work. The executive and mediation committees each consist of four members. The audit committee and the social committee have six members each, the strategy and sustainability committee and the agriculture and raw material markets committee have eight members each with an equal number of shareholder and employee representatives. The nomination committee is composed of four shareholder representatives.

The duties of the executive board and the other committees are outlined in the supervisory board rules of procedure version dated

10 November 2022. The audit committee's rules of procedure version dated 10 November 2022 apply equally to the audit committee. The current members of the committees and their respective terms of office are presented in the notes to the financial statements under note 37 "Supervisory board and executive board".

The chairman of the supervisory board is not simultaneously the chairman of the audit committee.

### Shareholders and annual general meeting

Südzucker AG's shareholders exercise their voting and control rights at general meetings held at least once a year. At an annual general meeting, shareholders vote on all issues as per the statutory requirements. The decisions are binding for all shareholders and the company. Shareholders are entitled to one vote for each share held. Every shareholder who meets the general requirements for participating and exercising voting rights and who registered by the due date is entitled to participate in the annual general meeting. Shareholders who are unable to attend personally have the option of exercising their voting rights by proxy by a financial institution, a shareholder association, Südzucker AG appointees who are bound by the directives of the shareholders or by some other authorized representative of their choice. Shareholders also have the option of submitting their vote in advance of the general meeting via Südzucker AG's website ([www.suedzuckergroup.com/en/investor-relations/hauptversammlung/](http://www.suedzuckergroup.com/en/investor-relations/hauptversammlung/)) or by assigning power of attorney to Südzucker AG's proxies or to a third party.

### Gender quota

Ingrid-Helen Arnold, the only woman on the executive board, left the company at her own request on 31 January 2024. This resignation took place before the end of her term of office. There were no new appointments to the executive board between her departure and the reporting date. The supervisory board will elect a qualified successor for Ingrid-Helen Arnold as soon as possible and appoint her to the executive board.

The supervisory board has seven female members, four from the employee side and three from the shareholder side. The legal gender quota requirement is thus fulfilled.

Pursuant to article 76 (4) of the German Stock Corporation Act, the executive board is required to set targets for the proportion of women in the first and second management levels below the executive board. In April 2022, Südzucker AG's executive board raised the targets for the proportion of women in the first two management levels from 9 % and 13 % respectively to 20 % in each case. These targets should be achieved by 2027.

The proportion of women at Südzucker AG as of 29 February 2024 was 17 % at the first management level below the executive board and 9 % at the second management level below the executive board.

### Further disclosures

#### Shares held by members of the executive and supervisory boards/security transactions

No member of the executive or supervisory board owns shares or related financial instruments that either directly or indirectly represent more than 1 % of Südzucker AG's total share capital. Furthermore, the total shareholdings of all executive and supervisory board members are less than 1 % of the total shares issued by the company.

The company was not notified of any managers' transactions in accordance with article 19 MAR (Market Abuse Regulation) in the 2023/24 financial year.