

# CORPORATE GOVERNANCE STATEMENT PURSUANT §§ 289F AND 315D OF THE GERMAN COMMERCIAL CODE (HGB)

As of 25 May 2023

## Executive board and supervisory board

The following summary outlines the operating procedures and the composition of the executive board and supervisory board, including the diversity concepts and the competence profile of the supervisory board.

### General information

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

Südzucker AG's executive board currently consists of five members including its chairman. The executive board, as a management body, conducts the company's businesses in the interests of the corporation with the aim of generating sustainable added value. The supervisory board has provided the executive board with rules of procedure which are in force as per the version dated 30 January 2020.

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

of Südzucker AG as well as a member of the executive board of AGRANA Beteiligungs-AG.

### Executive board diversity policy

The supervisory board has prepared a diversity concept for Südzucker AG's executive board that summarizes factors such as the age, gender, education and career as well as internationality. The aim is to select an executive board composition that guarantees that the board will be fully able to discharge its duties. 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

Key to the appointment of a Südzucker AG executive board member is ultimately an appraisal of their professional and personal qualifications. 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.

Accordingly, as per a resolution passed on 23 February 2022 regarding the composition of the executive board – in consideration of the sector, the size of the company and the share of international business activity – Südzucker AG's supervisory board aims to meet the following objectives:

- 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.
- Gender: The supervisory board prioritizes qualifications rather than gender when selecting candidates. 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. Currently, one woman and four men are members of Südzucker AG's executive board.
- 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.
- 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.

## 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.suedzuckergroup.com/en/investor-relations/corporate-governance](http://www.suedzuckergroup.com/en/investor-relations/corporate-governance)). The shareholder representatives and employee representatives always meet separately to prepare the supervisory board meetings.

## 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 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 structure

Südzucker AG's supervisory board consists of 20 members as per the articles of incorporation, of which ten are elected by the shareholders and ten by the employees. The members of the supervisory board were newly elected at the 2022 annual general meeting. 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).

All members of the supervisory board have the knowledge, skills and professional experience required to properly perform their duties. They are familiar with the sector in which Südzucker AG conducts business. The statutory gender quota is upheld.

The current supervisory board members are presented in the notes under item (37) "Supervisory board and executive board".

## 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, mediation 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 strategy and sustainability committee was established for the first time following the reorganization of the committees resolved on 23 February 2022 at the constituent meeting of the supervisory board on 14 July 2022. The committee is composed of four representatives each from the shareholder and employee sides. In accordance with the resolution of 23 February 2022, the agricultural committee was renamed the agriculture and raw material markets committee and now comprises four representatives each from the shareholders' and employees' sides.

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 under item (37) "Supervisory board and executive board".

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

## Supervisory board diversity policy and competence profile

As per a resolution passed on 23 February 2023, Südzucker AG's 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 areas:
  - **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 supervisory board shall 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.

When recommending supervisory board members for election, the supervisory board will continue to focus primarily on the personal suitability of the candidates, their specialized skills and experience, their integrity and independence, as well as their motivation and capabilities.

The implementation status of the supervisory board diversity policy is as follows:

The supervisory board's employee representatives were elected on 3 May 2022 by the company's workforce, and its shareholder representatives by shareholders at the annual general meeting on 14 July 2022.

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

The board is of the opinion that it 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, Egling a. d. Paar, Germany, deputy chair of the audit committee; and Veronika Haslinger, 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.

With many years of experience in investment management including responsibility for the areas of controlling and finance and her long-standing role as managing director of the credit institution Raiffeisen-Holding Niederösterreich-Wien reg. Gen.m.b.H. in particular, Veronika Haslinger is highly proficient in the field of auditing and financial accounting. She also has the corresponding experience and know-how in applying financial accounting principles and internal controlling and risk management systems. Her professional expertise likewise extends to preparing and auditing sustainability reports. Ms. Haslinger also gained in-depth experi-

ence during her years of membership on supervisory boards in a wide range of industries. She regularly attends 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 strategy and sustainability committee, which is responsible for this topic.

The supervisory board has seven female members, four representing the employees and three representing shareholders; no member is older than 70.

There are no former Südzucker AG executive board members on the supervisory board. 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.

### 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 members have special expertise in the respective area.

### Corporate governance

Corporate governance aims to ensure that companies are managed and controlled responsibly and that they provide lasting shareholder value. Effective and efficient cooperation between the executive and supervisory boards ensures transparency and a commitment to keeping shareholders and the public fully informed in a timely manner.

Good corporate governance is a given at Südzucker and has been practiced for many years. The company's policies are consistent with the recommendations of the GCGC as a key executive board and supervisory board responsibility.

