SÜDZUCKER AG

ANNUAL REPORT 2024/25

SÜDZUCKER GROUP

Südzucker Group 2024/25

€ **9,694** [10,289] million
Consolidated group revenues

€ **723** [1,318] million
Group EBITDA

€ **350** [947] million
Group consolidated operating result

19,284 [19,204]
Employees

€ **513** [1,046] million
Cash flow

€ **574** [546] million
Investments in fixed assets

€ **5** [1] million
Investments in financial assets

5.2 [13.2] %
ROCE

€ **6.7** [7.2] billion
Capital employed

€ **1,654** [1,795] million
Net financial debt

Sugar segment

→ p. 35

€ **3,876** [4,162] million
Revenues

€ **–13** [558] million
Operating result

Special products segment

→ p. 40

€ **2,275** [2,414] million
Revenues

€ **203** [196] million
Operating result

CropEnergies segment

→ p. 44

€ **959** [1,091] million
Revenues

€ **22** [60] million
Operating result

Starch segment

→ p. 49

€ **955** [1,056] million
Revenues

€ **36** [48] million
Operating result

Fruit segment

→ p. 52

€ **1,629** [1,566] million
Revenues

€ **102** [85] million
Operating result

Outlook 2025/26

→ p. 57

€ **8.7** to **9.2** billion
Consolidated group revenues expected.

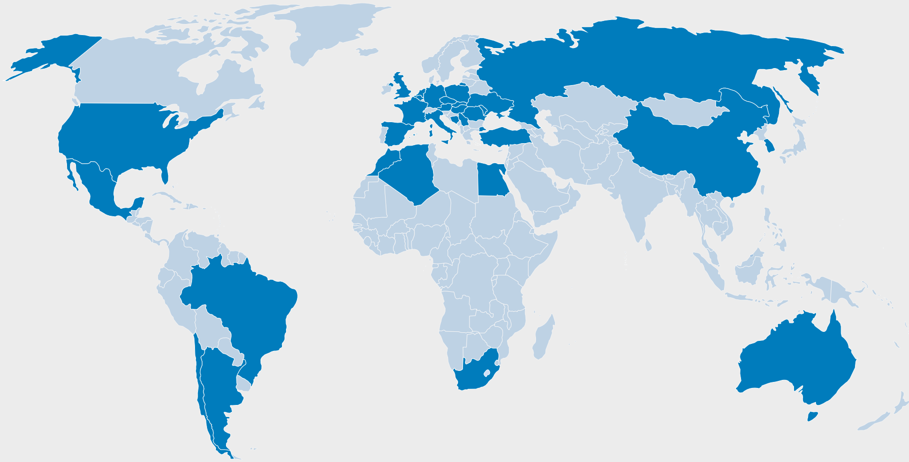
€ **525** to **675** billion
Group EBITDA expected.

€ **150** to **300** million
Group consolidated operating result expected.

Stable capital employed and decrease of ROCE expected.

www.suedzuckergroup.com

About 100 production locations in 31 countries



Key Figures

		2024/25	2023/24	2022/23	2021/22	2020/21
Revenues and earnings						
Revenues	€ million	9,694	10,289	9,498	7,599	6,679
EBITDA	€ million	723	1,318	1,070	692	597
EBITDA margin	%	7.5	12.8	11.3	9.1	8.9
Operating result	€ million	350	947	704	332	236
Operating margin	%	3.6	9.2	7.4	4.4	3.5
Earnings after tax	€ million	−86	648	529	123	−36
Cash flow and investments						
Cash flow	€ million	513	1,046	927	560	475
Investments in fixed assets and intangible assets	€ million	574	546	400	332	285
Investments in financial assets / acquisitions	€ million	5	1	67	4	15
Total investments	€ million	579	547	467	336	300
Performance						
Fixed assets and intangible assets	€ million	3,592	3,482	3,354	3,215	3,209
Goodwill	€ million	578	693	697	707	722
Working capital	€ million	2,485	2,967	2,999	2,318	2,179
Capital employed	€ million	6,701	7,187	7,095	6,325	6,222
Return on capital employed	%	5.2	13.2	9.9	5.3	3.8
Capital structure						
Total assets	€ million	9,496	10,278	9,698	8,441	7,973
Shareholders' equity	€ million	4,026	4,273	4,199	3,699	3,536
Net financial debt	€ million	1,654	1,795	1,864	1,466	1,511
Net financial debt to EBITDA ratio		2.3	1.4	1.7	2.1	2.5
Equity ratio	%	42.4	41.6	43.3	43.8	44.3
Shares						
Market capitalization	€ million	2,215	2,670	3,278	2,493	2,661
Closing price on 28/29 February	€	10.85	13.08	16.06	12.21	13.03
Earnings per share	€	−0.54	2.72	1.93	0.32	−0.52
Cashflow per share	€	2.51	5.12	4.54	2.74	2.33
Dividend per share [1]	€	0.20	0.90	0.70	0.40	0.20
Employees (FTE)		**19,284**	**19,204**	**18,341**	**18,019**	**17,876**

[1] 2024/25: Proposal.

TABLE 001

Revenues by segment

€ million	2024/25	2023/24	+/− in %
Sugar	3,876	4,162	−6.9
Special products	2,275	2,414	−5.8
CropEnergies	959	1,091	−12.1
Starch	955	1,056	−9.6
Fruit	1,629	1,566	4.0
Group total	**9,694**	**10,289**	**−5.8**

TABLE 002

EBITDA by segment

€ million	2024/25	2023/24	+/− in %
Sugar	146	714	−79.6
Special products	288	279	3.2
CropEnergies	65	105	−38.1
Starch	83	94	−11.7
Fruit	141	126	11.9
Group total	**723**	**1,318**	**−45.1**

TABLE 003

Operating result by segment

€ million	2024/25	2023/24	+/− in %
Sugar	−13	558	–
Special products	203	196	3.6
CropEnergies	22	60	−63.3
Starch	36	48	−25.0
Fruit	102	85	20.0
Group total	**350**	**947**	**−63.0**

TABLE 004

Annual Report 2024/25

1 March 2024 – 28 February 2025
published on 15 May 2025

The annual report is also available in German. This translation is provided for convenience only and should not be relied upon exclusively. The German version of the annual report is definitive and takes precedence over this translation.

The annual report (in German and English) and the Südzucker AG financial statements can be downloaded as a PDF file from Südzucker's website at www.suedzuckergroup.com.

The Südzucker Group's financial reports have been prepared in accordance with IFRS in conjunction with supplemental provisions from the German Commercial Code (HGB) and the German Accounting Standards (GAS).

The non-financial report (sustainability statement) has been prepared in accordance with the German Commercial Code (HGB) and is based on the European Sustainability Reporting Standards (ESRS) as the applicable framework. Südzucker Group's sustainability statement has been prepared in accordance with the requirements of the Corporate Sustainability Reporting Directive (CSRD).

Written value statements are standardized as follows:

± 1 %	± 1–4 %	± 4–10 %	> ± 10 %
stable	slight	moderate	significant

CONTENTS

Financial calendar

Q1 – Quarterly statement 1st quarter 2025/26	10 July 2025
Annual general meeting Fiscal 2024/25	17 July 2025
Q2 – Half-year financial report 1st half year 2025/26	9 October 2025
Q3 – Quarterly statement 1st to 3rd quarter 2025/26	13 January 2026
Preliminary figures Fiscal 2025/26	27 April 2026
Press and analysts' conference Fiscal 2025/26	21 May 2026
Q1 – Quarterly statement 1st quarter 2026/27	9 July 2026
Annual general meeting Fiscal 2025/26	16 July 2026

TO OUR SHAREHOLDERS

01

EXECUTIVE BOARD

From left

Dr. Niels Pörksen
Limburgerhof, Germany
Chairman / Chief Executive Officer (CEO), Labor Director

Stephan Büttner
Vienna, Austria
COO / Chief Executive Officer of AGRANA Beteiligungs-AG (CEO AGRANA)

Hans-Peter Gai
Weinheim, Germany
Chief Operating Officer (COO)

Dr. Stephan Meeder
Mannheim, Germany
Chief Financial Officer (CFO)

MANNHEIM, 25 APRIL 2025

Dear shareholders,

In our core sugar business, fluctuations remain a constant challenge, as the market traditionally reacts very sensitively to factors such as production volumes, demand and supply conditions both in Europe and around the world. Periods of exceptionally high sugar prices are often followed by downturns – unfortunately, this was also the case in the 2024/25 fiscal year: This year, we faced a severe decline in the market price for sugar accompanied by weakening demand, the scale of which was unforeseen. Sales of prior-year volumes, produced at high manufacturing costs primarily due to elevated energy prices and raw material costs, further burdened our result. Consequently, it became unavoidable to significantly lower our group's earnings forecast in the fall of 2024; this development ultimately led to a negative result in the sugar segment at the fiscal year-end. Given similarly sharp declines in earnings in the CropEnergies and starch segments, a moderate increase in earnings in the special products segment and significant increases in the fruit segment, we can at best describe the 2024/25 fiscal year as "mixed".

However, we also see that, despite all the negative external factors, our company is more resilient today than it was several years ago. We owe this resilience to our broad base of diversified business segments, which mutually support each other, and to our wide-ranging strategic initiatives aimed at opening up new markets and improving optimization and efficiency within the group. Therefore, despite this turbulent year, we remain convinced that our decisions and strategic direction set Südzucker Group on the right path, and we are determined to continue pursuing it consistently.

Challenging year for the sugar segment

As previously outlined, the sugar segment has experienced a challenging fiscal year, particularly in light of declining sugar prices, oversupply and weakened demand in Europe. Around 450,000 tonnes of duty-free sugar imports from Ukraine during the 2023/24 sugar marketing year significantly contributed to this oversupply, intensifying price pressures in the EU sugar market and forcing European sugar producers to export sugar outside the EU.

Moreover, climate change and extreme weather events are increasingly affecting sugar beet cultivation, accompanied by the spread of diseases such as Cercospora and, in particular, SBR and Stolbur. All of these factors also had significant financial, organizational and logistical consequences for us in 2024/25, which we had to overcome.

Across the entire group, we are making positive progress with the implementation of our sustainability strategy. In particular, our sugar factories continued various conversions during 2024/25, aimed at enabling us to produce sugar in a carbon-neutral manner over the medium to long term. Notable examples include the commissioning of an innovative industrial high-temperature heat pump at Raffinerie Tirlemontoise in Belgium, the conversion of the Strzelin sugar factory in Poland from coal to gas and various other projects that reduce CO_2 emissions at our factories. Moreover, planning for a gas boiler at the Zeitz location has begun. While these projects are undoubtedly worthwhile, they require substantial financial investment.

This is why we are delighted that we were selected by the German Federal Ministry for Economic Affairs and Climate Action to conclude a Climate Protection Agreement. This funding supports our efforts to transition the Zeitz sugar factory to climate-neutral production. However, this funding also highlights how extensive and costly such conversions are for energy-intensive companies. These companies rely on long-term, reliable political support – not only financially but also with respect to regulatory frameworks – to ensure refinancing of these substantial investments.

Brief overview of other segments

The fiscal year was similarly challenging for CropEnergies, which faced declining ethanol prices and lower prices for food and animal feed products. In its first year following the delisting of its shares, CropEnergies further refined its strategy, particularly through significant capital expenditures in large-scale projects. This includes the construction of a plant for producing ethyl acetate from renewable raw materials, which will advance CropEnergies' activities in bio-based chemicals.

The starch segment also experienced difficulties: Higher sales volumes and decreasing production costs could not compensate for declining prices for starch products. In contrast, we are satisfied with developments in the special products and fruit segments. BENEO, Freiberger and PortionPack maintained strong operating results in 2024/25 despite a slight decline in revenues. Additionally, stable revenues in fruit preparations and increasing revenues in fruit juice concentrates led to a significant rise in the fruit segment's result.

Dividend proposal of € 0.20 / share

Therefore, the executive board proposes to the annual general meeting a dividend of € 0.20 / share for the 2024/25 fiscal year, subject to approval by the supervisory board. This proposal reflects the significantly weaker group result compared to the very successful prior year. At the same time, this decision continues our long-term dividend payout policy, which aims to allow our shareholders to participate appropriately in the success of our company.

Outlook for 2025/26 and policy matters

For the 2025/26 fiscal year, our declared goal is to stabilize the company across all segments, continue increasing our efficiency, build on successes and decisively confront challenges. We have implemented the necessary internal measures and continue to refine them to respond effectively to changing circumstances.

However, external factors beyond our full control continue to influence our business activities and available options. This year, we are complying with the Corporate Sustainability Reporting Directive (CSRD) for the first time. There is no doubt that sustainability in its economic, social, and environmental dimensions is of crucial importance to Südzucker Group. We align our business activities accordingly, have implemented a sustainability strategy, and set specific goals. Nevertheless, sustainability reporting as it currently stands is challenging for us because of its scope and complexity. It simultaneously provides opportunities to advance our company and effect positive changes. However, we welcome the discussions and initiatives calling for simplification and pragmatic approaches.

What businesses require are reliable framework conditions and a constructive, fair dialogue with political decision-makers – an expectation we and our industry associations have of Germany's new government. The range of issues involved is extensive: We need affordable energy, planning certainty in climate transformation and investment incentives for innovation. Specifically in the sugar sector, given the increasing spread of beet diseases, time is running out on topics such as the use of crop protection products and the approval of new breeding technologies. Naturally, we also hold clear positions on nutrition-related issues such as punitive taxes, advertising restrictions and reformulations – topics that have recently faded somewhat from the public eye but remain very much on the agenda.

Competitive distortions due to differing environmental and social standards or subsidies are also debated when we look beyond Germany to Europe and the global market. Fair competition and the protection of EU standards are necessary here and in free trade agreements such as Mercosur, to prevent disadvantages for German and other European farmers and producers. This also applies to potential economic conflicts with the USA.

To complicate matters further, the geopolitical situation has significantly deteriorated and dramatically intensified since the beginning of 2025. As a globally operating corporate group with locations in Ukraine and many neighboring countries, we are observing current geopolitical developments with great concern.

All of these factors have considerable potential to significantly impact Südzucker Group in the 2025/26 fiscal year. However, thanks to our employees, we remain confident that we will continue to master all these challenges. Whether in periods of success or during crises, we witness their dedication to our group and how they approach their tasks with remarkable commitment, competence and expertise. They deserve our recognition and gratitude for their efforts.

Finally, we would like to thank all our shareholders for their continued trust in us and in Südzucker Group.

We wish you all the best, continued success, good health and a peaceful year ahead.

Yours truly,

Südzucker AG
Executive board

DR. NIELS PÖRKSEN
(CHAIRMAN)

STEPHAN BÜTTNER

HANS-PETER GAI

DR. STEPHAN MEEDER

EXECUTIVE BOARD [1]

Dr Niels Pörksen
Limburgerhof, Germany
Chairman / Chief Executive Officer (CEO)
Labor director

Portfolios
- Strategy & Transformation
- Human resources
- Communication
- Data protection
- Raw materials & Agriculture
- Audit & Compliance
- Sugar (Südzucker)
- Special products (BENEO)

Initial appointment: 1 March 2020
Term ends: 29 February 2028

Born in 1963. Study of Agricultural Sciences at the University of Kiel, Doctorate degree in 1991. 1992 to 2009 in different management positions at BASF SE. 2009 to 2013 executive board member (CAO) of Nordzucker AG. 2014 to 2020 at Nufarm AG, including as Head of Commercial Operations and Group Executive.

Stephan Büttner
Vienna, Austria
COO / Chief Executive Officer of AGRANA Beteiligungs-AG (CEO AGRANA)

Portfolios
- Fruit
- Starch
- Sugar (AGRANA)

Initial appointment: 4 December 2023
Term ends: 3 December 2026

Born in 1973. Following his studies in commercial sciences at the Vienna University of Economics and Business Administration, he worked among other things in the auditing sector. Joined Raiffeisen Ware Austria AG in 2001 and became CEO of its subsidiary Ybbstaler Fruit Austria GmbH in 2004. Since 2012 working for the AGRANA Group. Appointed to the executive board of AGRANA Beteiligungs-AG on 1 November 2014, CFO since 1 January 2015, CEO since 1 January 2024.

Hans-Peter Gai
Weinheim, Germany
Chief Operating Officer (COO)

Portfolios
- Technical & Operations Excellence
- Research, Development & Innovation
- Digitization & IT
- Sustainability, Environment & Occupational Safety
- Quality Management
- Corporate Development
- Special products (Freiberger, PortionPack)
- CropEnergies

Initial appointment: 1 November 2022
Term ends: 31 October 2025

Born in 1966, studied mechanical engineering focusing on production technology at the University of Karlsruhe (TH). More than 25 years of professional experience in the areas of food production, supply chain, technology and product development as well as transformation as part of his work for companies such as Unilever, Theo Müller and Danone.

Dr Stephan Meeder
Mannheim, Germany
Chief Financial Officer (CFO)
since 1 June 2024

Portfolios
- Controlling
- Finance
- Investor relations
- Legal
- Procurement
- Property / insurance
- Taxation

Initial appointment: 19 December 2023
Term ends: 18 December 2026

Born in 1970, graduated in business administration from the University of Mannheim and ESSEC, Cergy-Pontoise, France. After gaining his doctorate in 1999 and holding positions at KPMG and Robert Bosch GmbH, among others, he joined Südzucker AG in the corporate finance department in 2006. From 2007 to 2015 Chief Financial Officer at Saint Louis Sucre. From April 2015 CFO, from July 2020 until the end of February 2024 also CEO of CropEnergies AG. Member of the executive board of AGRANA Beteiligungs-AG since 1 March 2024.

[1] Other board memberships are listed under note (37) Supervisory board and executive board.

SUPERVISORY BOARD [1]

Dr. Stefan Streng
Chairman
Uffenheim, Germany
Chairman of the executive board of
Verband Süddeutscher Zuckerrübenanbauer e. V.

Rolf Wiederhold [2]
1st deputy chairman
Wabern, Germany
Chairman of the central works council of
Südzucker AG

Erwin Hameseder
2nd deputy chairman
Mühldorf, Austria
Chairman of Raiffeisen-Holding
Niederösterreich-Wien reg. Gen.m.b.H.

Fred Adjan [2]
Hamburg, Germany
Deputy chairman of
Gewerkschaft Nahrung-Genuss-Gaststätten

Helmut Friedl
Egling a. d. Paar, Germany
Chairman of the executive board of
Verband bayerischer Zuckerrübenanbauer e. V.

Ulrich Gruber [2]
Plattling, Germany
Deputy chairman of the central works council of
Südzucker AG

Georg Koch
Wabern, Germany
Chairman of the executive board of
Verband der Zuckerrübenanbauer Kassel e. V.

Susanne Kunschert
Stuttgart, Germany
Managing partner of
Pilz GmbH & Co. KG

Ulrike Maiweg [2]
Bellheim, Germany
Member of the works council
Headquarters Mannheim
Südzucker AG

Walter Manz
Dexheim, Germany
Chairman of the executive board of Verband der
Hessisch-Pfälzischen Zuckerrübenanbauer e. V.

Julia Merkel
Wiesbaden, Germany
Member of the executive board of
R+V Versicherung AG

Sabine Möller [2]
Hamburg, Germany
Divisional officer of
Gewerkschaft Nahrung-Genuss-Gaststätten

Dr. Stefan Mondel [2]
Rödelsee, Germany
Technical Director
Südzucker AG

Angela Nguyen [2]
Biederitz, Germany
Chairwoman of the works council of
Freiberger Osterweddingen GmbH

Mustafa Öz [2]
Altdorf, Germany
Regional Chairman Bavaria of
Gewerkschaft Nahrung-Genuss-Gaststätten

Joachim Rukwied
Eberstadt, Germany
President of
Deutscher Bauernverband e. V.

Bernd Frank Sachse [2]
Zeitz, Germany
Chairman of the works council at the Zeitz plant of
Südzucker AG

Clemens Schaaf
Landsberg (Saalekreis), Germany
Chairman of the executive board of Verband
Sächsisch-Thüringischer Zuckerrübenanbauer e. V.

Nadine Seidemann [2]
Donauwörth, Germany
Deputy chairwoman of the works council at the Rain plant of
Südzucker AG

Dr. Claudia Süssenbacher
Gablitz, Austria
Managing director of Raiffeisen-Holding
Niederösterreich-Wien reg. Gen.m.b.H.

[1] Other board memberships are listed under note (37) Supervisory board and executive board.
[2] Employee representative.

REPORT OF THE SUPERVISORY BOARD

Dr. Stefan Streng
Chairman

Ladies and Gentleman,

While we were still able to celebrate a record year for Südzucker Group in 2023/24, a degree of disillusionment set in during the 2024/25 fiscal year. The sharp decline in sugar and ethanol market prices, coupled with rising energy and raw material costs, had a significantly adverse impact on the company's results. Throughout the year, the supervisory board and the Südzucker executive board continuously exchanged views on these developments and engaged in open discussions. We share the consensus that the company remains positioned to achieve profitable growth, despite interim declines in earnings within individual divisions. Today, Südzucker is also more resilient than it was in 2018/19, for instance, when the termination of the sugar market regulation likewise led to a significant decline in profits. This resilience is largely due to the extensive and, in some cases, rigorous optimization and efficiency-enhancement measures implemented since then, as well as the strategic restructuring that we, as the supervisory board, supported at the time and continue to support today. We are mindful that new business areas and topics explored by the group may not always have an immediate positive impact on results but remain essential for the stable long-term development of Südzucker Group.

Before I provide a detailed account of the supervisory board's activities during the 2024/25 fiscal year, I would like to take this opportunity – on behalf of the entire supervisory board – to express my gratitude and appreciation to Thomas Kölbl for his many years of service as CFO of Südzucker Group. In Dr. Stephan Meeder, previously CEO and CFO of CropEnergies AG, we have found a successor who ensured a smooth transition for the group and represents continuity moving forward.

The supervisory board continued to work on the basis of mutual trust and in the spirit of a results-oriented team with the executive board in fiscal 2024/25. In doing so, the supervisory board concentrated on the tasks for which it is responsible by law, the company's articles of association and the rules of procedure: to monitor and advise the executive board in the latter's management of the company.

The supervisory board was directly involved in all decisions of material importance affecting Südzucker Group and was continuously advised in detail and in a timely manner on all issues related to corporate planning and further strategic development, business activities, the status and development of Südzucker Group including risk situation, as well as risk management and compliance.

The executive board updated the supervisory board at all ordinary meetings on the course of business as well as the company's situation. Between meeting dates, the supervisory board was regularly informed about current developments and all significant business transactions. The executive board reports were mainly updates about the company's situation and development, strategy and sustainability, corporate policy and profits as well as Südzucker AG's and Südzucker Group's corporate, treasury, investment, research and personnel budgets. In addition, the supervisory board chairman was informed by the CEO in several working meetings about all important business activities. Since the beginning of the Ukraine war, the executive board regularly updated the supervisory board on the actual and potential impact on the company and on the measures taken. The same applies to the potential impact of the military conflict in the Middle East.

Supervisory board meetings and decisions

The supervisory board met with the executive board at four ordinary meetings and two extraordinary meetings in fiscal 2024/25. The executive board took part in the ordinary meetings and in the extraordinary meetings – except when discussing internal matters of the supervisory board. The meetings on 15 May 2024, 17 July 2024 and 26 February 2025 were held exclusively in presence. The extraordinary meeting on 9 December 2024 took place via video conference. The other meetings were held as hybrid events – the supervisory board members were partly present on site and partly connected virtually via videoconference. In addition to the meetings, the supervisory board made one decision by written procedure. The supervisory board approved all of the executive board's decisions after a thorough review and discussions.

Personnel matters were approved by written procedure on **22 April 2024.**

The main focus of the meeting on **15 May 2024** was the review and approval of Südzucker AG's financial statements and the consolidated financial statements dated 29 February 2024. The CFO responsible at that time, Thomas Kölbl, presented the 2023/24 consolidated financial statements, outlined the individual financial statements and dealt with the dependent company report. The auditor KPMG AG Wirtschaftsprüfungsgesellschaft (KPMG) subsequently reported on the material findings and results of the audit. After a detailed discussion, the supervisory board adopted the annual financial statements and approved the consolidated financial statements and management report 2023/24. The board followed the executive board's proposal for the appropriation of retained earnings and approved the supervisory board report. The board made preparations for the 2024 virtual annual general meeting and adopted the agenda and proposed resolutions. In addition, the supervisory board presented its choice for the auditor to shareholders at the annual general meeting based on the recommendation of the audit committee, along with the formal review of the compensation report by the auditor and the appointment of the auditor for the sustainability statement. The supervisory board also prepared Südzucker AG's compensation report for fiscal 2023/24 as presented in the invitation to the annual general meeting. This compensation report was approved by the 2024 annual general meeting. The supervisory board dealt with the regular agenda item of compliance. It also discussed two AGRANA investment projects and approved investment supplements for the AGRANA fruit division and the IT sector. The supervisory board furthermore decided to adjust the rules of procedure for the supervisory and executive boards and discussed personnel matters. Dr. Mondel was appointed to succeed Mr. Vogl on the agriculture and raw material markets committee.

At the extraordinary meeting on **1 July 2024,** the supervisory board approved the binding participation in the first bidding process for the climate protection contract with the Federal Ministry for Economic Affairs and Climate Action. It also agreed to an investment project of AGRANA.

At its meeting on **17 July 2024** – the day before the ordinary annual general meeting – Dr. Stephan Meeder, the CFO in charge from 1 June 2024, provided an update of the result projections for 2024/25. The supervisory board approved the 2025/26 investment plan and investment supplements and took note of Südzucker Group's long-term investment plan. Additionally, investment projects of CropEnergies AG and Südzucker AG were addressed. The supervisory board also reviewed the group's financing and the strategic alignment of group companies. In addition, personnel matters were discussed.

During the meeting on **7 November 2024** the CFO presented the 2024/25 half-year financial report and an update of the result projections for 2024/25. Measures to improve earnings and strategic topics were then discussed. The supervisory board passed an investment supplement and approved an investment project as well as a real estate matter. In addition, a corporate financing measure was addressed. Corporate governance was discussed as always during the November meeting. In addition, the board conducted the annual self-assessment of its activities and adopted the 2024 declaration of compliance. The rules of procedure for the executive board were also amended. Finally, internal supervisory board matters were dealt with as a separate agenda item.

The extraordinary meeting on **9 December 2024** focused on the ongoing investment projects at CropEnergies.

At the **26 February 2025** meeting, the CFO presented the updated results projection for 2024/25 and the mid-term plan. Moreover, the update of Südzucker Group's strategy was reported on. In this meeting, investment projects of Südzucker, Freiberger, AGRANA and CropEnergies were also discussed. The supervisory board approved an investment supplement and consented to a financing project along with a real estate matter. Finally, internal supervisory board matters were dealt with as a separate agenda item.

Supervisory board committees

The supervisory board set up seven committees to enable its efficient fulfillment of duties (executive committee, mediation committee, audit committee, agriculture and raw material markets committee, nomination committee, social committee, strategy and sustainability committee), each of which except for the nomination committee is made up of an equal number of shareholders' and employees' representatives. The current members of the committees are presented in the notes under item 37 "Supervisory board and executive board".

The **supervisory board executive committee** convened seven times in fiscal 2024/25: on **30 April 2024,** on **15 May 2024,** on **9 July 2024,** on **17 July 2024,** on **7 November 2024,** on **17 February 2025** and on **26 February 2025.** In particular, the strategic alignment of the company, but also corporate governance issues and the further development of the new executive board compensation system as well as personnel matters were discussed in advance.

The **audit committee** convened four times during the year, in two video conferences and two hybrid meetings:

At its **7 May 2024** meeting and in the presence of the external auditors KPMG the audit committee discussed matters relating to the annual financial statements of Südzucker AG and the consolidated financial statements as of 29 February 2024. The audit committee prepared the supervisory board financial review meeting – at which the chairwoman of the audit committee reported – and approved the recommendations of the audit committee. In line with routine procedures, the audit committee discussed compliance during the May meeting.

At the meeting on **9 July 2024,** the audit committee discussed with the executive board the quarterly statement Q1 of the 2024/25 financial year.

At the **8 October 2024** audit committee meeting, the auditors dealt with monitoring the accounting process, the effectiveness of the internal controlling system, the risk management system and the internal audit system, as instructed by the supervisory board. Another agenda item was the discussion of the 2024/25 half-year financial report.

At the meeting on **10 January 2025,** the audit committee discussed with the executive board the Q3 quarterly statement for the 2024/25 financial year and the planning of the financial statements audit and, without the executive board being present, internal matters relating to the audit committee.

The **agriculture and raw material markets committee** convened on **7 November 2024.** Südzucker AG's agricultural sector reported on measures to deal with sugar beet diseases and also presented and discussed developments on the agricultural raw materials markets.

The **strategy and sustainability committee** met on **25 February 2025** and addressed the status of the implementation of the Corporate Sustainability Reporting Directive (CSRD Readiness) and the execution of human rights-related due diligence obligations at Südzucker Group, as well as new political framework conditions and their impact on sustainability projects in the Südzucker Group. In addition, a status report was provided on the current strategy of the Südzucker Group and the further development of the strategy.

The chairs of the committees, or, if unable to attend, the deputy chairs, reported their findings at the subsequent ordinary supervisory board meetings.

The **nomination committee,** the **mediation committee** and the **social committee** also did not convene in the 2024/25 financial year.

Attendance

All supervisory board members attended the supervisory board meetings held on 7 November 2024 and 26 February 2025. Fred Adjan was absent from the supervisory board meeting on 15 May 2024. At the extraordinary meeting on 1 July 2024, Fred Adjan, Sabine Möller, Angela Nguyen and Mustafa Öz were not present. Sabine Möller and Clemens Schaaf did not attend the supervisory board meeting on 17 July 2024. Fred Adjan, Susanne Kunschert, Julia Merkel, Mustafa Öz and Joachim Rukwied missed the extraordinary meeting on 9 December 2024.

All members attended the meetings of the executive committee on 30 April 2024, 9 July 2024, 17 July 2024, 7 November 2024, 17 February 2025 and 26 February 2025. Fred Adjan was absent from the meeting on 15 May 2024.

Susanne Kunschert did not attend the audit committee meeting on 9 July 2024. Apart from that, all members attended the meetings.

All committee members were present at the meeting of the agriculture and raw materials markets committee on 7 November 2024 and the meeting of the strategy and sustainability committee on 25 February 2025.

Supervisory board self-assessment

In accordance with recommendation D.12 of the German Corporate Governance Code (Code), the supervisory board again assessed how effectively it works overall and how its committees fulfill their work. This is done annually using a questionnaire, without external assistance. Each year, the questionnaire is revised according to the latest changes to the code. The questionnaire was assessed in the meeting on 7 November 2024, at which time the results were discussed and improvement recommendations made. The aim is to continuously improve the work of the supervisory board and its committees.

Compliance

On 10 January 2025, the executive board, external auditor, chairman of the supervisory board and audit committee sat for the regular fraud and corruption risks review meeting. The topics presented and discussed included the assessment of business risks and measures to limit the risks arising from fraud and corruption.

Corporate governance

A detailed description of corporate governance at Südzucker, including the content of the supervisory board's diversity concept and competency profile for its future composition and the declaration of compliance for 2024 issued by the executive and supervisory boards, can be reviewed in the chapter → corporate governance. In addition, all relevant information is available on the Internet at https://www.suedzuckergroup.com/en/investor-relations/corporate-governance.

The executive board fully complied with its duties as prescribed by law, the company's articles of association and the standard rules of procedure regarding reporting to the supervisory board and did so in a timely manner. The supervisory board is confident that company management is acting properly, and that the company's organizational structure is effective. The same applies to the effectiveness of Südzucker Group's risk management and internal control system. Here too, the supervisory board was updated in detail by the executive board.

Conflicts of interest

The supervisory board was not advised in fiscal 2024/25 of any conflict of interest on the part of any of its members, nor of members of the executive board, especially one that could arise as a result of a consultation or board duty related to customers, suppliers, creditors or other business partners.

Financial statements

The auditors KPMG AG Wirtschaftsprüfungsgesellschaft (KPMG) were selected by the shareholders at the ordinary annual general meeting on 18 July 2024 following the recommendation of the supervisory board. KPMG has reviewed the annual financial statements and management report of Südzucker AG for fiscal 2024/25 and the consolidated financial statements and management report for 2024/25 and issued a qualified audit opinion on each of them. KPMG has audited the group and individual financial statements since the 2023/24 fiscal year.

In view of the declaration by Süddeutsche Zuckerrübenverwertungs-Genossenschaft eG (SZVG), Ochsenfurt, Germany, which states that SZVG holds over 50 % of the voting rights of Südzucker AG in terms of own holdings or minority interests, the executive board has prepared a report on related party transactions in accordance with article 312 of the German Stock Corporation Act (AktG). The auditor reviewed this report and reported its findings in writing. It confirmed that the facts set out in the report are true.

The documents to be audited and the KPMG audit reports were sent to each supervisory board member in a timely manner. Representatives of the auditors KPMG participated in the audit committee's 6 May 2025 meeting and in the supervisory board's financial review meeting of 14 May 2025 and provided a detailed report on the proceedings and result of the audit of the financial statements and the group sustainability statement. After carefully reviewing the auditor's reports, the supervisory board agreed with the results of the KPMG audit. The results of the preliminary review by the audit committee and the results of its own review are in complete agreement with the results of the external audit. The supervisory board raised no objections to the audit reports submitted. In its meeting of 14 May 2025, it endorsed the financial statements for Südzucker AG and consolidated Südzucker Group financial statements prepared by the executive board. The financial statements of Südzucker AG are thus adopted.

The supervisory board concurs with the executive board's recommendation made on 18 April 2025 regarding the distribution of a dividend in the amount of € 0.20 per share.

Personnel matters

The following changes took place on the supervisory board and the executive board in fiscal year 2024/25:

Wolfgang Vogl has retired from the employee side of the supervisory board and departed from it on 30 April 2024. He was succeeded with effect from 1 May 2024 by Dr. Stefan Mondel, who was elected as a stand-in candidate for Wolfgang Vogl in the election of employee representatives to the supervisory board in 2022.

Thomas Kölbl stepped down from the executive board of Südzucker AG on 31 May 2024 and retired. Dr. Stephan Meeder, who was appointed to the executive board for three years on 19 December 2023, took over as CFO and succeeded him on 1 June 2024.

The supervisory board would like to express its sincere thanks to the departing members of the supervisory board and the executive board for their dedication on behalf of the company.

Together with the executive board, the members of the supervisory board would like to pay their respect to those active and former employees and members of the supervisory board of the Südzucker Group who passed away during the year.

The supervisory board thanks the executive board and all employees of Südzucker AG and its affiliated companies for their performance during the year. We are all well aware of the achievements made by the corporate management and each individual employee, and of the challenges that have been successfully overcome.

Mannheim, 14 May 2025
On behalf of the supervisory board

DR. STEFAN STRENG
CHAIRMAN

SÜDZUCKER SHARES AND CAPITAL MARKET

Capital market environment

In the wake of a turbulent year for the stock market in 2023, the capital markets encountered their own set of challenges in 2024, yet largely remained indifferent to the prevailing headlines dominated by geopolitical tensions, wars, natural disasters and increasing political polarization. Global economic expansion showed remarkable resilience, maintaining a growth rate above 3 %. Furthermore, inflation gradually decreased, leading to interest rate cuts in some countries, which positively impacted both growth and stock markets.

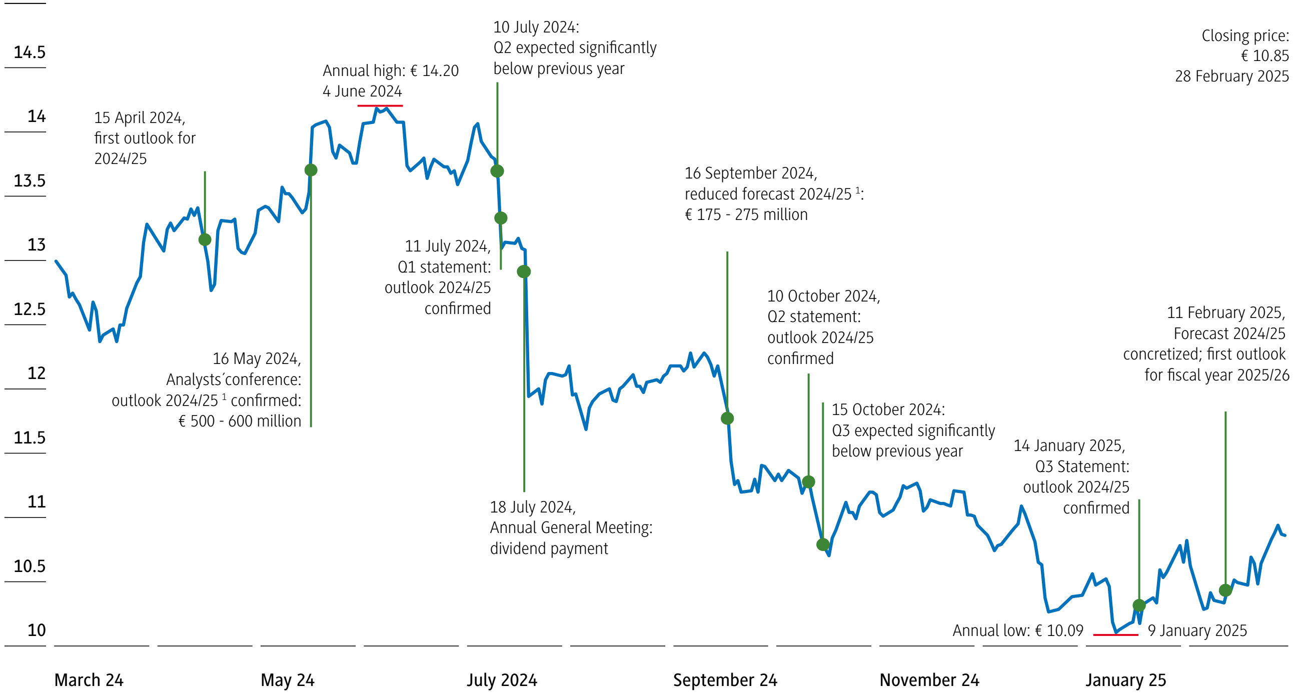
The stock markets experienced repeated corrections over the course of the year, but the old highs were often reached again or even exceeded. The capital markets in the last quarter of 2024 were notably influenced by unexpectedly positive economic developments in the US and China, and by Donald Trump's election victory. This led to significant gains in the US dollar and US stocks, particularly in small caps. As a result, several stock indices reached record levels in 2024.

The U.S. Federal Reserve has been combating inflation since March 2022 with several increases in the key interest rate, reaching a peak of 5.50 % in July 2023. Since then, the rate has been gradually lowered to 4.50 % in December 2024. The European Central Bank subsequently followed this trend with key interest rate increases up to 4.50 % in September 2023 and simultaneous cuts down to 2.90 % recently.

The yield on ten-year government bonds, which had been temporarily positive at the beginning of calendar year 2022, was +2.38 % at the end of February 2025. Despite the increase in DAX® payouts, the difference between the yield on ten-year German government bonds and the dividend yield of the DAX® has now been minimized due to the substantial rise of the DAX® index.

Südzucker's share price performance

1 March 2024 to 28 February 2025
Share price in €



[1] The forecast relates to the expected consolidated group operating result during the respective fiscal year.

DIAGRAM 001

Südzucker share data

		2024/25	2023/24
Market capitalization [1]	€ million	2,215	2,670
Freefloat – market capitalization [1]	€ million	576	752
Number of shares outstanding at € 1 [1]	shares	204,131,650	204,107,259
Xetra® closing price [1]	€	10.85	13.08
High for the year (Xetra®)	€	14.20	18.87
Low for the year (Xetra®)	€	10.09	12.88
Average trading volume / day [2]	thousands of shares	388	392
Cumulative trading turnover	€ million	1,179	1,523
Closing rate SDAX® [1]	points	14,847	13,772
Performance Südzucker share (1 March to 28/29 February) [3]	%	−10.8	−15.1
Performance SDAX® (1 March to 28/29 February)	%	7.8	2.9
Dividend [4]	€ / share	0.20	0.90
Dividend yield	%	1.8	6.9
Earnings per share	€	−0.54	2.72

[1] Balance sheet date.
[2] Total daily trading volume on all German stock exchanges where the share is admitted for trading.
[3] Südzucker total return index, considers share development and dividend distribution.
[4] 2024/25: Proposal.

TABLE 005

Südzucker's share price performance vs. the MDAX® and SDAX®

1 March 2020 to 28 February 2025
Index in %

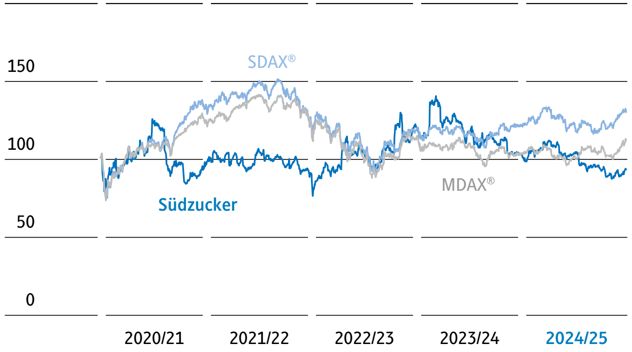


DIAGRAM 002

The DAX® and MDAX® both reached their respective annual lows in early July 2024, while the SDAX® hit its annual low in early November. The SDAX® reached its annual high at the beginning of June 2024, while the DAX® and MDAX® recorded highs in mid-February 2025. DAX®, MDAX®, and SDAX® closed at the end of February 2025 with 22,551, 28,298, and 14,847 points, respectively.

Südzucker's share price performance

Starting from the opening price of € 13.00 on 1 March 2024, Südzucker's share price reached its annual high of € 14.20 on 4 June 2024, despite the initial forecast published in April indicating a significant decline in earnings. With the € 0.90 ex-dividend markdown in July and the profit warning, coupled with the significant reduction in earnings expectations for fiscal 2024/25 in September 2024, the stock reached its annual low of € 10.09 on 9 January 2025. Südzucker's share price closed at € 10.85 at the end of the fiscal year. This corresponds to a performance of −10.8 %.

Shareholder structure stable

Südzucker AG continued to have two major long-term shareholders. As of 28 February 2025, Süddeutsche Zuckerrübenverwertungsgenossenschaft eG held 63.47 % of Südzucker AG's shares (own shares and fiduciary shares). Zucker Invest GmbH, the second major shareholder representing Austrian shareholders of Raiffeisengruppe, held 10.25 % of the shares. The free float portion of Südzucker shares, 26.28 %, is held by private investors, investment funds, pension funds and insurance companies mainly in Europe and North America.

Südzucker AG bonds

Bond	Coupon	Volume	ISIN	Listed on
Hybrid Bond 2005 Perpetual NC 10[1]	Variable	€ 700 million	XS0222524372	Luxembourg (regulated market)
Bond 2017/2025	1,000 %	€ 500 million	XS1724873275	Luxembourg (regulated market)
Sustainability-Linked Bond 2022/2027	5,125 %	€ 400 million	XS2550868801	Luxembourg (regulated market)
Bond 2025/2032	4,125 %	€ 500 million	XS2970728205	Luxembourg (regulated market)

[1] First issuer call right for Südzucker as of 30 June 2015; subject to Südzucker having issued, within the twelve months preceding the call becoming effective, parity securities and/or junior securities (hybrid capital or shares) under terms and conditions similar to those of the bond (according to § 6 para. 5 and 6 of terms and conditions).

TABLE 006

Rating

Südzucker clearly aims to confirm its investment grade rating. The company's conservative financial policies focus on strengthening the balance sheet and earnings indicators.

Südzucker has commissioned Moody's rating agency since 1991 to evaluate and publish its corporate credit profile. In addition, Standard & Poor's (S&P) has evaluated the creditworthiness of the company and its bonds since 2003. Südzucker has always received an investment grade rating, which is a testament to the company's strong creditworthiness, as well as its sustainable cash flow and earnings capacity.

On 3 June 2024, Moody's improved the company's corporate and bond rating from Baa3 to Baa2 with a "stable" outlook. On 24 September 2024, Moody's changed the outlook from "stable" to "negative." Moody's rates the subordinated hybrid bond as 50 % equity.

S&P upgraded the corporate and bond rating on 29 May 2024, from BBB- to BBB with a "stable" outlook. On 24 September 2024, S&P changed the outlook from "stable" to "negative." 50 % of the hybrid bond is treated as equity.

Communications with capital markets

The communication with investors, analysts and other market participants increasingly took the form of numerous personal meetings. The executive board and Investor Relations presented and explained the Group's performance on roadshows and conferences. Südzucker publishes all key information on its website in a timely and transparent manner.

Südzucker share stock market data

ISIN	DE 000 729 700 4
WKN	729 700
Trading places	Xetra®, Frankfurt, Stuttgart, Munich, Hamburg, Berlin, Düsseldorf, Hanover (over-the-counter)
Ticker symbol	SZU
Reuters ticker symbol	SZUG.DE (Xetra®), SZUG.F (Frankfurt)
Bloomberg ticker symbol	SZU GY (Xetra®), SZU GF (Frankfurt)

TABLE 007

COMBINED MANAGEMENT REPORT

02

ABOUT THE GROUP

Group structure

Südzucker AG, a German stock corporation based in Mannheim, is the parent company of Südzucker Group and also its largest operating company. The consolidated financial statements include the parent company – Südzucker AG – and 133 (138) other entities, of which Südzucker AG is directly or indirectly the majority shareholder. A total of 14 (15) of those entities were accounted for in the consolidated financial statement using the equity method. For additional details about Südzucker's share ownership in other companies, please see the list of shareholdings in accordance with section 313 (2) HGB, which is published together with the consolidated financial statements as of 28 February 2025 in the electronic Federal Gazette and separately on the company website.

Südzucker Group comprises five segments: sugar, special products, CropEnergies, starch and fruit. The sugar, special products and fruit segments are subdivided into a total of eight divisions according to product or region.

Group functions perform tasks and functions for several segments or divisions or for the entire Südzucker Group. Other subtasks are bundled in financial shared service centers and research activities at several research centers.

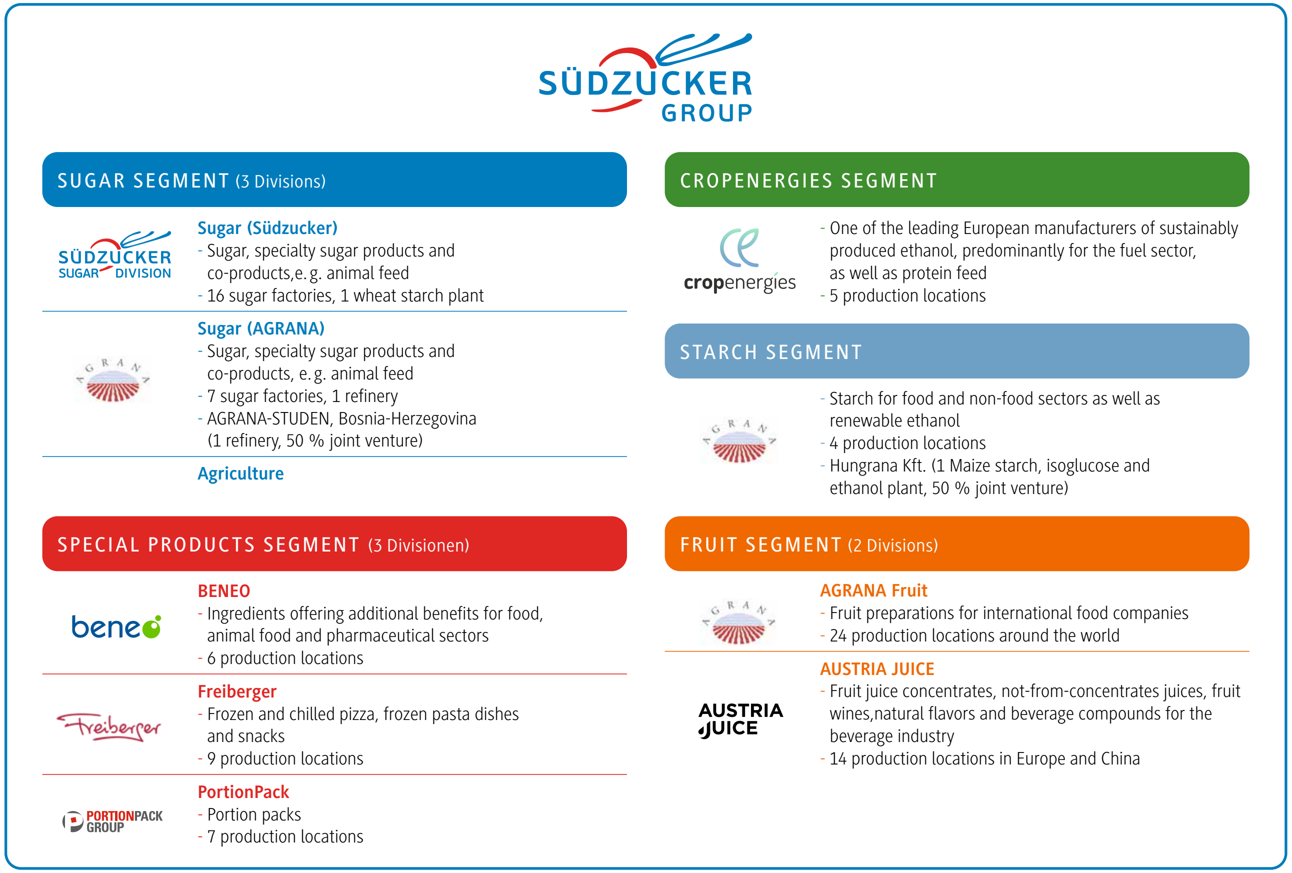


DIAGRAM 003

Group management

Südzucker AG's executive board independently manages the businesses and is supervised and guided by the supervisory board. The executive board is bound to work in the corporation's interests and is responsible for increasing shareholder value.

The executive board members are jointly responsible for managing the entire company. Individual executive board members bear sole responsibility for the executive board decisions related to the corporate departments and segments / divisions assigned to them. The executive board's rules of procedure outline the details of the board's work.

The Chief Executive Officer (CEO) of Südzucker AG and the Chief Executive Officer of AGRANA Beteiligungs-AG (CEO AGRANA) jointly manage the sugar segment. As part of this joint segment governance, the CEO of Südzucker AG has regional responsibility for the country subsidiaries of the sugar division (Südzucker) – with production sites in Germany, Belgium, France, Poland and

Moldova and distributors of the sugar division (Südzucker) in Greece, Italy, Spain and UK. AGRANA's CEO has regional responsibility for the sugar division's (AGRANA) country subsidiaries in Austria, the Czech Republic, Slovakia, Hungary, Romania, Bulgaria and Bosnia. The AGRANA CEO acting as a member of Südzucker AG's executive board is also responsible for the starch and fruit segments, and the chief operating officer (COO) is responsible for the CropEnergies segment. In addition, Südzucker AG's CEO jointly heads the special products segment with the COO, with the CEO being in charge of the BENEO division and the COO being in charge of the Freiberger and PortionPack divisions.