In our opinion, the current version of the Code dated 28 April 2022 is largely balanced, practical and of high standard when compared internationally. As in previous years, we have thus not found it necessary to prepare individual, company-specific corporate governance principles.

### 2022 Declaration of Compliance

On November 2022, 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 2022 declaration of compliance – as well as the declaration of compliance for prior years – is posted on Südzucker AG's website ([www.suedzuckergroup.com/en/investor-relations/corporate-governance](http://www.suedzuckergroup.com/en/investor-relations/corporate-governance)).

### Gender quota

The German Stock Corporation Act stipulates in article 96 (2), sentence 1 that listed and co-determined companies have a fixed gender quota of 30 percent within the supervisory board. Currently, 35 percent of the supervisory board's members are women. The legal quota requirement is thus fulfilled.

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. Currently, one woman and four men are members of Südzucker AG's executive board. The legal quota requirement is thus fulfilled.

The executive board resolved in 2017 to raise the percentage of women at Südzucker AG at the first and second management levels below the executive board level to 9 and 13 %, respectively, from 8.3 and 12.2 %, respectively, by 11 June 2022. The proportion of women at Südzucker AG as of 28 February 2022 was 10 % at each of the first and second management levels below the executive board. The executive board determined in April 2022 as a target that the proportion of women at both levels should be doubled to 20 % by 2027.

### Education and training

In fiscal year 2022/23 an information event on corporate governance issues was held with an external legal counsel. Members of the supervisory board are solely responsible for any education and training measures they may require fulfilling their duties. They are appropriately supported by Südzucker AG. A training session on sustainability was also held in March 2023.

### Compensation report

A separate report on executive and supervisory board compensation is published on Südzucker's website. The current compensation system approved by the annual general meeting as well as the last compensation resolution can be accessed at [www.suedzuckergroup.com/en/investor-relations/corporate-governance/remuneration-systems](http://www.suedzuckergroup.com/en/investor-relations/corporate-governance/remuneration-systems). The compensation reports, including the auditor's report pursuant to § 162 of the German Stock Corporation Act (AktG), will be made publicly available at [www.suedzuckergroup.com/en/investor-relations/corporate-governance/remuneration-reports](http://www.suedzuckergroup.com/en/investor-relations/corporate-governance/remuneration-reports) 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 total remuneration of executive and supervisory board members including the prior year's amounts is presented under item (36) "Related parties" of the notes to the annual report.

### Asset loss liability insurance

The company has taken out asset loss liability insurance with a deductible, which covers the activities of members of the executive and supervisory boards (D&O insurance). Article 93, paragraph 2 of the German Stock Corporation Act (AktG) states the deductible for supervisory board members shall be at least 10 % of the damage up to at least 1.5 times their fixed annual remuneration.

The recommendation for deductibles for supervisory board members in the German Corporate Governance Code was revoked in 2019. Accordingly, deductibles are no longer provided for in the D&O insurance for supervisory board members as of 1 March 2021.

### Shares held by members of the executive and supervisory boards/directors dealings

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.

In fiscal 2022/23, the members of the executive and supervisory boards have not informed Südzucker AG about any notifiable directors' dealings in securities.

## 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 through 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/annual-general-meeting](http://www.suedzuckergroup.com/en/Investor-Relations/annual-general-meeting)) or by assigning power of attorney to Südzucker AG's proxies or to a third party.

## 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 abreast 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 opportunities and risks covers key aspects of sustainability and encompasses processes and systems used to record and manage sustainability-related data.

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 28 February 2023.

Nevertheless, there are inherent limitations to the effectiveness of any risk management and control system.

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.

## Compliance

Compliance is embedded in Südzucker's corporate mission and documented in a compliance management system (CMS).

### Compliance management system

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, 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.

### 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'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 topics. In fiscal 2022/23 approximately 7,275 employees including the executive board were trained throughout the company. This represents about 89 % of the target group (salaried employees including management). 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.

### Compliance organization

A group-wide 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.

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.suedzuckergroup.com/en/company/profile/code-of-conduct](http://www.suedzuckergroup.com/en/company/profile/code-of-conduct)) and corporate compliance principles (→ [www.suedzuckergroup.com/en/investor-relations/corporate-governance/compliance](http://www.suedzuckergroup.com/en/investor-relations/corporate-governance/compliance)). Posters were put up at the company sites to sensitize employees to 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 2022/23, 20 notifications were received throughout the group via these channels. We follow up each report with care and confidentiality. No significant violations were identified. Suggestions and measures for improvement are implemented on an ongoing basis.

### 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 2022/23, selected departments, such as purchasing or logistics, were also audited for corruption and fraud at 34 % of the locations. No material violations of statutory regulations could be identified.

No cases of corruption were identified in fiscal year 2022/23.

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 audit did not report any negative findings.