Südzucker AG's articles of association of the executive board stipulate that important business transactions are additionally subject to the consent of the supervisory board.

The executive board is responsible for the appropriate control and risk management system at the company including climate-related risks in particular. It is also responsible for ensuring that executive management positions are appropriately filled. The executive board is also responsible for ensuring that the company complies with statutory requirements and in-house corporate policies and that group companies adhere to these rules (compliance).

The segment and divisional management organizations should also manage the day-to-day operational businesses in compliance with the aforementioned requirements. The company uses a matrix organizational structure, whereby the line functions are supported and advised by central departments, which are authorized to issue directives.

Value based management

The corporation's management focuses on sustainably improving shareholder value. The objective of Südzucker's value-based management system is to generate a higher return on capital employed than the cost of capital in each segment and division and thus create added value for the company's shareholders.

Südzucker uses a consistent group-wide reporting and planning system together with centrally defined key figures. Key performance indicators at group and segment level are sales revenues and operating result and exclusively at group level EBITDA and return on capital employed (ROCE).

When calculating the operating result, the result from operations reported in the income statement is adjusted to reflect the results of restructuring and special items as well as companies consolidated at equity. After deducting non-cash depreciation and amortization, EBITDA is the measure of the company's strong operating cash flow capacity. Capital employed comprises the invested items of fixed assets plus acquired goodwill and working capital as of the reporting date. Return on capital employed (ROCE) is the ratio of operating result to capital employed. Südzucker calculates the cost of capital for the operating assets as the average of weighted equity and debt capital. The costs of capital are specified for the segments and divisions by taking into account the respective country and business risks. Currently Südzucker Group's primary indicators for management purposes are the financial performance indicators.

Financial management

Südzucker strives to ensure financing based on sustainable, strong cash flow, stable relationships with the various supporting shareholder groups, access to international capital markets and reliable bank relationships. Südzucker clearly aims to confirm its investment grade rating. Südzucker uses financial instruments, taking into consideration terms to maturity and interest rates, including hybrid equity capital, bonds, promissory notes, bank credits, and since fiscal 2024/25, a factoring program. The unique financing requirements during the fiscal year due to the seasonality of the sugar sector (financing beet purchases and inventories) means that securing short-term cash is an important aspect of our financing structure. These short-term financing needs are primarily secured through a commercial paper program in the amount of € 600 million. Südzucker Group has additional liquidity reserves from unused syndicated credit lines and other bilateral bank credit lines. They amounted to € 1.4 (1.4) billion as of the balance sheet date.

The capital structure is managed based on a long-term outlook and focuses on the factors associated with an investment grade rating. The key indicators Südzucker uses to manage its capital structure are ratio of net financial debt to EBITDA and the equity ratio (equity as a percentage of total assets).

Cash flow comprises earnings after tax, depreciation of non-current assets, the change in accounting for non-current provisions including financial assets, (deferred) tax liabilities and deferred tax assets as well as other non-cash income and expenses.

Net financial debt includes financial liabilities (bonds, promissory note loans, liabilities to credit institutions and lease liabilities), adjusted for short- and long-term securities as well as cash and cash equivalents. Additional information on operating result per segment and key indicators related to capital structure are outlined in the "Business report" section. Item 21, "Intangible assets" in the notes to the annual report outlines how the costs of equity are derived. Additional information regarding financing management and details about the financial instruments used are provided in the notes to the financial statements under item 30, "Financial liabilities, securities and cash and cash equivalents (net financial debt)".

Business model

Südzucker's business model involves the use of plants and other raw materials of agricultural origin to develop, produce and market high-quality foods, food ingredients, animal feed, ethanol and other products.

Various sources, processes and technologies are used for the procurement and processing of plant-based raw materials, which are being continuously developed with regard to sustainability and efficiency.

Südzucker Group's product portfolio includes sugar, special sugar products and glucose syrups, ingredients with additional benefits for food and animal feed, frozen and chilled pizzas, portion pack articles, ethanol, animal feed, starch, as well as fruit preparations and fruit juice concentrates.

The business activities to manufacture and market these products and the related services are allocated to five segments (→ group structure).

We reliably serve the food, animal feed and petroleum industries as well as consumer markets such as retail and the food service market with our products in a customer-focused approach. In the industrial markets, requirements such as quantity, quality, availability and price are decisive, while in the consumer markets taste, additional benefits, innovation, and convenience are key factors.

Südzucker operates worldwide with its special products, starch and fruit segments. The sugar and CropEnergies segment's business activities are mainly focused on Europe.

Our raw materials and the markets we serve are globally intertwined and subject to price fluctuations. Südzucker's diversified product portfolio and the various regional markets aim to ensure a balance of risks.

Our business model is based on sustainable operations, resource-friendly production by using low-emission and energy-efficient technologies and the use of agricultural raw materials to the greatest extent possible. Numerous production sites are part of rural regions where agriculture is of great importance. European standards for compliance, human rights and working conditions, and adherence to the requirements for healthy, safe food are considered as essential pillars of our business.

Our employees bring diverse experience, skills, knowledge, personalities and cultures to Südzucker and contribute to the success of our company.

Group strategy

Market environment

Südzucker Group's market environment is subject to far-reaching changes in its markets and society. Health trends, public discussions about sugar consumption in Europe, rising demand for sustainable, plant-based products and new climate-friendly technologies are changing our customers' needs.

Global megatrends such as health, neo-ecology, digitalization and globalization, as well as tighter regulatory frameworks in Europe and geopolitical tensions continue to influence our market conditions. Südzucker Group sees these changes as both a challenge and an opportunity to better fulfill the needs of its customers and society in the future.

Group Strategy 2026 PLUS

Group Strategy 2026 PLUS aims to systematically focus the Südzucker Group on sustainable and profitable growth and to be the leading partner for plant-based solutions for an enjoyable, healthy and sustainable world.

The underlying principle common to all our business units is "Get the Power of Plants": Through the power of plants, we are further expanding our expertise in nutrition, energy and beyond, and strengthening our company's position.

Our strategic projects focus on extending the value chain and expanding our product portfolio.

Get the Power of Plants

GROUP STRATEGY 2026 PLUS

Our strategy is based on our Purpose, Mission and Vision.

PURPOSE

Our Purpose is to contribute to an enjoyable, healthy and sustainable world based on the power of plants.

MISSION

Our Mission is to create value from plants – for nutrition, energy and beyond – being the partner of choice for farmers, customers and consumers.

VISION

Our Vision is to become the leading integrated group for plant-based solutions – locally, regionally and globally.

Five strategic fields of action are key elements of our Group Strategy 2026 PLUS

Our employees

Our employees are the cornerstone of our company, driving our business to success. We aim to create an environment that encourages stronger networking and greater interaction within the group. We bring together a variety of skills and identify opportunities at an early stage.

Sustainability

We strive to contribute to a sustainable world with plant-based solutions. Our goal is to create value with a commitment to responsibly care for both people and the environment. In everything we do, we aim to achieve a balance between economic, ecological and social issues, while considering the various expectations of our stakeholders.

Markets and customers

We focus on our customers and what they need. We strive to continually improve our understanding of our customers and markets to identify market trends early on. This enables us to optimize our focused product portfolio on an efficient, ongoing basis.

Plant-based solutions

Going forward, we plan to consistently pursue a diversified product portfolio and leverage our group's expertise and our employees' innovative strength to develop and successfully market new products, concepts and services.

Profitable growth

Growing faster and more profitably than our competitors – by means of organic growth and strategic acquisitions – is our objective. Our focus is on increasing efficiency and profitability, while also establishing innovative products and business segments.

These strategic fields of action include the following priorities:

Establishing the bio-based chemicals business

From a material use perspective, renewable carbon, e.g., from biomass and biogenic CO_2, can significantly enhance sustainability in chemicals, for example, by replacing the predominantly used fossil carbon. Südzucker Group plans to leverage the increasing demand for sustainable, bio-based chemicals by developing a new business segment in bio-based chemicals through its subsidiary CropEnergies.

CropEnergies bridges the gap between agriculture and chemistry in the bio-based chemicals business segment. CropEnergies seeks to provide solutions with sustainable products for the chemical and processing industries, actively supporting the transition to renewable carbon and thereby moving away from fossil carbon sources – a process known as defossilization.

As a first milestone, CropEnergies has initiated the construction of a plant for the production of renewable ethyl acetate from sustainable ethanol in the Zeitz Chemical and Industrial Park. Ethyl acetate is a chemical used as a solvent in various products, including paints, coatings, adhesives, cosmetics and packaging solutions. At Europe's first renewable ethyl acetate production site of its kind, low-carbon hydrogen will also be produced as a byproduct.

Establishing the proteins business

Protein products have been a part of the Südzucker Group's portfolio for over ten years thanks to its role in processing agricultural raw materials such as wheat and rice. Thus, the objective is to enhance the value of these existing protein sources, discover new protein sources and create additional business segments for their utilization.

Changing eating habits, climate protection, security of supply through domestic products and animal welfare aspects can increase long-term demand for plant-based protein products. Accordingly, Südzucker is driving the implementation of a clear growth strategy as a supplier of ingredients and solutions for the food industry for plant-based meat and fish alternatives, alternative dairy products and sports nutrition.

We serve the sales market for meat and fish alternatives via the subsidiary Meatless, which was acquired during the 2022/23 fiscal year. Our Meatless products enable us to provide customers from the food industry with various ingredients or raw materials they can use to develop and produce vegan and hybrid products. We have strengthened our sales and development teams to expand the range of customized solutions. At the Offstein location, we are building a plant for the production of protein concentrate – primarily from faba beans – set to begin operation in fiscal year 2025/26. This means we can offer solutions for alternatives to meat and fish, alternative dairy products and sports nutrition products.

Further development and implementation of our corporate sustainability strategy

Südzucker Group seeks to contribute to a sustainable world. This is why we are working on the further development and implementation of our group-wide sustainability strategy "Growing in Balance". Detailed information on our group-wide sustainability program and our defined focus areas can be found in → chapter Sustainability statement.

Further development and implementation of the digitalization strategy

For the Südzucker Group, digitalization is a decisive step towards creating an efficient data and IT infrastructure and driving the company's development through digitalized processes. We use state-of-the-art technologies to network the facilities and specialist departments, thus increasing resource efficiency, strengthening our competitive position and contributing to sustainability.

In the agricultural sector, the Südzucker Group relies on digital solutions such as the mobile application beet2go, which digitalizes the entire process from contract conclusion to beet harvest.

Working alongside strategic technology partners and fortifying the internal organization with experienced professionals are fundamental aspects. New initiatives are intended to enhance process efficiency and enable modern knowledge management. We also place a strong focus on training employees in the field of digitalization.

Establishing and implementing our operational excellence strategy

Operational excellence is crucial to establishing a culture of continuous improvement across the entire company and sustainably increasing the efficiency and reliability of our processes through targeted skills development. The Südzucker Group has set up the OPTIMUM program for this purpose. OPTIMUM seeks to enhance operations by leveraging synergies and expertise across the group's operational business, improving process stability and efficiency to achieve competitive cost structures. Furthermore, we aim to provide our customers with reliable and efficient service levels. Active involvement, development and empowerment of our employees, who significantly contribute to the implementation and enhancement of operational excellence, are key success factors.

Divisional strategies

Südzucker Group Strategy 2026 PLUS and the divisional strategies both complement and reinforce each other. We report directly on the respective divisional strategies in the corresponding segments.

Research and development

The main objective of Südzucker research is to consistently enhance and advance every step in the value chain, from raw material cultivation through process technology to the end products. The company also focuses on evaluating new raw material and product concepts using new technologies or based on new raw materials in order to expand the product portfolio as part of the group's strategy and open up new growth opportunities.

Implementation of Südzucker's sustainability strategy and bioeconomy

Südzucker Group's sustainability targets for climate-neutral sugar production are linked to new technological and technical innovations, particularly with regard to manufacturing. The process of sugar production is significantly modified by electrification and the supply of climate-neutral energy sources. A climate protection agreement has been concluded between the Federal Ministry for Economic Affairs and Climate Action and Südzucker AG in the fiscal year 2024/25. As part of this Carbon Contracts for Difference funding program, the sugar production location in Zeitz will receive government subsidies to energetically reorganize the sugar house structure with high-temperature heat pumps and use biogas – produced by fermenting beet pulp – as a sustainable energy source. The future use of green hydrogen is also conceptually included in the technical design.

Agricultural raw materials

Combating new plant diseases in sugar beets, particularly Syndrome Basses Richesses (SBR) and Stolbur, remained a central topic in the field of agricultural raw materials. These diseases lead to a significant decrease in sugar yield and structural changes in the beet cell material, which requires technological adaptations in the sugar factories to process the infected beet material. The reed glass-winged cicada has been identified as the carrier of these two bacterial diseases, which are rapidly spreading in Germany, among other places, and causing significant damage. Different research projects have been started to limit the spread of the cicada and lessen the diseases' impact. Besides modifying crop sequences, additional strategies were assessed, including both enhancing the plant's natural defenses and employing insecticides to lower the cicada population. Initial positive results indicate the effectiveness of the various combined control measures.

In Chile and Belgium, trials are conducted on chicory as a raw material, particularly on varieties, weed control, disease and pest control, and fertilization.

In the case of potatoes for the starch sector, raw material monitoring is designed to develop a long-term prediction model that improves the predictability of raw material qualities.

The faba bean is another agricultural resource that is key for manufacturing protein-rich flours. To optimize cultivation, a series of field trials were initiated, ranging from determining the optimal sowing date to combating diseases and pests. New product concepts for vegan meat, fish and dairy-like alternatives are being pursued on the basis of the raw material faba bean in coordination with the Südzucker Group's business divisions.

Processing technologies and optimization

A large part of our research and development work is dedicated to the further development and optimization of production processes and product quality, for example in the areas of sugar, starch, functional carbohydrates, proteins and ethanol. New approaches to process optimization, yield increases and energy savings are being researched and implemented. In terms of future energy concepts, we are relying on electrification, more efficient enzymes and yeasts. These are being used in biotechnological processes and optimizations are being made in downstream processing to increase yields and improve product quality.

New product concepts

The carbohydrate sources available in the Südzucker Group offer a raw material basis for the manufacture of other products for the food sector or building blocks for polymer materials and sustainable chemicals.

A new liquid dietary fiber was developed based on sucrose, primarily for use in product concepts for sugar reduction.

New compostable film concepts have been created on the basis of starch, making them particularly suitable as packaging materials for the food industry and for specific agricultural applications, thanks to their beneficial environmental effects.

The valorization of side streams, in particular beet pulp, which has so far been used primarily for the animal feed sector, was also stepped up. A specific process enabled the creation of a cellulose alternative that can be seamlessly incorporated into paper. The paper, named after its cellulose substitute raw material base BeetKraft®, has already been successfully tested for the packaging of consumer products.

The production of bio-based chemicals from carbohydrates or renewable ethanol is another key focus. Working with partners from industry, science and start-ups, we are pursuing concepts for the production of higher-value chemicals. The chemical-catalytic process for producing ethyl acetate based on ethanol is currently being implemented.

Collaboration and innovation initiatives

Südzucker's R&D team partners with research institutions, other companies, public authorities and universities, often within the framework of publicly funded projects, in order to identify innovation potential and embed it within Südzucker Group's development strategies. Innovations are pursued in collaboration with start-ups through accelerator programs, membership in industry clusters, and the open Südzucker innovation platform "TheBarn".

Staff and budget

With around 550 (541) employees in the field of research and development and spending of about € 62 (62) million, Südzucker is active in food and non-food applications and pharmaceuticals as well as agricultural research and testing to promote innovations and roll them out with customers, external partners and farmers.

ECONOMIC REPORT

Overall economic situation and framework

Economic environment and currencies

The economic recovery of the major economies, which gained momentum in 2023, continued in 2024, despite ongoing exceptional circumstances shaped by multiple factors (e.g., the conflict in Ukraine, the conflict in the Middle East, increased market volatility). The foundation was stable demand, supported by the turnaround in interest rates of numerous central banks.

According to the January 2025 report by the International Monetary Fund (IMF), the growth rate of global gross domestic product (GDP) fell only slightly year on year to 3.2 (3.3) %. The eurozone recorded an increase of 0.8 (0.4) % and the USA 2.8 (2.9) %. The world's second largest economy, China, almost matched last year's growth rate and achieved growth of 4.8 (5.2) %. With the confirmed growth rate and the underlying absolute size of its economy, China remains one of the main drivers of global growth.

The growth rates of the largest EU economies varied greatly from those of the eurozone as a whole. For example, they amounted to –0.2 (–0.3) % in Germany, 1.1 (1.1) % in France, 0.6 (0.7) % in Italy and 3.1 (2.7) % in Spain. In the UK, the increase was 0.9 (0.3) %.

Numerous central banks have supported economic development through interest rate cuts. Thus, the US central bank Federal Reserve incrementally reduced rates to 4.50 % by December 2024. The European Central Bank followed this trend with delays, reducing its rate to 2.90 % most recently.

The euro exchange rate remained largely flat in the reporting period and stood at USD/€ 1.04 (1.08) at the end of the financial year. However, the USD/€ exchange rate was somewhat more volatile than in the previous year.

Energy and emissions trading

At the beginning of March 2024, the Brent crude oil price was around 84 USD/barrel and the THE gas price was 26 €/MWh; at the end of February 2025, the prices quoted were about 73 USD/barrel and 46 €/MWh respectively. The significant rise in gas prices was mainly due to weather conditions. The falling oil price is largely attributable to the increasing oil supply amidst an overall only slightly increased oil demand coupled with the OPEC's announced plans to expand production.

The price of European CO_2 emission allowances on the spot market was around 55 €/t at the beginning of fiscal 2024/25. At the end of February 2025, the price was quoted at 69 €/t. This trend was mainly shaped by modifications in national emissions trading and amendments to the Fuel Emissions Trading Act, alongside the overall market momentum.

Nutrition policies

Nutritional policy framework conditions in all their diversity and the political efforts to further tighten the regulatory controls in the food industry continue to directly impact Südzucker Group's market environment. Moreover, 2024 was shaped by shifts in the balance of power at both the European and the federal level.

The EU Commission in office since December 2024 has presented the "Competitiveness Compass", an agenda for the legislative period up to 2031 that contrasts sharply with the previous "Green Deal" agenda. The focus is on strengthening competitiveness, in particular by streamlining bureaucratic constraints, for example by reducing mandatory reporting. The agricultural policy targets and projects were unveiled in mid-February 2025 in an action plan entitled "Vision for Agriculture and Nutrition" by the new EU Agriculture Commissioner, Christophe Hansen. Priorities include stricter import requirements for pesticides, a reduction in bureaucracy to strengthen competitiveness, a realignment of the Common Agricultural Policy after 2027 with targeted support for sustainable farming methods, and measures to mitigate import dependency on protein crops. These developments could directly impact sugar beet cultivation and the use of renewable raw materials.

Moreover, there are other initiatives at the national level that have a direct influence on nutrition policy in Germany. The nutritional policy measures of the Federal Ministry of Food and Agriculture, which were set out in the "Good Food for Germany" strategy, were further advanced in 2024. Eight out of the roughly 90 planned nutrition policy measures have been completed.

Südzucker is closely monitoring these wide-ranging nutritional policy developments and is contributing company-relevant concerns to the nutritional policy discussion, either directly or through stakeholder groups.

Overall summary of business development

After two successful financial years, Südzucker Group ended fiscal 2024/25 well below expectations.

As early as the completion of fiscal 2023/24 and the release of the initial forecast for fiscal 2024/25 in April 2024, the budget figures indicated that it would no longer be possible to match the extraordinarily successful previous year. Nevertheless, after a consolidated operating result of € 947 million in fiscal 2023/24, a further decline in the consolidated operating result to between € 500 and 600 million was assumed from that point in time until the end of the first half of fiscal 2024/25. At the beginning of the second half of fiscal 2024/25, this forecast had to be significantly downgraded to a consolidated operating result of just € 175 to 275 million. In the end, the group's EBITDA fell by 45 % to € 723 (1,318) million and the group's operating result by 63 % to € 350 (947) million in the financial year 2024/25.

The reason for the decline in the sugar segment's results was that a significant portion of the sugar volume sold in fiscal 2024/25 originated from the 2023 sugar campaign, which faced exceptionally high production costs, particularly for energy and raw materials. The underperformance of our expectations in the sugar segment's revenues and operating result was mainly due to an unexpected price drop at the beginning of the financial year for the sugar sales contracts closed from October 2024. The oversupply of the European sugar market – also driven by duty-free sugar imports of around 450,000 tonnes from Ukraine in the 2023/24 sugar marketing year – led to us having to export sugar outside the EU at unfavorable prices. All these effects led to a negative operating result in the sugar segment of € –13 (558) million.

However, the special products segment reported a slight increase in its operating result to € 203 (196) million, despite our predictions, with Freiberger division's frozen pizza business making the most noteworthy contribution. In contrast, the CropEnergies segment had to accept a significant decline in operating result once again due to the drop in ethanol prices and lower prices for the produced food and feed products, now amounting to € 22 (60) million – thus landing at the lower end of our forecast for the start of the fiscal year. As expected, the starch segment also recorded a further decline in operating result totaling € 36 (48) million, as higher sales volumes and lower production costs could not offset the decline in prices for starch products and the resulting drop in sales revenues. The fruit segment's operating result was up significantly at € 102 (85) million. The rise in results and the improved performance relative to the forecast can be attributed to higher margins and consequently increased earnings contributions from fruit preparations.

Südzucker Group's overall performance thus demonstrates that despite all negative influences, the diversification strategy we pursue enhances the company's resilience, while the sugar business remains the main driver of results. The sugar segment has contributed significantly to the shortfall in our group forecast from the beginning of fiscal year 2024 due to the unexpected price deterioration for the sugar sales contracts concluded from October 2024.

The decline in the group's operating result is also reflected in the halving of the cash flow by € 533 million to € 513 (1,046) million. In contrast, the cash inflow from the decrease in working capital amounted to € 426 million, significantly exceeding the previous year's inflow of € 38 million from the decrease in working capital.

In addition to the decline in sugar inventories in fiscal 2024/25 due to volume and price factors – which was partially offset by the simultaneous reduction in liabilities to beet growers – this is mainly due to cash inflows from the factoring program set up in fiscal 2024/25. This resulted in a moderate reduction in net financial debt to € 1,654 (1,795) million due to a moderately higher investment volume and the increased dividend payment for fiscal 2023/24.

Capital employed amounted to € 6,701 (7,187) million, slightly below the previous year's level by € 486 million. The required impairment charges on fixed assets in the sugar and CropEnergies segments and on the goodwill of the sugar CGU contributed to the reduction in capital employed, in addition to the positive effect of the decrease in working capital as described above. ROCE decreased to 5.2 % due to a significantly lower operating result of 13.2 %.

Group results of operations

Business performance – Group

		2024/25	2023/24	+/– in %
Revenues	€ million	**9,694**	**10,289**	**–5.8**
EBITDA	€ million	**723**	**1,318**	**–45.1**
EBITDA margin	%	7.5	12.8	
Depreciation	€ million	–373	–371	0.5
Operating result	€ million	**350**	**947**	**–63.0**
Operating margin	%	3.6	9.2	
Result from restructuring / special items	€ million	–261	–35	> 100
Result from companies consolidated at equity	€ million	7	2	> 100
Result from operations	€ million	**96**	**914**	**–89.5**
Investments in fixed assets and intangible assets	€ million	574	546	5.1
Investments in financial assets / acquisitions	€ million	5	1	> 100
Total investments	€ million	**579**	**547**	**5.9**
Shares in companies consolidated at equity	€ million	80	80	–
Capital employed	€ million	6,701	7,187	–6.8
Return on capital employed	%	5.2	13.2	
Working capital	€ million	2,485	2,967	–16.2
Employees (FTE)		**19,284**	**19,204**	**0.4**

TABLE 008

Income statement

€ million	2024/25	2023/24	+/– in %
Revenues	**9,694**	**10,289**	**–5.8**
Operating result	350	947	–63.0
Result from restructuring / special items	–261	–35	> 100
Result from companies consolidated at equity	7	2	> 100
Result from operations	**96**	**914**	**–89.5**
Financial result	–104	–133	–21.8
Earnings before tax	**–8**	**781**	**–**
Taxes on income	–78	–133	–41.4
Net earnings after tax	**–86**	**648**	**–**
of which attributable to Südzucker AG shareholders	–78	589	–
of which attributable to other non-controlling interests	–8	59	–
Earnings per share (€)	**–0.54**	**2.72**	**–**

TABLE 009

Revenues, EBITDA and operating result

Group consolidated revenues fell moderately in fiscal 2024/25 to € 9,694 (10,289) million. Revenues declined in the sugar, special products, CropEnergies and starch segments, but increased in the fruit segment.

Group EBITDA was down significantly to € 723 (1,318) million.

The consolidated group operating result declined significantly to € 350 (947) million. The significant decrease in the sugar, CropEnergies and starch segments is offset by a slight rise in the special products segment and a significant increase in the fruit segment. The sugar segment specifically includes income from the sale of CO_2 emission certificates totaling € 64 million.

Capital employed and return on capital employed (ROCE)

Capital employed fell to € 6,701 (7,187) million primarily due to a significant decline in working capital. This drop primarily resulted from a decline in trade receivables, which was further diminished by the factoring program launched in the 2024/25 fiscal year with a fund release amounting to € 235 (0) million. Furthermore, impairment losses on fixed assets in the sugar and CropEnergies segments and on goodwill of the sugar CGU were necessary.

Although capital employed was reduced, the disproportionate decline in the operating result to € 350 (947) million caused ROCE to drop to 5.2 (13.2) %.

Result from operations
The result from operations of € 96 (914) million for fiscal 2024/25 includes the operating result of € 350 (947) million, the result from restructuring and special items of € –261 (–35) million and the result from companies consolidated at equity of € 7 (2) million.

Result of restructuring and special items
The result from restructuring and special items amounted to € –261 (–35) million and was largely due to the sugar, special products and CropEnergies segments.

Result from companies consolidated at equity
The result from companies consolidated at equity amounted to € 7 (2) million and related to the sugar and starch segments.

Financial result
The operating result amounted to € –104 (–133) million and consists of a net interest result of € –97 (–89) million and other financial result of € –7 (–44) million. The higher net interest expense resulted mainly from higher average interest rates of about 3.5 (3.0) % on average net financial debt of about € 1.9 (1.9) billion, which remained almost at the same level. The improvement in the other financial result compared to last year resulted in particular from significantly lower exchange rate losses from foreign currency loans of non-euro companies. Moreover, the remaining other financial result included income from the disposal of the interest in East Energy GmbH, Rostock, Germany, as well as adjustments to participation values by the CropEnergies segment. In contrast, the previous year's remaining other financial result was impacted by the complete sale of a minority company in the special products segment.

Taxes on income
Earnings before taxes of € –8 (781) million resulted in taxes on income of € –78 (–133) million.

Earnings after tax
Of earnings after tax totaling € –86 (648) million, € –78 (589) million was attributable to Südzucker AG shareholders and € –8 (59) million to other non-controlling interests, which mainly relate to the co-owners of the AGRANA Group and the CropEnergies Group.

Earnings per share
Earnings per share amounted to € –0.54 (2.72). The calculation is based on the time-weighted average of 204.1 (204.1) million shares outstanding. The 51,642 (76,033) shares repurchased in the current financial year for the share-based compensation system of the executive board have been reduced pro rata temporis.

Group financial position

Cash flow
Cash flow reached € 513 million after € 1,046 million in the previous year, in line with the decline in operating result. Cash flow as a percentage of sales revenues reached 5.3 (10.2) %.

Working capital
Cash inflow from the decrease in working capital amounted to € 426 million, significantly exceeding the previous year's inflow of € 38 million. In addition to the decline in sugar inventories in fiscal 2024/25 due to volume and price factors – which was partially offset by the simultaneous reduction in liabilities to beet growers – this is mainly due to cash inflows from the factoring program set up in fiscal 2024/25.

Investments in fixed assets
The Südzucker Group's investments in fixed assets and intangible assets totaled € 574 (546) million.

Investments in financial assets
Investments in financial assets amounting to € 5 (1) million were mainly attributable to the CropEnergies segment and related to the acquisition of the business activities of EthaTec GmbH, Weselberg, Germany. Previous year's financial investments were mainly attributable to the increase in the shares in Syclus B.V., Maastricht, Netherlands, by the CropEnergies segment.

Other cash flows from investing activities
Other cash flows from investing activities of € 106 million in the reporting period were mainly attributable to payments for short-term financial assets and to the inflow from the sale of the dressing and sauce business of Richelieu Foods Inc., Braintree, Massachusetts, USA, in the special products segment. Last year, cash received from short-term financial assets amounted to € 92 million.

Increases in stakes held in subsidiaries

Payments for stakes held in subsidiaries totaling € 2 (259) million related to CropEnergies AG in fiscal 2024/25 as well as in the previous year. On 19 December 2023, Südzucker AG resolved to make a public delisting purchase offer in the form of a cash offer to the shareholders of CropEnergies AG to acquire all CropEnergies shares not already held by Südzucker AG. Both companies signed a delisting agreement to this effect on 19 December 2023. As part of the delisting of CropEnergies AG, Südzucker AG's stake increased to 94.2 % by 29 February 2024; as of 28 February 2025, Südzucker AG's stake was 94.3 %.

Dividend distributions

Südzucker AG's annual general meeting on 18 July 2024 approved the distribution of a dividend of € 0.90 (0.70) per share or € 184 (143) million. Together with the dividends to the non-controlling shareholders – particularly concerning AGRANA and CropEnergies, dividends paid totaled € 266 (237) million.

Bond issued in the amount of € 500 million in January 2025

On 22 January 2025, Südzucker AG successfully issued a corporate bond in the amount of € 500 million via its wholly owned subsidiary Südzucker International Finance B.V., Oud-Beijerland, Netherlands. The non-subordinated bond, which is guaranteed by Südzucker AG, has a coupon of 4.125 % and a term of seven years with maturity on 29 January 2032.

The proceeds of the issue are intended to be used for general corporate purposes, including the refinancing of the 2017/2025 bond maturing in November 2025, with a nominal volume of € 500 million.

Development of net financial debt

The cash inflow from operating activities of € 906 million includes, in particular, the cash flow of € 513 million and a decrease in working capital with a cash inflow of € 426 million. The financing of investments in fixed and financial assets totaling € 579 million, the increases in subsidiaries of € 2 million and the profit distributions of € 266 million were fully covered by the cash inflow from operating activities and net financial debt was reduced by € 141 million from € 1,795 million on 29 February 2024 to € 1,654 million on 28 February 2025.

Cash flow

€ million	2024/25	2023/24	+/– in %
Cash flow	**513**	**1,046**	**–51.0**
Increase (-)/Decrease (+) in working capital	**426**	**38**	**>100**
Gain (-)/Loss (+) on disposal of items included in non-current assets and of securities	–33	–11	>100
I. Cash flow from operating activities	**906**	**1,073**	**–15.6**
Investments in fixed assets and intangible assets (-)	–574	–546	5.1
Investments in financial assets/acquisitions (-)	–5	–1	>100
Total investments	**–579**	**–547**	**5.9**
Other cash flows from investing activitites	106	92	15.2
II. Cash flow from investing activities	**–473**	**–455**	**4.0**
Repayment (-)/Refund (+) of financial liabilities	150	–64	–
Increases in stakes held in subsidiaries/capital buyback (-)	–2	–259	–99.2
Decrease in stakes held in subsidiaries/capital increase (+) 0	–	–	–
Dividends paid (-)	–266	–237	12.2
III. Cash flow from financing activities	**–118**	**–560**	**–78.9**
Change in cash and cash equivalents (total of I., II. und III.)	**315**	**58**	**>100**
Other change in cash and cash equivalents	6	–	–
Decrease (-)/Increase (+) in cash and cash equivalents	**321**	**58**	**>100**
Cash and cash equivalents at the beginning of the period	305	247	23.5
Cash and cash equivalents at the end of the period	**626**	**305**	**>100**

TABLE 010

Group assets

Non-current assets

Non-current assets rose to € 4,469 (4,445) million. The decline in intangible assets to € 774 (917) million was primarily due to the disposals from the sale of the dressing and sauce business of Richelieu Foods Inc., Braintree, USA, and notably from the unscheduled write-downs of the goodwill of the sugar CGU. The increase in the carrying amount of fixed assets to € 3,397 (3,257) million was primarily due to expansion investments. This increase was offset by the complete write-down of the British ethanol plant Ensus UK Limited. The rise in other assets to € 298 (271) million was primarily due to the increased other assets, which include a positive market value from the valuation of the climate protection agreement concluded with the Federal Ministry for Economic Affairs and Climate Action in the fiscal year 2024/25. As part of this funding program, the sugar production location in Zeitz will receive government subsidies to energetically reorganize the sugar house structure with high-temperature heat pumps and use biogas – produced by fermenting beet pulp – as a sustainable energy source. This contract comprises variable components, including the market prices for CO_2 emission certificates, which affect the level of future actual government funding, and is accordingly recognized as a derivative.

Current assets

Current assets dropped by € 806 million to € 5,027 (5,833) million. Inventories recorded a decline of € 668 million to € 2,843 (3,511) million, which – in addition to lower sugar inventories – resulted primarily from significantly reduced sugar production costs for the 2024 campaign. The significant decrease in trade receivables by € 434 million to € 1,022 (1,456) million was mainly caused by the factoring program launched in fiscal 2024/25, in addition to declining revenues. The rise in other assets by € 296 million to € 1,162 (866) million mainly resulted from the

Balance sheet

€ million	28 February 2025	29 February 2024	+/– in %
Assets			
Intangible assets	774	917	–15.6
Fixed assets	3,397	3,257	4.3
Remaining assets	298	271	10.0
Non-current assets	**4,469**	**4,445**	**0.5**
Inventories	2,843	3,511	–19.0
Trade receivables	1,022	1,456	–29.8
Remaining assets	1,162	866	34.2
Current assets	**5,027**	**5,833**	**–13.8**
Total assets	**9,496**	**10,278**	**–7.6**
Liabilities and shareholders´ equity			
Equity attributable to shareholders of Südzucker AG	2,617	2,846	–8.0
Hybrid equity	654	654	–
Other non-controlling interests	755	773	–2.3
Total equity	**4,026**	**4,273**	**–5.8**
Provisions for pensions and similar obligations	799	769	3.9
Financial liabilities	1,496	1,707	–12.4
Remaining liabilities	398	377	5.6
Non-current liabilities	**2,693**	**2,853**	**–5.6**
Financial liabilities	902	513	75.8
Trade payables	1,339	1,970	–32.0
Remaining liabilities	536	669	–19.9
Current liabilities	**2,777**	**3,152**	**–11.9**
Total liabilities and equity	**9,496**	**10,278**	**–7.6**
Net financial debt	1,654	1,795	–7.9
Equity ratio in %	42.4	41.6	

TABLE 011

increase in cash and cash equivalents. This increase is mainly attributable to the temporary structural cash surplus of € 500 million resulting from the early refinancing of the bond maturing in November 2025 by issuance of a bond with a nominal volume of € 500 million in January 2025.

Shareholders' equity

Shareholders' equity decreased to € 4,026 (4,273) million in fiscal 2024/25; as a result, Südzucker AG shareholders' equity fell to € 2,617 (2,846) million, and other non-controlling interests declined to € 755 (773) million. With total assets down by € 782 million to € 9,496 (10,278) million, equity ratio reached 42.4 (41.6) %.

Non-current liabilities

Non-current liabilities dropped by € 160 million to € 2,693 (2,853) million. Provisions for pensions and similar obligations rose by € 30 million to € 799 (769) million; valuation was carried out at a lower market interest rate of 3.50 (3.80) % compared to the previous year's reporting date of 29 February 2024. The decline in non-current financial liabilities by € 211 million to € 1,496 (1,707) million was attributable to the lower level of long-term promissory note loans and the reduction of liabilities to banks while the bond portfolio remained at the previous year's level. Other liabilities of € 398 (377) million mainly comprise other provisions, deferred tax liabilities and other liabilities. The latter recorded a significant increase as they include the deferred item for the positive market value from the valuation of the climate protection agreement, which is reported under non-current other assets. The corresponding release of the provisions is only granted in the vesting period.

Current liabilities

Current liabilities dropped by € 375 million to € 2,777 (3,152) million. The € 389 million increase in current financial liabilities to € 902 (513) million was primarily the result of the reclassification of the € 500 million bond 2017/2025 maturing in November 2025; this was offset by the reduction in bank loans. Trade payables recorded a decline of € 631 million to € 1,339 (1,970) million, which resulted mainly from the decrease in liabilities to beet growers included in this figure by € 682 million to € 425 (1,107) million, in particular due to lower raw material costs. Other debt, comprising other provisions, tax liabilities, other liabilities and negative market values of derivatives, amounted to € 536 (669) million. The decrease was mainly due to the decline in the negative market values of derivatives.

Net financial debt

Net financial debt as of 28 February 2025 could be reduced by € 141 million to € 1,654 (1,795) million. Gross financial debt totaled € 2,398 (2,220) million; this was offset by securities and cash and cash equivalents amounting to € 744 (425) million.

The Group's long-term financing requirements as of 28 February 2025 were covered by € 891 (896) million in bonds, € 333 (424) million in promissory notes, € 208 (317) million in bank loans and € 64 (70) million in lease liabilities. Short-term financing was provided by promissory note loans of € 92 (85) million, bank loans of € 282 (396) million, leasing liabilities of € 28 (32) million, as well as a € 500 million bond, which will mature at the end of November 2025. Securities and cash and cash equivalents totaling € 744 (425) million include securities of € 118 (120) million and cash and cash equivalents of € 626 (305) million. The comparatively high level of cash and cash equivalents as of the reporting date is mainly attributable to the temporary structural cash surplus of € 500 million resulting from the early refinancing of the bond maturing in November 2025 by issuance of a bond with a nominal volume of € 500 million in January 2025. Südzucker Group had additional liquidity reserves of € 1.4 (1.4) billion available at the balance sheet date from the unutilized syndicated credit lines and other bilateral bank credit lines.

ROCE, capital structure and dividend

Capital employed amounted to € 6,701 (7,187) million, slightly below the previous year's level by € 486 million. The main reasons for this comprised the reduction in working capital, particularly due to the factoring program introduced in the 2024/25 financial year, as well as the necessary impairments on fixed assets in the sugar and CropEnergies segments and on the goodwill of the sugar CGU. With an operating result significantly down by € 597 million to € 350 (947) million, ROCE fell from 13.2 to 5.2 % in the financial year.

The debt ratio of net financial debt to EBITDA recorded a deterioration to 2.3 (1.4), which is attributable to the significant decline in operating result given a slight decline in net financial debt. The equity ratio as of the balance sheet date was slightly above the previous year at 42.4 (41.6) %, as total assets decreased by € 782 million to € 9,496 (10,278) million.

The dividend policy remains focused on continuity and the sustainable development of results. In view of the significantly deteriorated development of the Group's operating result and cash flow, the executive board has decided to recommend a reduction in the dividend for the past fiscal year 2024/25 to € 0.20 (0.90) per share.

The development of the dividend per share in relation to key operating result indicators is shown below.

Based on the 204.1 million shares outstanding, the total dividend distribution will be € 41 (184) million. The dividend recommendation is subject to approval by the supervisory board on 14 May 2025 and shareholders at the annual general meeting to be held on 17 July 2025.

Return on Capital Employed (ROCE)

		2024/25	2023/24	2022/23	2021/22	2020/21
Operating result	€ million	**350**	**947**	**704**	**332**	**236**
Capital employed	€ million	6,701	7,187	7,095	6,325	6,222
Return on capital employed (ROCE)	%	5.2	13.2	9.9	5.3	3.8

TABLE 012

Capital structure

		2024/25	2023/24	2022/23	2021/22	2020/21
Net financial debt to EBITDA ratio						
Net financial debt	€ million	1,654	1,795	1,864	1,466	1,511
EBITDA	€ million	723	1,318	1,070	692	598
Net financial debt to EBITDA ratio		2.3	1.4	1.7	2.1	2.5
Equity ratio						
Shareholders' equity	€ million	4,026	4,273	4,199	3,699	3,536
Total assets	€ million	9,496	10,278	9,698	8,441	7,973
Equity ratio in %	%	42.4	41.6	43.3	43.8	44.3

TABLE 013

Dividend

		2024/25	2023/24	2022/23	2021/22	2020/21
Operating result	€ million	350	947	704	332	236
Cash flow	€ million	513	1,046	927	560	475
Earnings per share	€	−0.54	2.72	1.93	0.32	−0.52
Cashflow per share	€	2.51	5.12	4.54	2.74	2.33
Dividend per share [1]	€	0.20	0.90	0.70	0.40	0.20
Payout ratio	%	–	33.1	36.3	–	–

[1] 2024/25: Proposal.

TABLE 014

Sugar segment

At a glance

€ **3,876** million
Revenues

€ **–13** million
Operating result

€ **3,056** million
Capital employed

–0.4 %
ROCE

Strategy

While global demand for sugar continues to grow, the trend to consume more sugar is generally not reflected in Western Europe's markets, but there is increasing demand for specialty sugars and sugar substitutes. Products that are sustainably and locally produced, as well as clean label products, continue to be in demand. Competitive pressure remains high in the EU. The strategic goals are therefore:

- Focusing on the EU sugar market
- Taking advantage of emerging growth opportunities, particularly through
  - the supply of sustainably produced sugar,
  - the provision of a product portfolio consisting of sugar and reduced sugar products, supplemented by starch-based sweeteners and
  - the provision of sustainable non-food applications based on products and byproducts made from sugar beets.

Production and Distribution	23 sugar factories: Germany (7), Belgium (2), France (2), Poland (4), Moldova (1), Austria (2)*, Romania (1), Slovakia (1) , Czech Republic (2)*, Hungary (1) 1 wheat starch plant (Germany) 2 refineries (Bosnia-Herzegovina, Romania) 4 locations (Greece, Italy, Spain, UK)
Raw materials	Sugar beets, cane raw sugar, wheat
Products	Sugar, sugar specialties, glucose syrup, animal feed
Markets	Europe (European market leader) and world market
Customers	Food industry, retailers, agriculture
Brands	Südzucker, Cucier Królewski, Saint Louis Sucre, Tiense Suiker, Wiener Zucker

* as of 28 February 2025; from 12 March 2025 in each case (1).

Markets

World sugar market

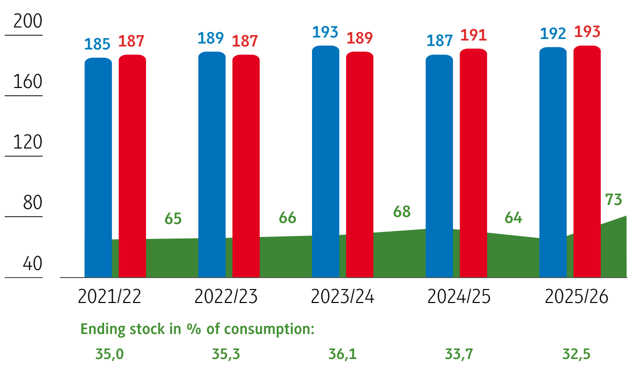
In its April 2025 estimate of the global sugar balance, market analyst S&P Global Commodity Insights expects a surplus of 2.2 million tonnes of sugar for the past 2023/24 sugar marketing year (SMY; 1 October to 30 September). A further increase in sugar production, particularly in Brazil, China and Europe, and a decline in production in Thailand, is offset by higher global consumption. The ratio of inventories to consumption is thus expected to remain at a low level of around 36 %.

For the current 2024/25 sugar marketing year, S&P Global Commodity Insights forecasts a deficit of 3.9 million tonnes based on a decline in production and increasing consumption. There is an increasing production in Thailand, contrasted by a decline in production in India and Brazil. The ratio of inventories to consumption is expected to decrease as a result.

For the coming 2025/26 sugar marketing year, S&P Global Commodity Insights projects a deficit of 1.6 million tonnes with increasing production, especially in India and Thailand, and continued growth in consumption, leading to a further decline in the ratio of stocks to consumption.

Global sugar balance

Million of tonnes raw value



Source: S&P Global Commodity Insights, March 2024

DIAGRAM 004

Global market sugar prices

1 March 2022 to 31 March 2025,
London, nearest forward trading month

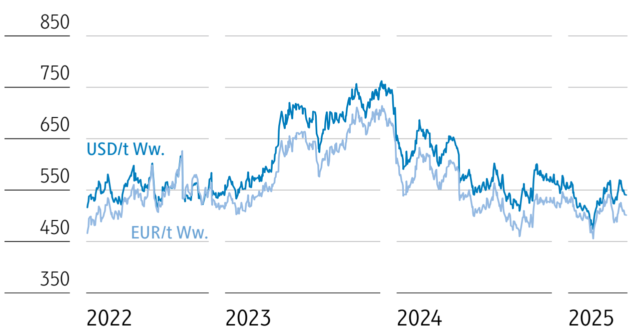


DIAGRAM 005

The world market price for white sugar was about 560 €/t at the start of the 2024/25 financial year. After initially rising from this level to about 600 €/t, the price fell to almost 450 €/t in August 2024, and has since fluctuated between 450 and 540 €/t. At the end of February 2025, the world market price for white sugar was 512 €/t.

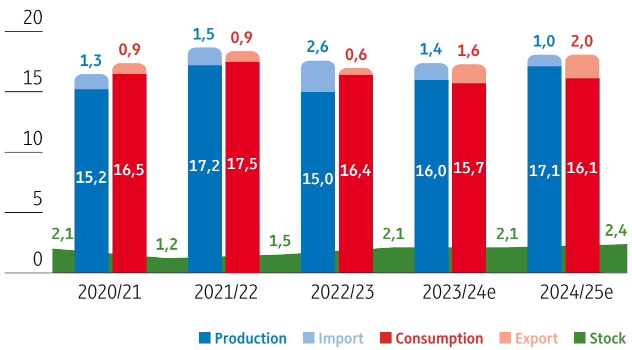
EU sugar market

For the past 2023/24 sugar marketing year, the EU Commission expects production (including isoglucose) to increase to 16.1 (15.0) million tonnes with a slight growth in cultivation area, high beet yields but low sugar content. Consumption declined by about 4 % compared to the previous year.

For the current 2024/25 sugar marketing year, the EU Commission expects a moderate increase in cultivation area by 6 % to 1.48 million hectares in the EU 27 and thus, with average yields, higher production (including isoglucose) of 17.1 (16.1) million tonnes. The EU Commission anticipates a recovery in consumption compared to the previous year. Market observers anticipate a significant reduction in cultivation area in the EU for the 2025/26 growing season.

EU sugar balance

Million of tonnes white sugar value



Source: EU Commission, AGRI G4, EU sugar balance estimate, March 2025; EU 27.

DIAGRAM 006

The price of sugar (food and non-food; ex factory) published by the EU Commission peaked at 856 €/t in December 2023. From that point, the reported prices steadily declined to 758 €/t by the conclusion of the past 2023/24 sugar marketing year. Prices dropped significantly again at the beginning of the current 2024/25 sugar marketing year declining to 541 €/t by February 2025. There are significant regional price differences between the deficit and surplus regions within the EU.

Sugar markets

The largest markets for sugar continue to be the beverage industry (soft drinks and alcoholic beverages), followed by confectionery and baked goods manufacturers.

After the coronavirus pandemic, sugar demand in the EU recovered to 13.1 million tonnes in the 2021/22 sugar marketing year but then dropped to 12.2 million tonnes in the 2022/23 sugar marketing year, according to data from the EU Commission. Sugar demand is expected to increase slightly to 12.4 million tonnes in the 2023/24 and 2024/25 sugar marketing years.

The healthy eating trend thus continues and is even accelerating in some areas. In this context, the societal and political focus on sugar reduction and the associated consumer topics has sharpened further. Falling inflation has led to a slight recovery in consumer purchasing power.

Target markets for sugary byproducts

The markets for sugary byproducts were shaped by generally weak demand and – particularly for molasses – a substantial supply growth in fiscal 2024/25. In functioning markets, weak demand and increasing supply lead to a decline in prices. We therefore expect significantly lower prices for sugary byproducts in fiscal year 2024/25.

S&P Global Commodity Insights estimates global molasses production at 67.7 (68.5) million tonnes. Forecasts predict an increase in production of around 9 % to 3.7 (3.4) million tonnes for the EU 27, which resulted in lower prices for the full calendar year 2024.

Within the EU, the production of dried beet pulp is again not expected to meet expectations in terms of volume. Reasons for this include the use of beet pulp in biogas plants and as silage, as well as a significant reduction in the amount of beet pulp and beet pellets due to beet diseases. The diminished production quantities are expected to stabilize prices until at least the upcoming 2025/26 beet campaign.

Legal and political environment

Free trade agreements

The EU is negotiating potential free trade agreements with various countries and communities of states. In the event sugar and sugary products are not classified as sensitive products – contrary to current trade practice – additional sugar volumes could be imported into the EU at preferential tariff rates in future.

EU sugar market international competitive position

From our perspective, the EU has one of the world's least regulated sugar markets. In contrast to other major sugar producing countries, sugar exports are not subsidized by the state. As long as the EU Commission does not take action against these differing competitive practices, make further import concessions or allow imports that circumvent the rules of origin, it can be assumed that this will have negative impacts on Südzucker.

Restrictions on duty-free sugar imports from Ukraine to the EU

In June 2022, the EU Parliament and the 27 EU member states approved a temporary suspension of customs duties and import quotas for sugar for the first time due to the war in Ukraine. This agreement was extended in spring 2023 for the period until June 2024. In the original 2014 agreement, Ukraine only had duty-free access to the EU market for just 20,070 tonnes.

In the 2022/23 sugar marketing year, duty-free sugar imports from Ukraine significantly increased to around 415,000 tonnes as a result of the suspension of customs duties and import quotas for sugar. This increase in duty-free exports from Ukraine to the EU continued in the first months of fiscal 2023/24. However, due to the repeated high and steadily increasing quantities of duty-free sugar supplies to the EU sugar market – a total of around 450,000 tonnes in the 2023/24 sugar marketing year – the special regulation for duty-free imports of agricultural products from Ukraine to the EU, which was extended in April 2024, has now been given an automatic safeguard mechanism for selected sensitive products, including sugar.

This special regulation is valid from 6 June 2024 to 5 June 2025. Accordingly, the limit for duty-free Ukrainian exports to the EU in the calendar year 2024 was around 265,000 tonnes. This limit for 2024 was reached in June, after which customs duties on imports from Ukraine were reintroduced in the EU on 2 July. A new duty-free import quota of around 110,000 tonnes has been set for the period from 1 January to 5 June 2025. Quantities in excess of this will then be subject to the normal customs duty of 419 €/t when imported into the EU.

Negotiations are currently underway between the EU and Ukraine regarding the market access regulation for the period beyond 6 June 2025. Plans foresee a revision of the existing trade agreement with the aim of avoiding another temporary solution.

Political agreement between the Mercosur countries and the EU

In early December 2024, the European Commission and the Mercosur countries jointly announced the conclusion of the negotiations on the EU-Mercosur agreement. If the agreement is ratified by the European Council and the European Parliament, it could enter into force at the earliest in fiscal year 2026/27. The implications for the sugar market would be that

- customs duties for 180,000 tonnes of Brazil's current import quota will be reduced from 98 €/t to 0 €/t.
- Paraguay will be granted a new duty-free import quota of 10,000 tonnes of raw cane sugar per year for refining.

The EU-Mercosur agreement also includes arrangements for ethanol imports into the EU, as shown in the → CropEnergies segment.

Continued coupled direct payments in the European domestic sugar market

Coupled premiums for sugar beets are still paid in 11 out of 19 beet-growing EU countries. As a result, different competitive conditions continue to exist within the domestic European sugar market. This conclusion was reached, for instance, by a study conducted by Wageningen University in the Netherlands. Coupled support for sugar beet is to be continued in the new funding period of the European Agricultural Policy until 2027.

Business performance

Revenues and operating result

In fiscal 2024/25, the sugar segment's revenues of € 3,876 (4,162) million were moderately below the previous year's level. Significantly higher volumes, driven by lower imports and higher beet sugar production in Europe, were no longer enough to offset the sharp fall in prices. Prices fell more and more sharply over the course of the fiscal year and dropped again significantly since the beginning of the new 2024/25 sugar marketing year. Rising exports from the EU to the world market also caused average prices to fall.

At € −13 (558) million, operating result was significantly lower than last year. Since the beginning of the financial year, the significant rise in production costs in the 2023 campaign had a particularly negative impact. Throughout the remainder of the year, the burdens from the ongoing and deepening fall in sugar prices increased and constitute the main reason for the drop in results. The third quarter was affected to an above-average extent by the sale of inventories with high production costs from the 2023 campaign at prices that fell significantly again at the start of the 2024/2025 sugar marketing year. Following this, the lower manufacturing costs from the new 2024 campaign, despite further reduced prices, and the proceeds from the sale of CO_2 certificates, among other things, provided relief.

Business performance – Sugar segment

		2024/25	2023/24	+/– in %
Revenues	€ million	**3,876**	**4,162**	**−6.9**
EBITDA	€ million	**146**	**714**	**−79.6**
EBITDA margin	%	3.8	17.2	
Depreciation	€ million	−159	−156	1.9
Operating result	€ million	**−13**	**558**	**–**
Operating margin	%	−0.3	13.4	
Result from restructuring / special items	€ million	−159	−6	> 100
Result from companies consolidated at equity	€ million	0	0	–
Result from operations	€ million	**−172**	**552**	**–**
Investments in fixed assets and intangible assets	€ million	282	257	9.7
Investments in financial assets / acquisitions	€ million	0	0	–
Total investments	€ million	**282**	**257**	**9.7**
Shares in companies consolidated at equity	€ million	30	30	–
Capital employed	€ million	3,056	3,347	−8.7
Return on capital employed	%	−0.4	16.7	
Working capital	€ million	1,441	1,727	−16.6
Employees (FTE)		**6,457**	**6,458**	**–**

TABLE 015

Result of restructuring and special items

The result from restructuring and special items totaled € −159 (−6) million and included impairment losses on fixed assets, which related to both the temporary shutdown of raw sugar refining at AGRANA's sugar factory in Buzău, Romania, and the closure of AGRANA's beet sugar production in Leopoldsdorf, Austria, and Hrušovany, Czech Republic. In total, the sugar segment's impairment losses, including impairment of goodwill, amounted to € 138 million. Additional costs were also incurred at the Buzău location in connection with the temporary shutdown for a social plan.

Capital employed and return on capital employed (ROCE)

The reduction in capital employed by € 291 million to € 3,056 (3,347) million was mainly a result of the factoring program launched in the 2024/25 financial year. In addition, total goodwill impairment of the sugar CGU was required. With an operating result of € −13 (558) million, a negative ROCE of −0.4 (16.7) % was recorded in fiscal year 2024/25.

Investments in fixed assets

Investments in the sugar segment climbed moderately to € 282 (257) million.

The main projects included:

- the implementation of the switch from coal to gas as the primary energy source at the Strzelin location in Poland,
- the implementation of the switch from coal to gas as the primary energy source at the Zeitz location in Germany and
- the expansion of the loading area and the sugar silo at the Wabern location in Germany.

Raw materials and production

2024 campaign

At around 373,800 (354,300) ha, Südzucker Group's beet cultivation area in 2024 was 5.5 % larger than in the previous year. Beet sowing was mostly completed between the end of March and mid-April 2024, around two weeks earlier than in the previous year.

Cultivation and production

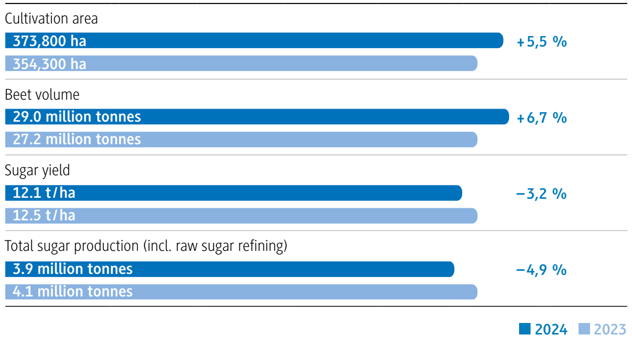


DIAGRAM 007

However, due to persistent rainfall, sowing in western regions, particularly in Belgium could only be completed in June. The growth of the beets has been impacted by extreme weather conditions, ranging from drought to flooding, and diseases such as SBR/Stolbur and Cercospora. Heavy precipitation in many areas resulted in higher yields, while sugar content gradually declined. Südzucker Group's beet yield rose to 77.7 (76.8) t/ha. Meanwhile sugar content was below the average for the last five years at 15.6 (16.3) %, resulting in a theoretical sugar yield of 12.1 (12.5) t/ha. A total of 29.0 (27.2) million tonnes of beets were processed over an average of 135 (128) campaign days. Thanks to low temperatures and no prolonged frost or extreme fluctuations, the beets remained well preserved until the end of processing in February 2025.

Production of sugar and sugar-containing byproducts

The Group's total sugar production, including raw sugar refining, fell to 3.9 (4.1) million tonnes. Organic sugar production at the Rain and Hrušovany plants also declined year-on-year, reflecting the reduction in organic beet cultivation areas and lower sugar yields. The volume of sugary byproducts produced was on par with the previous year's level at 3.5 (3.5) million tonnes.

Volumes

Sugar

The higher sugar production led to a 14.1 % increase in consolidated sugar volumes in the group in fiscal 2024/25 to 4.4 (3.9) million tonnes. Contributing factors included volumes at the companies in the EU, exports from the EU to the global market, and volumes at the companies based in Moldova and the Western Balkans.

Sugary byproducts

Sales of sugary byproducts rose to around 3.4 (3.3) million tonnes in fiscal 2024/25.

Special products segment

At a glance

€ 2,275 million
Revenues

€ 203 million
Operating result

€ 2,001 million
Capital employed

10.1 %
ROCE

Strategy

BENEO

BENEO's business performance is driven by sustained high interest in health-conscious and increasingly plant-based diets – both in the food and animal nutrition sectors. Global trends such as clean labels, healthy body weight, balanced blood sugar levels, and nutritional labeling are contributing factors to this development. BENEO's portfolio continues to offer technological advantages (e. g., improved texture and stability) that are attractive to customers.

- Leveraging the full potential of our functional carbohydrates, especially in the contexts of weight control and sugar reduction
- Broadening the product range in the fields of functional dietary fibers and textured plant proteins
- Fostering stronger partnerships with our customers worldwide to increase their market share in the nutrition and health segment

Freiberger

The Freiberger division's sales markets are benefiting from the ongoing strong demand for convenience food. Frozen and chilled pizzas, in particular, are some of the most favored convenience foods worldwide. Freiberger keeps a close eye on current industry trends, like plant-based and ready-to-go / ready-to-eat foods, as well as growing awareness of health and sustainability, and makes sure these trends are part of its product range.

The company is implementing a holistic growth strategy called "Better together" aiming to exceed market growth of 1–3 % annually and maintain profitable growth.

- **Flexible product portfolio:** Alignment of the product range with market trends such as plant-based and ready-to-go. Create new marketing strategies and distribution channels.
- **Innovation and sustainability:** Investments into innovative developments, like environmentally friendly packaging through the corporate initiative "Rethinking plastic" and sustainable production methods. Systematically develop current approaches.
- **Market access and expansion:** Consolidation of market position in Europe; capacity expansion at Berlin plant; expanded production capacity in the UK; profitable growth in the US and evaluation of new third markets.

PortionPack

The PortionPack division aims to expand its leading position in the European market for portioned food products in the food service sector. By further strengthening its co-packing / co-manufacturing business, the division also intends to significantly reduce its dependence on the out-of-home market and open up new growth segments.

- Continuously expand product portfolio with focus on sustainable packaging.
- Continue to grow in wholesale and food service, expand sales activities in retail, offer packaging solutions for food manufacturers (out-sourced packaging).
- Expand market position in Europe; expand activities in Southern Africa.

Special products segment

At a glance

	BENEO	Freiberger	PortionPack
Production	Germany (1), Belgium (2), Italy (1), Netherlands (1), Chile (1)	Germany (4), UK (1), Austria (1), USA (3)	UK (1), Netherlands (3), Spain (1), South Africa (1), Czech Republic (1)
Distribution	Europe (3), USA (1), South America (2), India (1), Singapore (1)	Europe (3), UK (2), USA (2)	Europe (7), South Africa (1)
Raw materials	Beet sugar, rice, chicory root, wheat, barley, faba bean	Flour, milk (cheese), tomato paste, meat/ salami/ham	Dry products (e.g. sugar, sweeteners), liquid products (e.g. sauces), chunky products (e.g. cookies)
Products	Ingredients offering additional benefits (dietary fibers, sugar substitutes, new sugars, rice starches, barley/rice flours, vegetable texturates) for food, animal nutrition, non food and pharmaceuticals	Convenience Food (chilled and frozen pizzas, pasta, baguettes, breadsnacks)	Portion packs (Food and non-food), individual contract manufacturing and packaging
Target markets	Worldwide	Europe, North America, South Korea	Primarily Europe, South Africa
Customers	Food, animal nutrition and pharmaceuticals industries	Food retailers	Hotels, restaurants, caterers (food service), Food industry
Brands	Isomalt, PalatinoseTM, galenIQTM, Orafti® Inulin, Orafti® Oligofruktose, Orafti® ß-Fit; Remy, Meatless®	Private labels, Alberto, Pizzatainment	Hellma, Van Oordt

Markets

Target markets

The special products segment's sales markets showed a predominantly positive trend.

Consumers worldwide continue to value health-conscious nutrition and improved well-being. The desire for a healthy body weight, balanced blood sugar levels, and a more plant-based diet led to continued high demand for ingredients offering additional benefits.

The frozen pizza market recorded slight growth in Germany. However, the increase in sales in the private label segment – in which Freiberger is the largest manufacturer – was lower than average. In France, it took two years for the market to recover from depression, while the UK and US saw a slight upturn. Private labels lost market share in the frozen food segment in the UK, whereas they recorded slight growth in the US. The UK chilled pizza market also grew slightly, with private labels further strengthening their leading market position thanks to modest growth.

Raw material markets

In the special products segment, various agricultural raw materials are processed into premium products for the food, animal feed and technical industries.

Long periods of rain affected the sowing, harvesting, and processing of chicory roots in both Chile and Belgium; overall yields were lower than last year. Customers are increasingly demanding sustainability criteria for rice as a raw material. All food safety regulations were adhered to in Asian imports by performing a full preliminary check of the rice. However, the geopolitical situation in the Red Sea resulted in increased transportation costs. The costs for sugar, the raw material for producing functional carbohydrates, were, following the general market trend, below the previous year's level.

The main raw materials used in the production of frozen pizzas include mozzarella and salami. Purchase prices developed differently in the 2024/25 fiscal year. Especially the prices of mozzarella showed a notable rise. Freiberger's salami is largely composed of pork; aligned with the declining pork prices, the costs of purchasing salami also went down.

Business performance

Revenues and operating result

The special products segment's revenues of € 2,275 (2,414) million were down slightly year-on-year, reflecting both lower sales volumes and lower prices.

The operating result showed a slightly positive development and increased to € 203 (196) million. This improvement was mainly attributable to higher margins.

Result of restructuring and special items

The result from restructuring and special items of € 11 (–3) million in fiscal 2024/25 was largely due to the sale of Richelieu's dressing and sauce business in the US, which was not part of its core activities. The divestment includes operating assets consisting of machinery, inventories and shares in a customer list in the total carrying amount of € 35 million. Including the goodwill of the Freiberger CGU of € 13 million allocated to this transaction, the gain on disposal before taxes amounted to € 17 million on the basis of a net sales price of € 65 million already received. This gain is recognized in other operating income as special result. Last year's expenses were mainly attributable to the BENEO division and related to start-up costs for the construction of a new production plant for protein concentrate from faba beans at the Offstein location.

Capital employed and return on capital employed (ROCE)

With an operating result of € 203 (196) million and capital employed of € 2,001 (2,013) million, ROCE rose slightly to 10.1 (9.7) %.

Investments in fixed assets

Investments in fixed assets in the special products segment totaled € 126 (128) million. The main projects included:

- BENEO division: Construction of a new production facility for the extraction of plant-based protein concentrates at the Offstein location in Germany
- Freiberger division: Process optimizations at the Wheeling location in the US to reduce production costs, completion of the production capacity expansion at the Westhoughton location in the UK, and initial planning for capacity enhancement at the Berlin location in Germany

Volumes

In the fiscal year 2024/25, BENEO experienced strong demand for prebiotic fibers from chicory root. Increased awareness of the importance of a healthy gut for well-being, improved nutritional labeling options (sugar and fat reduction), and reliable demand fulfillment are driving this trend. Rice starch experienced a notable boost in sales, attributed to its natural appeal, making it popular in baby nutrition and clean-label products, where it contributes to improving product stability and texture. Isomalt, a functional sugar substitute, continued to enjoy high demand. Sales of fiber from sugar beet, which is primarily used to reduce sugar content and enrich foods with fiber, also increased. Due to market challenges, demand for ingredients for meat and fish alternatives remained below expectations. Good progress was made in the business with galenIQ™, an Isomalt variant for the pharmaceutical market. Continued growth was also seen in the market for ingredients for animal feed and pet food.

Business performance – Special products segment

		2024/25	2023/24	+/– in %
Revenues	€ million	**2,275**	**2,414**	**–5.8**
EBITDA	€ million	**288**	**279**	**3.2**
EBITDA margin	%	12.7	11.6	
Depreciation	€ million	–85	–83	2.4
Operating result	€ million	**203**	**196**	**3.6**
Operating margin	%	8.9	8.1	
Result from restructuring / special items	€ million	11	–3	–
Result from companies consolidated at equity	€ million	0	0	–
Result from operations	€ million	**214**	**193**	**10.9**
Investments in fixed assets and intangible assets	€ million	126	128	–1.6
Investments in financial assets / acquisitions	€ million	0	0	–
Total investments	€ million	**126**	**128**	**–1.6**
Shares in companies consolidated at equity	€ million	0	0	–
Capital employed	€ million	2,001	2,013	–0.6
Return on capital employed	%	10.1	9.7	
Working capital	€ million	490	536	–8.6
Employees (FTE)		**5,541**	**5,422**	**2.2**

TABLE 016

Volumes of frozen and chilled products dropped slightly year-on-year in Europe in the 2024/25 financial year. This is attributable to heightened advertising campaigns by brand manufacturers, particularly in Germany and the UK, leading to a loss of market share. This was offset by a significant rise in sales of baguettes, mini pizzas, and hot dogs through bakery shops of retailers in Germany. In the US and Canada, the market shares expanded with the arrival of new customers, causing a slight uptick in frozen pizza sales.

Compared to the previous year, sales volumes of portion packs experienced a slight downturn. The main reasons for this were declining out-of-home consumption and lower demand in the contract manufacturing and contract packaging sectors. Rising prices and the diminished purchasing power of consumers adversely affected the situation.

CropEnergies segment

At a glance

€ 959 million
Revenues

€ 22 million
Operating result

€ 479 million
Capital employed

4.6 %
ROCE

Strategy

Fuels with higher ethanol blends (E10 to E85) can help to reduce greenhouse gas (GHG) emissions; they offer high revenue potential for CropEnergies. Growth opportunities are also arising from the broadening of the raw material base to include residual and waste materials, which are becoming even more important thanks to ambitious targets set out in the Renewable Energy Directive. Furthermore, biofuels from waste and residual materials are expected to play a significant role in the defossilization of air and maritime transport in the EU, thus opening new market segments for CropEnergies.

CropEnergies strives to increase the value generation of existing material flows in the current facilities. This includes protein-rich food and feed, as well as the use of biogenic CO_2 from alcoholic fermentation.

- Expand ethanol, neutral alcohol and protein-rich food and animal feed business activities; develop new businesses such as bio-based chemicals by drawing on the group's R&D expertise in processes and raw materials
- Establish new collaborative partnerships with customers and partners
- Focus on European and regional raw materials and supply chains

Production	Germany (2), Belgium (1), France (1), UK (1)
Raw materials	Grain, sugar syrup, raw alcohol, waste and residual materials
Products	Fuel-grade ethanol, neutral alcohol, protein-based food and animal feed, liquid CO_2
Markets	Europe
Customers	Oil companies and traders, food and animal feed producers, beverage and cosmetics producers, industrial and pharmaceutical companies

Markets

Ethanol market

In 2024, global ethanol production increased to 138 (133) million m³, with approximately 85 % accounted for by fuel ethanol. The increase in total production is due to a significant rise in the production of fuel ethanol. In 2024, it was around 119 (114) million m³ and is also expected to reach this level in 2025. The remaining alcohol volume is used as neutral alcohol in beverages, cosmetics and pharmaceutical and industrial applications.

EU Ethanol volume balance

million m³	2022	2023	2024	2025e
Opening balance	**0.8**	**1.1**	**0.9**	**0.8**
Production	8.0	7.6	7.8	7.8
thereof fuel ethanol	6.0	5.8	6.0	6.1
Consumption	−10.4	−10.5	−10.8	−11.1
thereof fuel ethanol	−7.5	−7.9	−8.3	−8.5
Net imports	2.7	2.7	2.9	3.3
Closing balance	**1.1**	**0.9**	**0.8**	**0.9**

Source: S&P Global Commodity Insights, February 2025; including UK.

TABLE 017

The EU 27 and the UK produced 7.8 (7.6) million m³ of ethanol in 2024, slightly above the previous year's level. At the same time, ethanol consumption rose to 10.8 (10.5) million m³. This was attributable to an increase in fuel ethanol consumption to 8.3 (7.9) million m³. Consumption of neutral alcohol remained relatively stable at 2.5 (2.6) million m³. In 2024, net imports to the EU 27 and the UK were above the previous year's level at 2.9 (2.7) million m³.

Fuel ethanol consumption is expected to rise further to 8.5 (8.3) million m³ in 2025.

In Europe, ethanol prices rose from around 660 €/m³ at the beginning of March 2024 to around 690 €/m³ at the end of the financial year 2024/25; on average, they were around 680 (740) €/m³. The generally low price level in Europe can partly be attributed to higher imports, especially from the USA. The sharp decline in GHG quota prices caused by market distortions originating in upstream emission reduction projects in China and, in particular, by large imports of advanced biodiesel, likewise from China, also had a negative impact on ethanol prices in Europe.

Protein market

Price trends on the markets for protein food and animal feed products are based primarily on international soybean prices and European rapeseed meal prices. According to the International Grains Council (IGC), the global soybean harvest in 2024/25 will be above last year's level at 418 (396) million tonnes. Demand is expected to grow to 409 (385) million tonnes, while inventories are set to rise to 82 (73) million tonnes. Soybean prices declined throughout the fiscal year 2024/25. As of early March 2024, the price was about 11 USD / bushel. At the end of the fiscal year, the price of soybeans fell to around 10 USD / bushel. The EU rapeseed harvest in the 2024/25 grain marketing year is expected to decrease to approximately 17 (20) million tonnes. Quotations for European rapeseed meal were around 270 €/t at the beginning of March 2024 and around 290 €/t at the end of February 2025.

Raw material markets

Global grain production (excluding rice) is likely to be slightly below last year's harvest of 2,306 (2,310) million tonnes in the 2024/25 grain marketing year (GMY; 1 July to 30 June). With global grain consumption of 2,336 (2,323) million tonnes, slightly lower inventories of 577 (607) million tonnes are expected.

According to the EU Commission, grain production in the EU is also expected to be below the previous year's level at around 255 (268) million tonnes in the 2024/25 grain marketing year. Consumption is set to remain unchanged at around 257 million tonnes, with over 60 % of grain still serving as animal feed. For the production of fuel ethanol, however, only the starch content of 12 million tonnes of grain, and thus around 5 % of the EU harvest, is to be used. The remaining components of the grain are primarily refined into protein-rich food and feed products that help close Europe's supply gap in plant-based proteins and thus make full use of the grain.

European wheat prices on Euronext in Paris started the 2024/25 fiscal year at around 185 €/t and rose to 269 €/t by the end of May 2024. Prices fell again in the course of the financial year and stood at around 220 €/t at the end of February 2025.

Legal and political environment

European Green Deal
The EU aims to create a resource-efficient and competitive economy with the European Green Deal that emits no net greenhouse gases by 2050. The European Climate Law sets a target of reducing greenhouse gas emissions by 55 % by 2030 compared to 1990 levels.

The Fit for 55 package is a set of proposals adopted by the European Parliament and Council to revise existing EU climate and energy laws. In February 2024, as part of its ongoing efforts to achieve climate neutrality, the Commission presented a new climate target for 2040, aiming to reduce net greenhouse gas emissions by 90 % compared to 1990 levels. To this end, the new European Commission must now present legislative proposals.

Renewable Energy Directive
The amendment of the Renewable Energy Directive (RED III) to further promote the use of renewable energies was a crucial element of the Fit for 55 package. This directive, which came into force on 20 November 2023 and must be transposed into national law by 21 May 2025, stipulates that the energy share of renewable energies in the transport sector should increase to at least 29 % (previously: 14 %). Alternatively, the member states can also establish a GHG reduction target of at least 14.5 %. The share of renewable fuels from arable crops in the member states is to remain unchanged at up to one percentage point above the level achieved in 2020, up to a maximum of 7 %. The agreement also sets a binding sub-target of 5.5 % for renewable biofuels from waste and residues as well as synthetic fuels in 2030. Synthetic fuels are to account for at least one percentage point.

Germany
Germany aims to incrementally raise the GHG reduction quota to 25.1 % by 2030. On 1 January 2025, another step was taken by raising the GHG reduction quota from 9.35 to 10.60 %. The energy share of renewable fuels from arable crops should be able to contribute up to 4.4 %. The share of advanced biofuels is to be gradually increased to at least 2.6 % in 2030. As of 1 January 2025, the rate was raised from 0.4 to 0.7 %. According to the assessment of the German biofuel industry, the growth path to 2030 is not ambitious enough and is also significantly too flat. This has resulted in massive oversubscriptions of the minimum quotas since 2021, which have led to substantial market distortions, particularly in 2024. These market distortions originated in upstream emission reduction (UER) projects in China and, in particular, in large imports of advanced biodiesel, again from China.

In response to these market disruptions, the German government initially suspended the registration of new UER projects starting from 1 July 2024, in May 2024. In November 2024, the German government resolved to completely suspend the transfer of previous years' surplus GHG savings for 2025 and 2026. Statistics from the German customs for 2023 reveal that GHG reductions exceeding 2 million tonnes from UER projects were applied to the GHG quota, and the amounts of advanced biodiesel, over 1.1 million tonnes, have almost grown fivefold compared to the previous year. In August 2024, the EU Commission imposed provisional anti-dumping duties on Chinese biodiesel imports, which were confirmed by the EU member states in the Council in January 2025. The final anti-dumping duties will be in effect for five years.

Political agreement between the Mercosur countries and the EU
In early December 2024, the European Commission and the Mercosur countries jointly announced the conclusion of the negotiations on the EU-Mercosur agreement. If the agreement is ratified by the European Council and the European Parliament, it could enter into force at the earliest in fiscal year 2026/27. The agreement includes the arrangement of ethanol imports into the EU amounting to 650,000 tonnes, of which 450,000 tonnes are duty-free for chemical purposes, and 200,000 tonnes are subject to a third of the most-favored-nation rate for all uses (e.g., fuel). These tariff quotas are to be introduced gradually over a period of six years. An average of approximately 2.2 million m^3 of ethanol was imported into the EU annually over the past three years, with approximately 400,000 m^3 originating in Brazil.

Business performance

Revenues and operating result
CropEnergies segment revenues fell significantly to € 959 (1,091) million, due to significantly lower prices for ethanol, food and animal feed. Volumes increased, however, compared to the previous year's low level due to scheduled maintenance shutdowns.

In line with the revenues trend, the operating result of € 22 (60) million, was significantly lower than last year. The key factor for the decrease in results was the price of ethanol, which was significantly lower than the previous year. The lower net raw material and energy costs and the increased sales volumes were nowhere near enough to offset the negative impact of falling prices.

Result of restructuring and special items

The result from restructuring and special items in fiscal 2024/25 of € –105 (–1) million was mainly attributed to the Wilton production location of the British subsidiary Ensus UK Limited, Wilton.

The suspension of the ongoing investment activities for the construction of a plant for the manufacturing of the protein animal feed EnPro® at the production location of the British subsidiary Ensus UK Limited resulted in an extraordinary expense due to the impairment of the capital expenditures already incurred and provisions for existing contractual obligations for investment. Moreover, an impairment of the fixed assets already in place had to be recognized as a result of the reduced earnings expectations for this location. Last year's figures encompassed the setup costs for the ethyl acetate production facility at the Zeitz location in Germany.

Capital employed and return on capital employed (ROCE)

Capital employed was significantly lower than in the previous year at € 479 (540) million due to the impairment of production facilities at Ensus UK Limited. On the back of a significantly lower operating result of € 22 (60) million, ROCE fell significantly to 4.6 (11.1) %.

Investments in fixed assets

Investments in fixed assets totaled € 84 (72) million. The main projects included:

- Construction of a production plant for renewable ethyl acetate at the Zeit location in Germany
- Preparation of the switch from coal to gas as the primary energy source at the Zeitz location in Germany

Business performance – CropEnergies segment

		2024/25	2023/24	+/– in %
Revenues	€ million	**959**	**1,091**	**–12.1**
EBITDA	€ million	**65**	**105**	**–38.1**
EBITDA-Marge	%	6.8	9.6	
Depreciation	€ million	–43	–45	–4.4
Operating result	€ million	**22**	**60**	**–63.3**
Operating margin	%	2.3	5.5	
Result from restructuring / special items	€ million	–105	–1	> 100
Result from companies consolidated at equity	€ million	0	0	–
Result from operations	€ million	**–83**	**59**	**–**
Investments in fixed assets and intangible assets	€ million	84	72	16.7
Investments in financial assets / acquisitions	€ million	5	1	> 100
Total investments	€ million	**89**	**73**	**21.9**
Shares in companies consolidated at equity	€ million	0	3	–100.0
Capital employed	€ million	479	540	–11.3
Return on capital employed	%	4.6	11.1	
Working capital	€ million	113	135	–16.3
Employees (FTE)		**537**	**515**	**4.3**

TABLE 018

Investments in financial assets and acquisitions

Investments in financial assets and acquisitions of € 5 (1) million in fiscal 2024/25 related to the acquisition of the business activities of EthaTec GmbH, Weselberg, Germany, by CE Advanced Bioenergies GmbH, Weselberg, Germany. An agreement was signed in November 2023 to take over personnel and fixed assets as part of an asset deal. The final closing of the transaction took place with effect from 1 March 2024. The business operates a production facility for ethanol and biogas from waste and residual materials from the food industry that are no longer suitable for human consumption. Additionally, the stake in CT Biocarbonic GmbH, Zeitz, was increased to 50.2 %. Last year, financial investments included the increase in the stake in Syclus B.V., Maastricht, Netherlands.

Raw materials and production

The plants in Zeitz, Wanze, and Wilton will continue to process exclusively agricultural raw materials of European origin. CropEnergies prioritizes sustainable and local sourcing of raw materials whenever possible. Certification according to at least one certification system approved by the EU Commission fully documents the sustainable ethanol production in all CropEnergies biorefineries and independently audits the significant greenhouse gas savings of the ethanol produced compared to fossil gasoline.

In fiscal 2024/25, ethanol production was moderately above the previous year's level at around 1.0 million m^3. Production capacity utilization in the course of the financial year was monitored in line with market conditions and in order to carry out regular maintenance work. The volume of CO_2 sold for liquefaction was lower than in the previous year.

CropEnergies is taking the first step toward further diversification by constructing a production plant for renewable ethyl acetate near its production location in Zeitz, Germany. In addition to significantly higher prices for plant construction because of general inflation, the more extensive and prolonged exploratory measures on the construction site to locate unexploded ordnance from World War II have led to an increase in expected capital expenditure to € 160 to 170 million, with commissioning now scheduled for summer 2026. Renewable ethyl acetate will enable CropEnergies customers to reduce the fossil CO_2 footprint of a wide range of products and grow in line with the sustainability trend.

Starch segment

At a glance

€ 955 million
Revenues

€ 36 million
Operating result

€ 411 million
Capital employed

8.8 %
ROCE

Strategy

Cost efficiency from the purchase of raw materials to production is prioritized in the starch segment because of the wide standardization of products and intense competitive pressure.

We rely on our regional footprint – that is, the proximity to our raw materials – and our skills in raw material management and production.

We are responding to the challenges posed by fundamentally lower margins in the commodity business and high dependence on agricultural cycles and climatic conditions by optimizing our processes, technology, and costs. The focus in the areas of sales as well as research and development is placed on specialties and bio-products with higher margins, in order to improve results and increase market share.

Production	Austria (3), Romania (1), Hungary (1, joint venture)
Raw materials	Potatoes, corn, wheat
Products	Native and modified starches, saccharification products, ethanol, byproducts (animal feed and fertilizers)
Markets	Central and Eastern Europe (primarily Austria and Germany), special markets such as the United States and United Arab Emirates
Customers	Food, paper, textiles, industrial chemicals, pharmaceuticals, cosmetics, petroleum and animal feed industries
Brands	ActiProt®, BioAgenasol®, AgenaBee®

Markets

Target markets

In fiscal 2024/25, after two years of significant decline in demand, a recovery was noticeable in some product groups relevant to the starch segment. Nevertheless, the oversupply led to a noticeable increase in competitive pressure, which in turn caused prices to drop.

The typically more stable food sector reported overall solid sales, yet suppliers had to lower prices to retain market share, particularly for liquid sweetening products, as their prices are linked to sugar prices. The organic industry saw signs of recovery following a challenging previous year due to inflation, but competition also heightened.

The non-food sector was particularly affected by fluctuating contract cancellations from customers and paper machine downtime in the paper and packaging segment. The construction and adhesives sector for paper adhesives experienced slightly more positive development.

The prices of medium proteins in the byproducts sector for the feed industry are based on the prices quoted on the grain markets. Last fiscal year, we saw that customers only stocked up for the short term. High-protein products (corn gluten feed, wheat gluten feed, and potato protein) consistently experienced more stable market demand and more solid prices.

Please refer to the → CropEnergies segment report for details about developments in the international ethanol markets and the associated political conditions for ethanol.

Raw material markets

The → CropEnergies segment report discusses in detail developments in the international grain markets. Global corn production is expected to reach 1,217 (1,231) million tonnes and consumption 1,238 (1,228) million tonnes. The total grain inventory is expected to be approximately 577 million tonnes, about 30 million tonnes lower than the previous year. The corn prices quoted at Euronext Paris on the balance sheet date for 2024/25 stood at 221 (178) €/t, equivalent to the wheat prices.

Business performance

Revenues and operating result

The starch segment recorded a moderate drop in revenues to € 955 (1,056) million, due to a significant overall decline in prices for starch and byproducts as well as ethanol. In contrast, sales volumes developed positively and increased overall.

Business performance – Starch segment

		2024/25	2023/24	+/– in %
Revenues	€ million	**955**	**1,056**	**–9.6**
EBITDA	€ million	**83**	**94**	**–11.7**
EBITDA margin	%	8.7	8.9	
Depreciation	€ million	–47	–46	2.2
Operating result	€ million	**36**	**48**	**–25.0**
Operating margin	%	3.8	4.5	
Result from restructuring/special items	€ million	–6	0	–
Result from companies consolidated at equity	€ million	7	2	>100
Result from operations	€ million	**37**	**50**	**–26.0**
Investments in fixed assets and intangible assets	€ million	33	41	–19.5
Investments in financial assets/acquisitions	€ million	0	0	–
Total investments	€ million	**33**	**41**	**–19.5**
Shares in companies consolidated at equity	€ million	50	47	6.4
Capital employed	€ million	411	505	–18.6
Return on capital employed	%	8.8	9.5	
Working capital	€ million	91	171	–46.8
Employees (FTE)		**1,164**	**1,167**	**–0.3**

TABLE 019

In line with the revenues trend, the operating result of € 36 (48) million, was significantly lower than the previous year. The substantial decrease in raw material and energy costs, along with moderately higher sales volumes, was not enough to completely offset the significantly lower prices. The second half of the year was also affected by the several-week flood-induced shutdown at the Pischelsdorf location in Austria.

Result of restructuring and special items

The result from restructuring and special items in the starch segment amounted to € –6 (0) million and was largely due to a social plan.

Result from companies consolidated at equity

The result from companies consolidated at equity of € 7 (2) million mainly related to the pro rata result from the starch and ethanol activities of the Hungarian HUNGRANA Group.

Capital employed and return on capital employed (ROCE)

A significant decline in operating result of € 36 (48) million and a simultaneous reduction in capital employed to € 411 (505) million drove ROCE down to 8.8 (9.5) %.

Investments in fixed assets

Investments in fixed assets in the starch segment totaled € 33 (41) million. The main projects included:

- Expansion of production capacity for roller-dried technical specialty starches at the Gmünd location in Austria
- Increased bagging capacity for wheat starch and gluten at the Pischelsdorf location in Austria
- Renewal of the biofilter plant at the Aschach location in Austria

Raw materials and production

We use potatoes, corn and wheat as raw materials to make starches for various technical applications, food and animal feed, as well as renewable ethanol and byproducts.

The potato starch factory in Gmünd, Austria, processed about 175,100 (170,600) tonnes of industrial starch potatoes during the 2024/25 campaign. Food industry potato processing for potato staple products was at the previous year's level. Unfavorable vegetation and growing conditions led to lower yields for both starch potatoes and potatoes for the food industry.

The Aschach and Pischelsdorf sites in Austria processed around 1.4 (1.3) million tonnes of corn and cereals in the past financial year. Corn processing increased by around 4 % while the share of specialty corn (especially waxy corn and organically produced corn) was about 27 %. Wheat grinding volumes for the production of wheat starch and bioethanol at the Pischelsdorf site were slightly higher in 2024/25 compared to the previous year. The plant in Romania processed a higher volume of yellow corn than in the previous year, but the processing volume of specialty corn remained below the previous year's level.

Volumes

The starch segment was shaped by rising demand again in fiscal 2024/25, allowing sales of main and byproducts to increase moderately. At the same time, competitive pressure increased, leading to falling prices.

After a difficult previous year due to inflation, the sales of organic products have bounced back; nevertheless, the growing competition in this market demands considerable efforts focused on customer orientation and maintaining market share.

Sales of construction starch and starch derivatives for the adhesion of paper sacks developed somewhat more positively, partly due to intensified market efforts on a global scale.

Fruit segment

At a glance

€ 1,629 million	€ 102 million	€ 754 million	13.5 %
Revenues	Operating result	Capital employed	ROCE

Strategy

The fruit segment's market environment faces challenges such as economic uncertainty, geopolitical crises, high raw material volatility, and increasing cost pressure. We therefore focus our strategy on profitable growth and reducing our dependence on market volatility. Our focus is on further expanding our global presence, maintaining proximity to our customers and enhancing our capacity for innovation. Our goal is to bundle and target our expertise to enhance existing synergy potentials – both on the market and cost side.

Emphasis is placed on bespoke, value-driven products and the creation of customized solutions for and in collaboration with customers from the food and beverage sector, aiming to create products with more stable margins and better differentiation opportunities on global markets. Promotion efforts are focused on the ice cream, food service and flavors sectors. In addition, the ongoing cooperation between the fruit preparations and fruit juice concentrates businesses in product development will be further expanded.

Fruit segment

At a glance

	Fruit preparations	Fruit juice concentrates
Production	Austria (1), Germany (1), France (2), Poland (1), Russia (1), Turkey (1), Ukraine (1), Egypt (1), Algeria (1), Argentina (1), Australia (1), Brazil (1), China (2), Japan (1), Morocco (1), Mexico (1), South Africa (1), South Korea (1), United States (4)	Austria (1), Germany (1), Poland (5), Romania (1), Ukraine (1), Hungary (4), China (1)
Raw materials	Main raw material: strawberries	Main raw material: apples
Products	Fruit preparations	Fruit juice concentrates, not-from-concentrate juices (NFC), fruit wines, natural flavors and beverage compounds
Markets	Worldwide	Worldwide, focus Europe
Customers	Dairy, ice cream and baked goods industries, food service industry	Beverage industry

Markets

Target markets

The market environment for fruit preparations continues to be shaped by consumer trends – enjoyment, affordability, naturalness, sustainability and health – in the global markets for dairy products, ice cream and food service.

The ongoing tense global economic situation and multiple crises are slowing the market trend for fruit yogurts, the main sales market for fruit preparations. Accordingly, the market stagnated worldwide in the 2024 calendar year; a comparable market situation is anticipated globally for the 2025 calendar year, with only a modest growth rate of 0.7 % year-on-year.[1] The global ice cream market grew slightly in the 2024 calendar year and is expected to grow by 1.3 % in 2025[1]. Key target markets for AGRANA in the food service sector are primarily quick service restaurants (QSR) and coffee & tea stores. In these sectors, an average annual growth of 3.4 % is expected for QSR and 3.7 % for coffee & tea stores until 2029[2].

In the fruit juice concentrates business, there continues to be a trend toward lower fruit juice content in both beverages and directly pressed 100 % juices. As a result, the demand for beverage bases with reduced fruit juice contents is rising.

Raw material markets

For strawberries, the most important fruit in terms of volume for fruit preparations, global demand was contracted at prices slightly below the previous year's level. With the persistent high demand for fruits, rising prices are anticipated for the harvest year. Peaches saw good harvest yields in the main European procurement markets of Spain and Greece, and also in China; purchase prices were below last year's level. Harvest yields for sour cherries and blueberries from European growing regions were below expectations, causing raw material prices to rise. Pineapples were more expensive due to unfavorable weather conditions and a resulting lower availability of raw materials; the demand volumes for mangoes were contracted at slightly below last year's price level.

Business performance

Revenues and operating result

In the fruit segment, revenues slightly increased to € 1,629 (1,566) million. This rise can be attributed to higher prices for fruit preparations as well as fruit juice concentrates.

Business performance – Fruit segment

		2024/25	2023/24	+/– in %
Revenues	€ million	**1,629**	**1,566**	**4.0**
EBITDA	€ million	**141**	**126**	**11.9**
EBITDA margin	%	8.7	8.0	
Depreciation	€ million	–39	–41	–4.9
Operating result	€ million	**102**	**85**	**20.0**
Operating margin	%	6.3	5.4	
Result from restructuring / special items	€ million	–2	–25	–92.0
Result from companies consolidated at equity	€ million	0	0	–
Result from operations	€ million	**100**	**60**	**66.7**
Investments in fixed assets and intangible assets	€ million	49	48	2.1
Investments in financial assets / acquisitions	€ million	0	0	–
Total investments	€ million	**49**	**48**	**2.1**
Shares in companies consolidated at equity	€ million	0	0	–
Capital employed	€ million	754	782	–3.6
Return on capital employed	%	13.5	10.9	
Working capital	€ million	350	398	–12.1
Employees (FTE)		**5,585**	**5,642**	**–1.0**

TABLE 020

[1] Source: Euromonitor, February 2025.
[2] Source: GlobalData.

The operating result improved significantly to € 102 (85) million. The earnings contribution from fruit preparations increased significantly thanks to a moderately higher margin and stable sales volumes. Despite stable sales volumes overall, the fruit juice concentrates earnings contribution dropped due to higher costs.

Result of restructuring and special items

The result from restructuring and special items in the fruit segment amounted to € –2 (–25) million and was largely due to reorganization measures. In the previous year, the expenses related almost entirely to the impairment of fixed assets at the fruit segment's Asian production facilities in India, Japan and China.

Capital employed and return on capital employed (ROCE)

With a slightly reduced capital employed of € 754 (782) million, and a significantly increased operating result of € 102 (85) million, ROCE improved to 13.5 (10.9) %.

Investments in fixed assets

Investments in the fruit segment totaled € 49 (48) million. The main projects included:

- Capacity expansion in Jacona, Mexico
- Food service expansion in Centerville, Tennessee, USA
- Installation and commissioning of a new production facility in Gleisdorf, Austria

Raw materials and production

About 359,000 (336,000) tonnes of raw materials were purchased in the fruit preparations sector in fiscal 2024/25. The increased use of raw materials is due to higher sales volumes in Europe, China, and South Africa. Average raw material prices for fruit and ingredients were slightly lower overall than in the previous year.

The 2024 apple harvest within the fruit juice concentrates sector turned out to be considerably lower than in the previous year. Frost damage occurred not just in apples but also affected the colored fruits, particularly black currants, raspberries, and sour cherries. Despite the challenging conditions, production at the Ukrainian location was sustained.

Volumes

In total, volumes in the fruit preparations sector were higher than the previous year. An analysis of sales trends by product categories shows increased sales volumes both in the core business area of products for the dairy industry (around 80 % of the fruit preparation quantities sold) and in the strategically important Beyond business area (ice cream and food service). Fruit juice concentrate volumes were consistent with the figures from the prior year. Volumes in the added value business continued to perform positively, with the flavor business particularly noteworthy.

CURRENT AND PROJECTED BUSINESS PERFORMANCE

The table “Forecast/actual comparison” shows the 2023/24 consolidated financial statement results and the forecast at the time of each quarterly report in fiscal 2024/25, and the actual 2024/25 consolidated financial statement results. Furthermore, forecasts were reported in the following MAR announcements:

15 April 2024
Initial forecast for fiscal year 2024/25 in line with market expectations:

- Consolidated group revenues between € 10.0 and 10.5 billion
- Group EBITDA between € 0.9 and 1.0 billion
- Consolidated group operating result between € 500 and 600 million

10 July 2024
Confirmation of the group forecast dated 15 April 2024 as part of the MAR announcement for Q2 2024/25.

16 September 2024
Significant group forecast reduction dated 15 April 2024 as part of the MAR announcement for the first half year of 2024/25.

- Consolidated group revenues between € 9.5 and 9.9 billion
- Group EBITDA between € 550 and 650 million
- Consolidated group operating result between € 175 and 275 million

15 October 2024

- Confirmation of the group forecast dated 16 September 2024 as part of the MAR announcement for Q3 2024/25.

11 February 2025
Specification of the forecast for fiscal year 2024/25 last confirmed on 14 January 2025.

- Consolidated group revenues in the middle of the range of € 9.5 to 9.9 billion
- Group EBITDA now in the upper range of € 550 to 650 million
- Consolidated group operating result now in the upper range of € 175 to 275 million

Forecast/actual comparison

Publication date		5/16/2024	5/16/2024	7/11/2024	10/10/2024	1/14/2025	5/15/2025
		Q4 2023/24	Q4 2023/24[1]	Q1 2024/25	Q2 2024/25	Q3 2024/25	Q4 2024/25
		Act 2023/24	Forecast 2024/25				Act 2024/25
Group							
Revenues	€ billion	10.3	Between 10.0 and 10.5	Between 10.0 and 10.5	Between 9.5 and 9.9	Between 9.5 and 9.9	9.7
EBITDA	€ million	1,318	Between 900 and 1,000	Between 900 and 1,000	Between 550 and 650	Between 550 and 650	723
Operating result	€ million	947	Between 500 and 600	Between 500 and 600	Between 175 and 275	Between 175 and 275	350
Return on capital employed	%	13.2	Significant decrease	Significant decrease	Significant decrease	Significant decrease	5.2
Sugar segment							
Revenues	€ million	4,162	Moderate increase	Moderate increase	Moderate decrease	Moderate decrease	3,876
Operating result	€ million	558	Between 200 and 300	Between 200 and 300	Between –150 and –50	Between –150 and –50	–13
Special products segment							
Revenues	€ million	2,414	Slight increase	Previous year’s level	Slight decrease	Slight decrease	2,275
Operating result	€ million	196	Moderate decrease	Moderate decrease	Moderate decrease	Previous year’s level	203
CropEnergies Segment							
Revenues	€ billion	1	Between 0.9 and 1.1	Between 0.9 and 1.1	Between 0.9 and 1.1	Between 0.9 and 1.0	1
Operating result	€ million	60	Between 20 and 60	Between 20 and 60	Between 20 and 60	Between 5 and 20	22
Starch segment							
Revenues	€ million	1,056	Slight decrease	Moderate decrease	Moderate decrease	Moderate decrease	955
Operating result	€ million	48	Significant decrease	Significant decrease	Significant decrease	Significant decrease	36
Fruit segment							
Revenues	€ million	1,566	Slight decrease	Previous year’s level	Slight increase	Slight increase	1,629
Operating result	€ million	85	Significant decrease	Significant decrease	Previous year’s level	Moderate increase	102

[1] Published on the annual press and analysts’ conference (consolidated management report 2023/24) on 16 May 2024.

TABLE 021

OUTLOOK

Economic environment

In its January 2025 winter outlook, the International Monetary Fund (IMF) forecasts further significant global economic growth of 3.3 (3.2) % for 2025. Compared with the October 2024 outlook, this represents an increase of 0.1 percentage points.

The IMF expects lower growth rates of 4.6 (4.8) % for China and 2.7 (2.8) % for the USA.

In its fall outlook published in November 2024, the EU Commission forecasts economic growth of 1.3 (0.9) % for the eurozone and 1.5 (0.9) % for the EU overall.

Volume and raw material markets

On the global sugar market, a deficit and a continued low ratio of inventories to consumption are currently expected for the sugar marketing years (1 October to 30 September) 2024/25 and 2025/26. The global market price for white sugar has fluctuated around 500 €/t since summer 2024, showing high volatility.

Following an expansion of cultivation in the EU, sugar production (including isoglucose) is expected to rise to 17.1 (16.1) million tonnes in the 2024/25 sugar marketing year. The expectation of a large harvest and high imports from Ukraine at the beginning of the 2024 calendar year caused sugar prices in the EU to fall sharply over the course of the year. Imports from Ukraine were restricted in terms of volume in June 2024 until at least the beginning of June 2025. Analysts predict a decline in cultivation area for the 2025/26 sugar marketing year, followed by a drop in sugar production.

The EU-27's and the UK's consumption of fuel ethanol and neutral alcohol in 2025 is expected to continue to rise to 11.1 (10.8) million m³. Demand is likely to be offset by production of 7.8 (7.8) million m³. Net imports are also expected to rise again to around 3.3 (2.9) million m³ and thus remain at a very high level.

With the extensive use of E10, many EU member states are increasingly taking advantage of the potential of sustainably produced ethanol as a low-CO_2, high-quality and cost-effective alternative to fossil fuels. However, to achieve transportation climate and energy targets, E10 would have to be used everywhere together with an increasing use of fuels with higher ethanol content.

Global grain production (excluding rice) is likely to be slightly below last year's harvest of 2,306 (2,310) million tonnes in the 2024/25 grain marketing year (1 July to 30 June). With global grain consumption of 2,336 (2,323) million tonnes, slightly lower inventories of 577 (607) million tonnes are expected.

Details regarding sector-specific conditions are outlined in the segment reports.

Business outlook

When considering this forecast for the 2025/26 fiscal year, it is important to note that further impacts from the ongoing Ukraine war and the resulting continued increase in the already high volatility on the sales and procurement markets are anticipated. This applies in particular to the further development of duty-free Ukrainian agricultural imports (e.g., sugar and grain) into the EU. In fact, it is proving quite difficult overall to assess the economic and financial ramifications along with the global tariff policy disruptions.

Group

We confirm the group forecast first published on 11 February 2025 and confirmed on 18 March 2025 for the 2025/26 fiscal year.

We expect consolidated group revenues in fiscal 2025/26 between € 8.7 and 9.2 (2024/25: 9.7) billion. Group EBITDA is anticipated to range from € 525 to 675 (2024/25: 723) million. We predict the consolidated operating result to be between € 150 and 300 (2024/25: 350) million. We expect capital employed to remain stable. Based on the decline in the operating result, we see a significant decline in ROCE (2024/25: 5.2 %).

Sugar segment

We expect sugar production and sales volumes to drop because of the shrinking beet cultivation area. The significant drop in sugar prices in fiscal 2024/25 will impact the market until fall 2025. For the 2025/26 sugar marketing year, we expect lower sugar production in the EU, leading to a recovery in sugar prices at the beginning of the 2025/26 sugar marketing year in October 2025. In total, we are thus anticipating another significant decrease in revenues (2024/25: € 3.9 billion).

The sugar segment's operating result is expected to be in a range between € –100 and –200 (2024/25: –13) million. In the first half of fiscal 2025/26, the sharp decline in sugar prices will result in a significantly higher operating loss despite lower production costs. We expect to return to positive results in the second half of the fiscal year as a result of the anticipated recovery in sugar prices.

Special products segment

We will likely experience higher sales volumes and prices in the special products segment overall in fiscal 2025/26, leading to a moderate increase in revenues (2024/25: € 2.3 billion).

We currently assume that the planned increase in revenues will not be sufficient to fully offset the expected cost increases, resulting in a moderate decline in operating result (2024/25: € 203 million).

CropEnergies segment

CropEnergies anticipates a moderate increase in revenues for the fiscal 2025/26 based on higher production and sales volumes as well as higher ethanol prices (2024/25: € 959 million).

Despite rising costs, we anticipate a substantial increase in operating result thanks to higher revenues (2024/25: € 22 million).

Starch segment

For the 2025/26 fiscal year, the starch segment forecasts a moderate increase in revenues with declining sales volumes due to higher prices (2024/25: € 1.0 billion). It is anticipated that the expected increase in raw material costs will almost entirely offset revenue growth, with operating result being on par with the previous year (2024/25: € 36 million).

Fruit segment

Following a successful year in 2024/25, we forecast a moderate upturn in revenues (2024/25: € 1.6 billion) in the fruit segment, driven by both fruit preparations and fruit juice concentrates. Currently, we assume that we will not be able to fully pass on the higher costs to the market and therefore expect a significant decline in results (2024/25: € 102 million) in both fruit preparations and fruit juice concentrates.

RISKS AND OPPORTUNITIES

Risk management

Risks and opportunities policy

Südzucker Group's business policies aim to safeguard the company's continued viability, to earn stable, sustainable and reasonable returns and systematically and steadily improve shareholder value. Risk management systems are installed throughout the group to detect and actively manage risks.

Südzucker Group believes a responsible attitude toward business risks and opportunities is an important element of a sustainable, value-oriented management system. Südzucker views risks and opportunities as future developments and events that can negatively or positively influence the implementation of strategic goals and operational plans. Südzucker Group uses an integrated system for the early identification and monitoring of group-specific risks. The guiding principle for successfully managing risk is to balance opportunities and risks. Südzucker Group's risk management is characterized by risk-aware conduct, clear responsibilities, independent risk controlling and the implementation of internal control systems. Insofar as it is possible and economically practical, insurable risks are covered by a group-wide insurance policy.

Purpose of risk management

Risk management is embedded in Südzucker Group's value-oriented management and planning system. The purpose of the risk management system is to detect existing risks early and systematically, to evaluate them and to provide the relevant decision makers with properly organized risk information. This is accompanied by improving the internal transparency of all processes that have an element of risk and driving a culture of risk awareness among all employees. One of the key risk management tasks is to limit strategic, operative financial and compliance risks.

Südzucker Group's risk management system includes review and monitoring systems that secures compliance with all actionable items.

Internal control and risk management system

The executive board is responsible for the group's internal control and risk management system, which specifically includes the early detection of existential and strategic risks together with measures to avoid them. The risk and internal control committee, the compliance committee and the group sustainability board support the executive board in this task and regularly evaluate the suitability of the installed risk management, internal control and compliances

Risk management organization

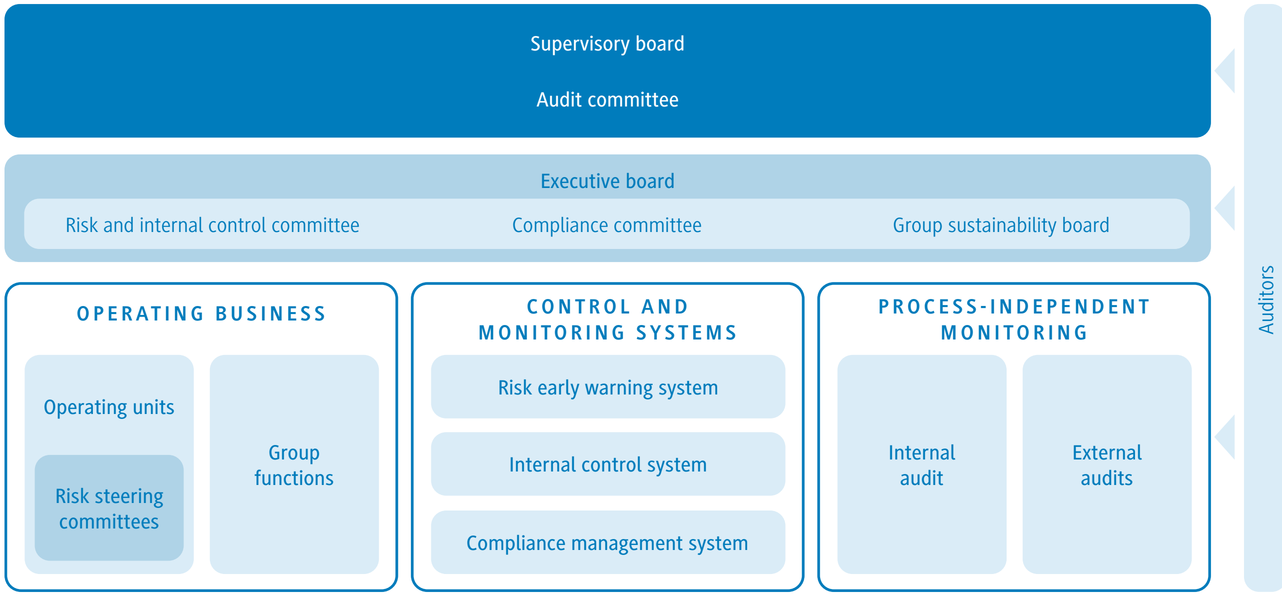


DIAGRAM 008

rules and improves them if necessary. In addition, the risk and internal control committee continuously monitors material risks, including cross-business risks and control requirements, and alerts those responsible if action is necessary. It also informs the audit committee of the supervisory board at least once a year about the status of the risk management and internal control system and significant developments. The supervisory board also examines the effectiveness of the risk management and internal control system as part of its executive board monitoring responsibility.

The operating units (divisions and the CropEnergies and starch segments) and the group functions are responsible for the implementation of internal control systems and as risk owners for identifying and assessing risks and opportunities as well as for risk management. They take steps to reduce and hedge operational risks, as well as financial and legal risks.

Changes in market prices can exert considerable positive or negative pressure on the operating result. The company has therefore installed risk steering committees that evaluate how to handle such risks in those operating units in which operating results are materially affected by market price volatility. Market price risks resulting from commodity and selling prices, as well as currency exchange and interest-rate risks are also countered by selectively using derivatives. The executive board has defined the acceptable instruments for risk mitigation in a management directive of price risks from operating business, which also governs hedging strategies, responsibilities, processes and control mechanisms. Financial derivative instruments are only used to mitigate risks and entered into with banks that have a high credit rating or on futures exchanges.

All relevant operating entities and group functions submit regular reports and documentation on operative, financial and strategic risks to the risk and internal control committee and the risk steering committees, and in accordance with the value-oriented management and planning system. The risk owners regularly evaluate and document all corporate risks as part of this process. In addition, ad hoc reports of any new risks or changes to the risk structure must immediately be submitted to the executive board. The risk and internal control committee aggregates the individual risks across the entire Group as part of the risk inventory and examines them with regard to risk-bearing capacity.

Medium and long-term risks and opportunities are determined on the basis of strategic analyses, considering risk-relevant factors such as market developments in the sales and procurement markets, competitive position, technical innovations, cost structure development, employees and sustainability. The group sustainability board evaluates the risks and opportunities that arise for businesses in the context of transitioning to a less fossil carbon-dependent economy, alongside assessing physical risks affecting the company. Medium and long-term risks are identified and assessed annually as part of the strategic analysis of the segments and divisions conducted group-wide. It also aggregates the group-wide risks and identifies any potential existential threats.

Climate-related risks (short, medium and long-term) are identified, assessed and managed as part of the general risk management process.

Internal audit

The internal group auditors are a process-independent entity that monitors the parent company and the group companies. The department reports directly to the chairman of the executive board. It systematically and precisely assesses the effectiveness of the risk management system, control methods, management and monitoring processes on the basis of independent, objective auditing and consultation, focusing on continuously improving them and the underlying business processes. An annual audit plan approved by the executive board forms the basis for the audit procedures; ad hoc audits are carried out at the request of the executive board if necessary. The executive board and the responsible management team are promptly informed of audit results via audit reports. Implementation of proposed measures is tracked and, if relevant, verified through follow-up audits. In addition, internal audit reports to the supervisory board's audit committee once a year.

Risk communication

Openly communicating with the employees within the company who are responsible for the businesses and processes is essential to a properly functioning risk management system for Südzucker Group. As such, the executive board and those responsible in the operating units and group functions communicate risks quickly and transparently. Employees are required to be aware of and deal with risks proactively. Regular meetings between the executive board and division heads to discuss earnings developments and budgets are one tool Südzucker uses to ensure that information flows directly between the parties. Mitigating measures are defined and initiated for any strategic or operational risks identified during the sessions. Not only the heads of the operating units, but also the group departments regularly report to their respective department heads concerning current developments in their areas of responsibility.

Summary of the risk and opportunity situation

The price trends for input agricultural raw materials and the sugar, ethanol and starch products made from them have a significant influence on the future development of Südzucker Group. Key factors influencing the price trends, such as intense competition in EU sugar production, the regulation of agricultural production conditions, crop protection restrictions, weather and harvest conditions, climate policy for CO_2 reduction, blending targets for renewable raw materials and the demand for and supply of competing raw materials and substitutes, can only be affected by the company to a limited extent in the short term. Demand growth for foodstuffs is undergoing changes that are accompanied by changes in the nutritional behavior of consumers, but also by increasing EU consumer policy regulations.

Südzucker Group operates production facilities in the fruit segment in Russia and Ukraine. The possible impact of halting production at Südzucker sites because of the Ukraine conflict is not factored into the 2025/26 earnings forecast.

Long-term competitiveness is ensured by measures to optimize the cost structure. These include concentrating beet cultivation on high-yielding areas close to the factory and continuously improving production, logistics and administrative processes.

Competition in the European Union's sugar production sector is high. Adjustments to production capacities in non-competitive EU countries are being affected by national subsidies for the cultivation of sugar beets or the intervention of national agricultural and economic policy interests.

The CropEnergies, starch and fruit segments and the BENEO and Freiberger divisions contribute significantly to balancing Südzucker Group's risk and opportunity profile. The CropEnergies segment continues to be favorably positioned for growth due to the ongoing focus of climate policy on expanding renewable energies and reducing CO_2 emissions. An expansion in the electrification of road transport could lead to a decrease in the market volume of renewable ethanol fuel. However, the drive to reduce dependence on fossil fuels offers opportunities for the use of renewable ethanol in the chemical industry.

The current US customs policy may also harbor both risks and opportunities. Increased US tariffs could trigger trade partners' countermeasures, which in turn might result in significant market reactions in the financial, energy and raw materials markets. Investment projects could also be affected by cost and schedule overruns, potentially impacting their profitability and success.

The group's overall risk position remains high compared to the previous year. There are no risks endangering the company's existence at this time, nor are any such risks foreseeable.

Summary of short-term risks and opportunities

The persons responsible for risk management quantify short-term risks and opportunities identified according to the dimensions of probability of occurrence and financial impact in the event of their occurrence. Subsequently, they are aggregated into risk factors using common statistical methods.

The following section describes the main current risk and opportunity factors for Südzucker and outlines their significance, considering the potential financial impact and likelihood of their occurrence on the operating results of the 2025/26 financial year. The effect of countermeasures taken is thereby considered in each case.

Risk and opportunities categories and financial impact

	Significance	Possible financial effects
Low	●	< € 5 million
Medium	●●	€ 5 – 20 million
High	●●●	> € 20 million

TABLE 022

Major individual risks still remain the availability and price volatility of raw materials, product sales risks and ongoing high product price volatility, together with the risks arising from political changes. Production safety, environmental and legal risks have increased compared to the previous year. Simultaneously, the opportunities arising from operational exchange rate fluctuations have decreased. Additionally, the risk associated with sanctions and embargos has been newly included.

Risk and opportunity factors and their financial impact in fiscal 2025/26

	Risks	Opportiunities
Procurement and sales markets		
Market and competition	●●●	●●●
Product price volatility	●●●	●●●
Operational currency exchange risks	●●	●●
Changes in the legal and political framework	●●●	–
Company-specific risks and opportunities		
Production and logistics	●●	–
Production safety and environment	●●	–
Product quality	●●	–
Personnel and risks from work interruptions	●	–
Information technology	●●	–
Legal risks	●●	–
Fraud and corruption risks	●	–
Sanctions and embargo risks	●	–
Finance		
Exchange rate fluctuations	●●	●●
Other financial opportunities and risks	●●●	●●●

TABLE 023

Description of the risk and opportunity situation

Procurement and sales markets

Availability and price volatility of raw materials and energy

Südzucker Group processes over 30 million tonnes of agricultural raw materials annually. In addition to 29 (27) million tonnes of sugar beet in the 2024/25 financial year, this includes substantial annual quantities of corn, wheat, barley, rice, triticale, chicory, potatoes and fruit.

Südzucker Group is exposed to various procurement risks as the processor of these raw materials. These risks relate mainly to fluctuations of harvest yields, due primarily to extreme weather conditions (climate change) as well as pests and diseases affecting crops. Moreover, beets compete with other crops when farmers decide what to grow, which poses a procurement risk in the sugar segment.

Alongside availability-related procurement risks, agricultural raw materials are also subject to price fluctuations, which are currently being influenced by the war in Ukraine. The war led initially to a sharp rise and extreme volatility in raw material prices, which had a direct impact on the price of European ethanol and the world market price of sugar and, in particular, grain prices in the sugar, CropEnergies and starch segments. Currently, many raw material prices are significantly lower again, although not at the level they were at before the start of the war. Political measures such as export bans imposed by major exporters can also lead to increased short-term price volatility. Procurement risk is particularly affected by severe weather conditions and any plant diseases that may arise. Poor harvests resulting from these factors can have a negative impact on both the availability and cost of raw materials. Price trends for these agricultural raw materials, which cannot always be directly passed on to the market, have a significant influence on the future development of Südzucker Group.

Furthermore, Südzucker Group is exposed to energy price risks due to the considerable amount of energy required to manufacture its products. This also includes price risks from EU emissions certificates that have to be purchased to cover any shortfalls. Higher energy prices and the high inflation currently observed in recent years are leading to a structural increase in production costs in the EU.

Additionally, potential supplier changes arising from requirements of the supply chain due diligence act could lead to higher purchasing prices.

Ongoing global uncertainties make it impossible to predict how raw material availability and prices will develop in the future. Price fluctuations may also present opportunities if developments are favorable.

Global warming and shifting climate zones[1]

The consequences of global warming and shifting climate zones include rising average temperatures and lower rainfall as well as greater climate variability in the medium to long term. Changes in the frequency, severity, volume expansion and duration of weather events lead to extremes such as heavy rainfall, droughts, flooding, storms or hail. Flooding and low water levels are expected to increase as a result.

Agriculture is directly dependent on weather and climate. Higher temperatures, heavy rainfall or water shortages have an immediate impact on agricultural production, including above-normal fluctuations in harvest yields. An extended vegetation period and higher temperatures can lead to higher yields if the soil contains sufficient water, but lower yields when water is scarce. Due to fewer frost days and faster soil warming, an extended growing season would also result in competition with other crops when

[1] This risk is primarily a medium- and long-term risk; it is thus not assessed as a short-term risk.

farmers decide what to grow. Changes in the availability and thus the prices of agricultural products directly affect Südzucker's business activities.

The assessment of climate-related risks for Südzucker Group is still proceeding according to plan. An initial assessment in fiscal 2022/23 and a detailed analysis in fiscal 2024/25 identified two production locations with high risk ratings, leading to the review of targeted adjustment measures. Since 2023/24, the agricultural value chain has also been analyzed. The climate risks for sugar beets, wheat and corn are assessed using a specific risk model. The study is based on the scenarios recommended by the Intergovernmental Panel on Climate Change (IPCC) and the TCFD recommendations.

During this transformation phase to achieve greenhouse gas neutrality, a range of regulatory measures will be taken in the EU that entail risk as a result of significantly higher procurement prices. This primarily affects energy itself. However, in the medium term it will certainly also impact other areas such as transport, logistics or the procurement of raw materials and thus all activities in Südzucker Group. Südzucker's sugar, CropEnergies and starch segments and the BENEO division are subject to the regulations set forth by the European Emissions Trading System and are directly affected by potential adjustments. Moreover, further adjustments will be necessary in the long term. We are currently working hard to evaluate various technologies on a site-by-site basis. Risks resulting from the technical deployment of the individual measures will rise in the coming years, as will the corresponding demand for investments and associated financial risks.

Product price volatility

While sugar and starch volumes in the EU are currently declining slightly, the most important markets for animal feed, functional ingredients for food and animal feed, frozen products, ethanol, starch and fruit are characterized by comparatively stable or rising demand forecast.

In the sugar segment, Südzucker is exposed to risks arising from price fluctuations in the world sugar market, the European Union (EU) common market and animal feed markets. If the surplus on the world sugar market rises more than expected, world market prices may also fall. The world market price trend also influences the sugar price level in the EU. The partially duty-free imports of sugar and grain from Ukraine to the EU are influencing prices within the EU. However, since many of Südzucker's sales contracts are signed for one year at a fixed price, short-term market price changes have only a limited or delayed impact on earnings.

Ethanol prices in Europe are affected by various factors such as supply and demand at the local level, the price level and availability in the United States, Brazil and other exporting countries, as well as general political conditions. Average monthly ethanol prices have shown a stable level since the end of 2024, experiencing slight fluctuations and a recent moderate rise, although future volatilities may still occur.

In summary, a change in market prices for Südzucker Group's products, for whatever reason, can have a significant positive or negative impact on Südzucker Group's performance.

Operational currency exchange risks

Currency exchange risks arise at Südzucker's operations when sales revenues or the cost of materials and/or merchandise are denominated in a currency other than the local currency.

In the sugar segment, sugar exports to the world market are subject to US dollar exchange rate risks, and are always hedged from the date of entering the sugar futures contract to the date of payment receipt. Raw sugar refining is exposed to currency risk from raw sugar purchases denominated in US dollars. In the special products segment, foreign exchange risks arise in the BENEO division from US dollar sales revenues for which the underlying production costs are mostly incurred in euros and Chilean pesos. Revenues of the Freiberger Group in the UK are exposed to currency risk related to the British pound sterling. Raw material purchases and product sales in the CropEnergies segment are mainly made in euros. The company is only exposed to currency risks when purchasing raw alcohol in US dollars and selling industrial alcohol in euros. These transactions are hedged using forward exchange contracts immediately after purchasing the raw alcohol. Currency risks in the fruit segment relate primarily to volumes sold in euros or US dollars, while raw material and operating costs are denominated in the respective local currency. When raw materials and/or sales are denominated in foreign currencies, the currency risk is partly hedged using forward exchange contracts.

Changes in currency exchange rates could have a significant impact on Südzucker Group's net assets, financial position and performance.

Changes in the legal and political framework

Changes to economic and agricultural policy in the EU, international trade relations, national and international tax and customs regulations, as well as interpretation by regional authorities, pose further risks associated with general legal and political conditions.

Despite common policies among all member states, considerable differences remain in the national agricultural policy frameworks within the EU. In the EU sugar market, capacity adjustments in non-competitive EU regions will continue to be obstructed by nationally coupled premiums for sugar beet cultivation. In addition to subsidies, the approval of fertilizers and plant protection products is still subject to different national regulations. In some cases, this can give processors of agricultural raw materials significant cost advantages or disadvantages due to their location in the EU, which also prevents inefficient competitors from exiting the market. The resultant higher pressure on end products leads to corresponding earnings risks.

An international comparison also reveals considerably greater differences in political frameworks, in terms of environmental, energy or social policy, for instance. This results in substantial competitive differences between the individual businesses operating in the global marketplace. The growing importance of free trade agreements with corresponding preferences, particularly duty-free or duty-reduced imports in the EU, leads to a risk of increasing import volumes, especially for sugar and ethanol, which further compound price pressure. During the negotiations for a trade agreement between the EU and Mercosur, a political agreement was reached in December 2024. Further procedural steps are required for the agreement to be signed and come into force. It was not possible to conclude a free trad agreement with Australia. The measures to support Ukraine have led to partially duty-free imports of sugar into the EU. This is linked to a significant increase in the cultivation areas for sugar beets and thus sugar production in Ukraine for the upcoming campaign, which will put additional pressure on the EU sugar market. Potential trends towards renationalization in various industries and countries could also have a corresponding impact on sales potential. Furthermore, new trade restrictions may jeopardize export market sales.

The tariff increases announced by the US in April 2025 could also have a potential impact on the global trade environment. Südzucker Group's Freiberger, BENEO and fruit divisions are particularly affected, with direct sales in the USA accounting for about 9 % of the group's consolidated revenues in the past financial year. The manufacturing of goods is already predominantly done in the USA, and some of the imported goods and raw materials have already been stocked. The tariffs imposed on these imported goods could temporarily lead to reduced competitiveness, which may affect both the sales volume and margin development of our operations in the USA. Moreover, Südzucker Group as a whole is subject to a number of secondary effects, such as changes in international trade flows, volatility in raw material and energy prices, exchange rates and regulatory uncertainties, which can result in both risks and opportunities. The specific impacts of the current US tariff policy on Südzucker Group are still being examined and cannot be reliably assessed at this time. We are constantly monitoring new developments to minimize risks and seize opportunities.

Any changes in the political framework also entail risks associated with investment activities. Investment plans might be abandoned or delayed due to regulatory uncertainties, which could lead to operational risks. At the same time, investment decisions are also based on the adoption of certain regulatory frameworks. If unforeseeable deviations arise, there could be considerable risks to returns. This might include consumer control measures such as labeling requirements or taxes on individual products and even blending targets for ethanol. Evolving legislation and regulatory conditions in areas such as hygiene or ingredients can present risks as well.

However, changes in the political framework can also create opportunities in the medium to long term. For example, we consider the adoption of E10 and in the future E20 in the context of climate policy to be an opportunity for an increase in demand for ethanol in a growing number of European countries.

The need for all sectors of the economy to significantly reduce their fossil carbon footprint has led to new development options for biomass-based products, for example in the field of biochemicals as a sustainable alternative to petrochemical products.

As part of the negotiation of initiatives for the EU's "Fit-for-55" reform package, co-legislators have agreed to reduce CO_2 emissions from cars and vans by 100 % in 2035. Internal combustion engines are unable to meet these requirements; in such cases, vehicles equipped with these engines will no longer be able to obtain new registrations. An accompanying electrification of road transport will significantly reduce the sales market for fuel ethanol in Europe.

Changing consumer behavior and the trend towards sustainable consumption[1]

Industrialized countries are witnessing a progressing decline in per capita consumption of individual products, especially sugar consumption in the EU. As the population in many developed countries becomes more health conscious, consumer preferences are changing, leading to a decline in overall consumption of foods containing full-calorie sweeteners. Concerns about weight gain or dental hygiene are prompting some consumers to avoid sugary products or choose products with reduced sugar content or low-calorie sweeteners. Regulatory measures such as the introduction of sugar taxes and the public health debate and media mindset are further factors stimulating this development. A significant decline in demand for sugar and sweeteners in saturated markets that is not offset by sales volume increases in developing countries or new end markets or market share gains may have an adverse effect on Südzucker Group.

Südzucker's strategic orientation calls for an expansion of activities in the plant protein sector. While sales of animal feed could face a long-term threat from declining consumption of fish and meat products, the plant proteins market segment is growing considerably in an effort to cater to vegetarian or vegan dietary habits. We see considerable opportunities here based on our positioning, especially in light of the long-standing protein deficit in the EU.

Improving its sustainability performance at the company level also offers Südzucker Group a chance to boost its competitiveness.

Greenhouse gas emissions associated with manufacturing and marketing products have a major impact on consumer behavior. Products that are favorably labeled or even carbon neutral will generate significant sales potential. Overall, Südzucker believes it is poised to take advantage of these developments not only with its high-quality, non-genetically modified and regional products, but also especially thanks to its activities in the functional food sector.

In the biofuels market, ethanol competes with established fuels, other alternative fuels and new propulsion technologies such as electric drives. Methanol and butanol from biomass are examples of competing products. Alternative fuels and new propulsion technologies may be more successful than ethanol in the biofuels market due to the availability of raw materials and price volatility, lower production costs, greater environmental benefits, tax levels or other more favorable product attributes. Alternative fuels could also benefit from tax incentives or other favorable subsidy measures at the expense of first-generation ethanol, which could have a negative impact on the performance of Südzucker Group.

Company-specific risks and opportunities

Production and logistics

Südzucker Group cannot rule out the possibility of technical, IT, logistical or other disruptions causing a temporary failure of individual systems or system components that are critical to the production process. Likewise, it is also possible that interruptions in the supply of raw materials or energy could temporarily restrict production or require a temporary halt to production. In particular, the availability of suitable transportation means for timely delivery of raw materials and finished products is also subject to fluctuation. Logistics constraints could impair Südzucker Group's ability to meet its delivery obligations to its customers and, in the event of incomplete or delayed deliveries, might even lead to claims by these customers (particularly claims for damages) and the permanent loss of customers. Furthermore, risks may also arise from the construction of new production facilities, the introduction of new technologies and potential changes in construction costs.

At the beginning of the Ukraine war, plant operations in Ukraine had to be largely discontinued. Production has since restarted and is running at a stable level, but remains well below pre-war levels. A weaker economy can have a negative impact on production locations in the fruit segment and the market situation in Russia.

Production safety and environment

Südzucker Group operates industrial production plants and thus faces risks related to production safety and the environment. Material hazards may include, for example, fires, explosions, electrical accidents and unauthorized access, potentially affecting both the safety of employees and the operational infrastructure. Especially fires could cause significant property damage to inventory, technical equipment and building structures, which could lead to production downtimes and long-term financial repercussions. Insurance policies are in place to protect against the financial consequences of potential damage. An environmental management system has also been implemented that is designed to continuously monitor and minimize environmental impacts. All systems are regularly maintained to ensure their operational reliability. We also have a comprehensive security concept encompassing preventive measures and emergency plans.

[1] This risk is primarily a medium- and long-term risk; it is thus not assessed as a short-term risk.

Product quality

One of Südzucker's stated objectives is to supply customers with safe, high-quality products at all times. Serious violations of safety standards for food and other products could adversely affect consumer health, damage Südzucker's reputation and reduce sales volumes of our products. Despite introducing and maintaining a strict quality management system and complying with all applicable legal standards, we cannot rule out a scenario in which the quality of one or more Südzucker products receives a negative assessment or some products do not meet internal or external quality standards. In such cases, Südzucker Group could be exposed to liability claims and reputational risks that might have a material adverse effect on Südzucker's financial position.

Personnel and risks from work interruptions

One of Südzucker's most important success factors is the knowledge and expertise of its employees, which is why it is essential to attract and retain qualified employees in sufficient numbers. Südzucker Group competes intensely with other companies for trained personnel and is thus exposed to the risk of being unable to suitably fill vacancies. This especially affects our European locations and applies in addition to technical and scientific qualifications, along with the IT sector in particular. In addition, employee turnover carries the risk of knowledge loss. There is no guarantee that Südzucker will be able to recruit and retain the required number of qualified specialists and managers in the future.

Furthermore, Südzucker may not be able to conclude satisfactory new agreements with works councils and trade unions once existing collective bargaining agreements expire or reach such new agreements without walkouts, strikes or similar labor disputes. Any walkouts, strikes or similar actions taken by the workforce could have a negative impact on Südzucker Group. Apart from the identified risks, a positive organizational culture might present a chance to boost Südzucker Group's attractiveness as an employer.

Acquisitions, restructuring, joint ventures and alliances[1]

Südzucker Group has acquired companies, products and technologies in the past to complement or expand its business and expects to continue making such acquisitions in the future.

Negotiations conducted by Südzucker's management regarding potential acquisitions and alliances, as well as the integration of acquired companies, products or technologies, require the time, focus and resources of management and the workforce. Acquisitions involve many additional risks, including: the inability to a) successfully integrate acquired businesses, technologies, products or management systems; b) retain key employees; c) avoid assuming significant unknown liabilities, incurring debt or significant cash expenditures; or d) establish, reestablish or maintain internal controls. There are also risks associated with integrating different corporate cultures and processes. In addition, acquired companies may not perform as expected, which may also have an adverse effect on operating margins and income.

Restructuring programs may result in expenditures that exceed original estimates, while anticipated savings may not be achieved. Risks associated with restructuring production locations and administrative areas may impact the respective businesses and production processes.

Beyond this, Südzucker Group owns shares in joint ventures and associated companies and holds additional investments. These companies are subject to the business environment specific to their respective activities. With a minority interest, the possibility of integration and influence at these companies is limited.

Finally, Südzucker has also joined alliances for various purposes, including the development of new products, and expects to continue forming such alliances in the future. There are no assurances that such objectives will be successfully achieved or that Südzucker will not incur significant unexpected liabilities in connection with such agreements. Consequently, there is no way to exclude the possibility of Südzucker failing to benefit from such acquisitions or alliances as expected or of the company being adversely affected.

Reputational risks[2]

Südzucker is exposed to potential damage to its image in the event of negative media – including social media – coverage of the corporate brand or individual brands, especially in the consumer goods sector. Furthermore, non-compliance with legal requirements by suppliers concerning human rights observance poses a reputational risk. Negative reporting could lead to a decline in revenues and reduce Südzucker's operating result.

[1] This risk is primarily a medium- and long-term risk; it is thus not assessed as a short-term risk.
[2] Reputational risks are often short-term in nature, but cannot be reliably assessed.

Information technology

The management of our group is largely dependent on a sophisticated computer system, which is exposed to information security risks from internal and external sources. We apply appropriate processes and programs to protect the availability, confidentiality and integrity of business-related information and data processing systems. The processes and programs rely on relevant standards, and are operated, monitored and continuously updated by qualified internal and external experts.

As part of the critical infrastructure, Südzucker Group companies are subject to both national and EU-level regulations. Resulting requirements are included in the continuous optimization of measures, but can also lead to fines in the event of non-compliance.

Innovations[1]

All projects in research and development as well as innovations carry both opportunities and risks. The general market environment for Südzucker Group is characterized by an increasing degree of change, volatility and uncertainty. Even though risks from, for example, disruptive innovations in the market or the entry of new market participants with new business models cannot be completely ruled out, we primarily see innovation as an opportunity: Through active innovation management and enhanced collaboration among our various business units, we aim to identify new trends and market or customer needs early on and develop corresponding solutions – whether through the advancement of existing business areas or the establishment of new ones. We are able to draw on the core competencies within Südzucker Group along with available bio-based raw materials, a wide range of production capabilities, and broad market and customer access.

Südzucker Group addresses key strategic fields through its internal R&D and new business development expertise as well as its collaborative efforts with international industry, research and start-up partners from the AgriFoodTech and bioeconomy sectors.

Legal risks

Südzucker is exposed to potential changes in the legal environment, particularly as relates to food and environmental laws. Such risks are documented without delay, their impact on the group's business activities evaluated and appropriate action taken if necessary.

Südzucker analyzed the obligations and risks contained in the EU general data protection regulation and implemented the organizational steps in order to guarantee the protection and security of personal data, especially of its employees, customers, suppliers and other business partners.

There is a general risk that antitrust authorities may interpret the conduct of company organs and employees as violating antitrust laws, and that they may initiate proceedings. Such proceedings always negatively impact the company's reputation and can result in high fines and potentially, unfounded claims for compensation from third parties.

Südzucker is continuously pursuing antitrust compliance measures, in particular by conducting audits and in the area of internal reporting. Training courses and audits to prevent antitrust law violations are conducted at regular intervals.

As expected, following the conclusion of the German sugar cartel fine proceedings in February 2014, customers filed claims for damages and in some cases sued citing alleged cartel-related price surcharges. Südzucker is defending itself against the claims on the basis that customers did not suffer any disadvantages during the period identified by the Federal Cartel Office. The legal proceedings pending at various German regional and higher regional courts are complex and protracted.

The majority of the lawsuits have not yet been adjudicated. Individual lawsuits have already been dismissed with costs. There are still no legally binding rulings that would confirm Südzucker's liability for damages. Südzucker will likely also have to continue to deal with these proceedings in the coming years.

Fraud and corruption risks

Fraud and corruption risks can arise when Südzucker Group employees or managers break laws, contravene internal regulations or fail to comply with regulatory standards recognized by Südzucker. Persons outside the company may also commit fraud using forged identities to initiate payments or deliveries. Regular training sessions are conducted, and specific guidelines on selected topics are developed and provided to employees to encourage legally compliant and socially ethical behavior from each individual employee. Adherence to compliance rules is supported by a whistleblower system.

Sanctions and embargo risks

A key tool used to prevent business criminality is to check business partner details. This is done by automatically scrutinizing applicable sanctions lists in a harmonized database. Südzucker also has a corresponding set of rules to prevent value added tax fraud within the EU.

[1] This risk is primarily a medium- and long-term risk; it is thus not assessed as a short-term risk.

Finance

Because it conducts business worldwide, Südzucker Group is exposed to a variety of financial risks. This includes risks associated with fluctuating currency exchange and interest rates, liquidity risks, as well as credit rating and default risks.

Exchange rate fluctuations

Financial impacts of exchange rate fluctuations are mainly due to intra-group financing of subsidiaries in currencies other than the local currency. In the US, the UK, Mexico and Eastern Europe, Südzucker Group finances some subsidiaries through intragroup loans denominated in euros. To a lesser extent, Group companies in the eurozone also provide financing to subsidiaries in their various national currencies.

Other financial risks and opportunities

Südzucker Group is exposed to a limited extent to the impact of changes in interest rates on variable-rate or short-term financial obligations and investments. Exposure to these loans and investments fluctuates significantly over the course of the year because of campaign-related financing requirements. Südzucker successfully issued its first sustainability-linked financing instrument under the new sustainability-linked financing framework in October 2022 with a volume of € 400 million. With this sustainability-linked bond, Südzucker has committed to paying investors a redemption premium of 0.50 % of the nominal value if the target of reducing Südzucker Group's Scope 1 + 2 CO_2 emissions (performance indicator) by −32 % compared to the historical reference date of 31 December 2018 is not met by the target observation date of 31 December 2026.

Employees in the Südzucker Group are granted benefits under defined contribution or defined benefit plans. Company pension obligations are primarily covered by corresponding provisions in the balance sheet and partially by outsourced pension assets. In order to limit the risks of changing capital market conditions, the offer of defined contribution plans is now restricted.

The rating agencies Moody's and Standard & Poor's assess Südzucker's creditworthiness. Südzucker is committed to maintain a stable investment grade rating. A downgrade in the assigned rating could negatively impact the group's cost of capital for future financing needs.

Südzucker Group mitigates liquidity risks using long-term capital market and bank financing by way of issuing euro bonds, promissory note loans and bank loans. Short-term liquidity is secured through the commercial paper program and syndicated and bilateral bank credit lines. Securities investments also offer liquidity reserves.

Detailed information regarding credit, liquidity, currency exchange, interest rate and price risks, including the use of derivative financial instruments for hedging risks, is provided in the notes to the consolidated financial statements (31) "Risk management of financial instruments".

Südzucker is subject to a number of tax laws and regulations. Changes in this area could lead to higher tax expenses and tax payments and also have an impact on recognized current and deferred tax assets and liabilities. Tax risks exist for all open assessment periods, with provisions being recognized in sufficient amounts for known tax risks. Unused tax loss carryforwards could be used in the future, for example due to further positive earnings development in the sugar segment, resulting in lower tax burdens.

Internal control and risk management system as it applies to accounting systems

Essentials

The aim of the risk management system in the accounting process is the identification, evaluation and management of risks, which are offset by the publication of a standards-based annual group report. Südzucker AG's accounting-related internal control system therefore aims to ensure that its financial reporting and accounting practices comply with recognized standards, are reliable and effective, and that they truly reflect the company's assets, financial and earnings situation at all times. The system is embedded in the underlying business processes in all relevant legal entities and central departments and is continuously being enhanced. The main elements of the system are the principles, procedures and controls that ensure thorough and complete financial reporting; for example, consistent accounting, valuation and balance sheet procedures, processes and practices throughout the group.

IFRS reporting guideline

Südzucker Group's accounting and valuation guidelines, including the accounting principles as per International Financial Reporting Standards (IFRS), ensure that the accounting and valuation systems used for all business transactions by the German and foreign subsidiaries included in Südzucker's consolidated financial statements are consistent throughout the group. Südzucker's internal IFRS Reporting Guideline ensures that IFRS is applied as applicable to Südzucker and explains accounting topics. The contents of the IFRS Reporting Guideline are prepared centrally and are regularly updated.

Internal audit system as relates to the accounting process

The group accounting process starts with the group's individual companies. Individual organizational entities prepare and check their financial statements and send them to Südzucker AG's central consolidation department by uploading the data to the consolidation system. Clearly structured authorization rules are in place for all of the group's accounting-related IT systems.

Südzucker AG's central consolidation department is in charge of completing the overall consolidation and preparing the group management report and consolidated financial statements. It also oversees the group's binding standard chart of accounts and manages the IT consolidation tool.

External auditors are regularly appointed as part of the preparation of the financial statements for the valuation of provisions, primarily those for personnel.

Südzucker Group's internal monitoring system has two components: controls integrated into the processes and process-independent controls. There is a strong emphasis on the principle of segregation of duties and the principle of dual control, as well as compliance with guidelines and rules related to key business processes.

Automated validation rules and plausibility checks, especially in the IT-based consolidation system, ensure that the data entered by the individual companies is complete and correct.

Segregating the administrative, executive, accounting and approval functions and making different people responsible greatly restricts the opportunities to engage in criminal activity. Nevertheless, it is impossible to fully exclude every eventuality, especially arbitrary personal decisions with negative ramifications, erroneous audits, criminal activities or other circumstances.

The monitoring steps taken to ensure proper and reliable accounting include, for example, analyzing business developments on the basis of specific key indicator analyses, as well as analyzing individual transactions in detail. At the group level, specific audit activities to ensure that the group accounting is being properly and reliably carried out include analyzing and, if necessary, adjusting the individual group company financial statements, taking into consideration the external auditors' reports and / or the audit debriefings.

Before integrating newly acquired companies, their internal control systems are adapted to meet Südzucker Group's standards.

Internal audit

The internal audit department audits the internal control system, compliance with legal requirements and internal corporate guidelines, as well as the risk management system. It makes recommendations and develops any necessary process changes accordingly, thereby contributing to continuous improvement of the internal control and risk management systems.

The audit committee deals mainly with compliance, monitoring the accounting process and the annual audit of the financial statements. It also reviews and verifies the effectiveness of the internal control systems, the risk management process and the internal auditing process.

External audit

The external auditor checks that the early risk identification procedure integrated into the risk management system is entirely suitable for timely identification of existential risks. The auditor also reports to the supervisory board any material weaknesses found in the internal control and risk management system.

CORPORATE GOVERNANCE

Reporting on corporate governance considers the recommendations of the German Corporate Governance Code (GCGC) and contains a statement on corporate governance in accordance with articles 289f and 315d of the German Commercial Code and all necessary disclosures and explanations in accordance with articles 289a and 315a of the German Commercial Code. The disclosures in the corporate governance declaration are not included in the audit in accordance with article 317 para. 2 item 6 of the German Commercial Code.

Corporate Governance declaration in accordance with articles 289f and 315d of the German Commercial Code

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 2024, 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 and will continue to comply 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 2024 declaration of compliance – as well as the declaration of compliance for prior years – is posted on Südzucker AG's website (www.suedzuckergroup.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.suedzuckergroup.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 compensation system last approved by the annual general meeting and the resolution on the approval of the compensation system can be viewed on the Südzucker website (www.suedzuckergroup.com/en/investor-relations/corporate-governance/remuneration-systems).

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 legal regulations and internal company policies is an integral part of Südzucker Group's corporate culture and a crucial cornerstone of successful and sustainable business activities.

Südzucker Group encompasses three stock corporations, each overseeing its own compliance management system (CMS), where compliance is specified: The Südzucker CMS includes Südzucker AG and all subsidiaries except for CropEnergies AG and AGRANA Beteiligungs-AG with their associated companies. In the Südzucker Group, each CMS includes all regulations and measures intended to guarantee lawful behavior by all participants in the company, detect relevant risks, and reduce the risk of compliance breaches. The CMS outline responsibilities and tasks, training measures and reporting channels and are aligned with 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. 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') The "Südzucker Group code of conduct" approved by the executive board of Südzucker AG and the "AGRANA code of conduct" adopted by the executive board of AGRANA Beteiligungs-AG provide compliance guidelines.

Compliance objectives

The objective of the Südzucker Group's CMS is to ensure the lawful conduct of the company, its company body members, and employees with regard to all legal requirements and prohibitions as well as internal company policies, to identify risks of violations in a timely manner and to minimize these through appropriate countermeasures. Any violations shall be tracked and reported to the responsible parties.

Compliance risks

Compliance risks arise when there is any kind of non-conformance with laws and regulations. The Südzucker Group places primary emphasis on compliance risks concerning foreign trade control / sanctions, data protection, capital market / reporting duties, antitrust / competition law, and corruption / bribery / conflicts of interest.

Compliance program

Südzucker Group's compliance program contains all of the steps required to achieve the aforementioned objectives. It includes, among other things, regular training on compliance-relevant topics, establishing appropriate guidelines, internal measures to comply with capital market reporting and documentation obligations, and the use of a software solution for sanctions list screening of our business partners.

Südzucker Group has mechanisms in place for reporting, identifying, documenting and investigating concerns about illegal behavior or conduct that conflicts with our code of conduct. The existing reporting channels in the Südzucker Group's whistleblower system (→ ESRS G1 – Business conduct / whistleblower system) offer the opportunity to report potential misconduct. In fiscal 2024/25, 45 notifications were received throughout the group via these channels. We follow up each report with care and confidentiality.

Compliance organization

A groupwide compliance structure with clearly defined responsibilities, tasks and reporting channels for all operating companies and key departments forms the core of Südzucker's compliance organization.

Compliance communication

Südzucker Group employees are informed via several channels about compliance topics and the legal requirements and internal guidelines to be observed: information provided upon joining our company, training sessions, details from superiors or responsible compliance officers, intranet articles or corporate newsletters, circulars, as well as information on compliance topics published on the intranet.

Our employees were informed about Südzucker's code of conduct (→ www.suedzuckergroup.com/en/Unternehmen/Verhaltenskodex/) and, for AGRANA employees, the AGRANA code of conduct (→ www.agrana.com/ueber-agrana/compliance-bei-agrana/verhaltenskodex). These two documents form our compliance guidance.

Compliance monitoring and development

Compliance with the guidelines and principles in our CMS directives is reviewed at regular and appropriate intervals or in the event of exceptional circumstances.

Südzucker's internal audit department also conducts scheduled or ad hoc audits and thereby monitors adherence to all legal requirements and internal company policies. In fiscal 2024/25, selected departments, such as purchasing or logistics, were also audited for corruption and fraud at 36 % of the locations. No material violations of statutory regulations could be identified.

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 2024/25 did not report any material findings.

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 is regularly embedded in the internal control and risk management system. It's primary focus is on overseeing financial reporting and the accounting process, compliance, and audits, while evaluating the adequacy and effectiveness of the internal control and risk management system, as well as the internal audit 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 system is 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, the maturity of which we continuously strive to improve.

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.

The executive board is charged with the overall responsibility for the internal control and risk management system. 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. With regard to the structure of risk management and internal controls for sustainability reporting by the group sustainability board, please refer to the → sustainability statement, section "GOV-1 – The role of the administrative, management and supervisory bodies".

The management of each division and corporate department is required to implement an appropriate and effective internal control 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 and risk management system within the group.

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

The internal control and risk management system, 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 and risk management system as a whole were not appropriate or effective as of 28 February 2025.

Nevertheless, there are inherent limitations to the effectiveness of any control and risk management system and the ongoing need to further develop existing systems, identify potential for improvement and implement appropriate 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.

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 7 November 2024.

Südzucker AG's executive board currently consists of four 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 gender
- 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. Accordingly, the supervisory board is guided by the following objectives when making selection decisions regarding the appointment of new executive board members:

- 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.

The CVs of the executive board members with information on their age, education and professional background are published on www.suedzuckergroup.com/en/company/executive-board.

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 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 15 May 2024 and published on the website of Südzucker AG (www.suedzuckergroup.com/en/investor-relations/corporate-governance/supervisory-board). 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 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 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 supervisory 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 years 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 www.suedzuckergroup.com/en/investor-relations/corporate-governance/supervisory-board.

The supervisory board has at least two independent members, which is, considering the ownership structure, 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 professional expertise also extends to preparing and auditing sustainability reports. 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" table as per recommendation C.1 of the GCGC.

Education and training

Two information events on sustainability reporting were held in the 2024/25 financial year. In any case, members of the supervisory board are solely responsible for education and training measures they may require to fulfill 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, without external 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.

Qualification matrix

	Supervisory board	Audit committee
Functional competencies		
Business conduct 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	●●	●●

● At least one member has special expertise in the respective area.
●● At least 25 % of the members have special expertise in the respective area.
●●● At least 50 % of the members have special expertise in the respective area.

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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 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 15 May 2024. 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.

Shareholders and annual general meeting

Südzucker AG's shareholders exercise their voting and control rights at the annual general meeting held at least once a year. During the 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 annual general meeting via Südzucker AG's shareholder portal or by assigning power of attorney to Südzucker AG's proxies or to a third party.

Gender quota

Following the exit of Ingrid-Helen Arnold, the Südzucker AG executive board no longer includes any female members. 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 them 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 28 February 2025 was 12 % at the first management level below the executive board and 22 % 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 2024/25 financial year.

Disclosures on takeovers

The following disclosures provide further details in accordance with articles 289a, paragraph 1 and 315a, paragraph 1 of the German Commercial Code and an explanatory report as per article 176, paragraph 1, sentence 1 of the German Stock Corporation Act (AktG); they form part of the audited group management report.

Composition of subscribed capital and voting rights

As of 28 February 2025, Südzucker's issued subscribed capital amounts unchanged to € 204,183,292 million and consists of 204,183,292 ordinary bearer shares, each of which represents a notional holding of € 1 per share. The company held 51,642 treasury shares as of the balance sheet date. The treasury shares are held by the company for the multi-year compensation component as part of the executive board members' compensation.

Voting rights, share transfers

All shares entitle holders to the same rights and each share is worth one vote at the annual general meeting. Voting rights for the shares may be restricted as per German Stock Corporation Act regulations. Under certain conditions, shareholders may not be entitled to vote (article 136 of the German Stock Corporation Act [AktG]).

A voting agreement exists between Süddeutsche Zuckerrüben verwertungs-Genossenschaft eG (SZVG), Ochsenfurt, Germany, and Zucker Invest GmbH (Zucker Invest), Vienna, Austria, which is one of the companies of the registered Raiffeisen Holding Niederösterreich-Wien cooperative with limited liability (Raiffeisen-Holding), Vienna, Austria. Furthermore, SZVG has an option to buy 18,797,796 of Zucker Invest's Südzucker shares and Zucker Invest has an option to buy 246,368 of the Südzucker shares held by SZVG.

Südzucker AG shareholdings exceeding 10 %

Südzucker AG knows of two direct equity investments in the company that exceed 10 %: SZVG owns 63.47 % of total share capital and Zucker Invest 10.25 %. Raiffeisen-Holding and its associated companies hold a direct interest via Zucker Invest. The shareholdings are reciprocally attributed to the companies, so that each holds a share of about 74 % of total share capital, according to the German Securities Trading Act.

Shares with special rights, voting rights control for shares held by employees

Shares with special rights that would impart controlling authority do not exist at Südzucker. No employees who hold shares of Südzucker AG are subject to voting rights control.

Appointment and dismissal of executive board members

Executive board members are appointed and dismissed by the supervisory board in accordance with articles 84 and 85 of the German Stock Corporation Act (AktG) and article 31 of the German Codetermination Act (MitbestG). In accordance with article 5, paragraph 2 of Südzucker AG's articles of incorporation in the current version dated 18 July 2024, the supervisory board determines the number of executive board members and the supervisory board has the authority to appoint deputy members.

Amendments to the articles of association

Amendments to the articles of association are governed by articles 179 and following of the German Stock Corporation Act (AktG). Article 22 of the articles of incorporation (current version as of 18 July 2024) authorizes the supervisory board to make amendments to the company's articles of association that only affect the wording.

Authority of the executive board, especially as relates to issuing and share buy-back

Subject to approval by the supervisory board, the executive board is authorized to increase the company's share capital once or several times up until 13 July 2028 by up to € 20 million by issuing new no-par value bearer shares in exchange for cash contributions and / or contributions in kind, for the entire amount or in tranches (Authorized Capital 2023). Subject to approval by the supervisory board and according to article 4, paragraph 4 of the articles of incorporation, the executive board may exclude subscription rights of shareholders in certain cases, provided the shares issued under exclusion of the subscription rights do not exceed 10 % of total share capital, neither at the time of the coming into force of this authorization, nor at the time of exercising same. Details are outlined in article 4, paragraph 4 of the articles of association. Authorized Capital 2023 has not been utilized to date.

Shareholders at the 13 July 2023 annual general meeting authorized the executive board to buy back up to 10 % of the company's total share capital existing at that time until 12 July 2028 in accordance with article 71, paragraph 1, item 8 of the German Stock Corporation Act (AktG). The shares may be acquired on the open stock market or via a public offer to purchase to all shareholders. The costs of buying back own shares may be charged against net retained earnings or other revenue reserves. The executive board was also authorized, subject to approval by the supervisory board, to sell the shares bought back to third parties and to exclude shareholder subscription rights in the case of corporate mergers or when purchasing companies or parts of companies or shares of companies. Details are provided in the authorization approved at the annual general meeting on 13 July 2023. To date, the board has not exercised the right granted to purchase own shares.

Change of control and compensation agreements

Südzucker AG has signed an agreement with a banking consortium providing access to a line of credit in the amount of € 600 million. In the event of a change of control, each member of the bank consortium would under certain conditions have the right to terminate the line of credit and its share of the outstanding loans, and demand immediate repayment of same, including interest. Other than that, there are no material agreements pursuant to articles 289a, paragraph 1, sentence 1, item 8 and 315a, paragraph 1, sentence 1, item 8 of the German Commercial Code that would be affected by a change of control resulting from a takeover offer. Compensation agreements with members of the executive board or in favor of employees that would come into effect in the event of a change of control do not exist either.

SÜDZUCKER AG

In addition to reporting on Südzucker Group, Südzucker AG's performance is outlined below.

Südzucker AG, based in Mannheim, is the parent company of Südzucker Group and performs the corresponding management and group functions. Südzucker AG also has seven sugar factories, a wheat starch factory and the agriculture division, making it the largest operational unit of the Südzucker Group in Germany. In addition, the net earnings for the year are influenced to a considerable extent by the results of the directly and indirectly held subsidiaries and interests.

Südzucker AG's annual financial statements are prepared in accordance with the provisions of the German Commercial Code and the German Stock Corporation Act. The consolidated financial statements comply with the International Financial Reporting Standards as adopted by the EU. This results in differences in accounting and measurement. These differences mainly relate to provisions, financial instruments, leasing transactions and deferred tax assets. The financial statements and Südzucker AG's combined management report together with the consolidated financial statements for fiscal 2024/25 must be submitted electronically to the company register office for filing in the company register.

Business performance

The financial year 2024/25 was defined by a significant decrease in sugar prices. High production costs in the 2023 campaign also had a negative impact from the beginning of the financial year. Despite significantly increased sales volumes, revenues declined. These effects resulted in a substantial decrease in operating result. Only the decline in pension provisions due to parameter changes, the lower employee earnings participation, and the proceeds from the sale of CO_2 certificates had a countering effect.

Earnings situation

Revenues in fiscal 2024/25 remained at the previous year's level, totaling € 2,043 (2,061) million. The significantly higher sales volumes were almost able to offset the falling prices. Prices in the EU continued to decline more sharply over the course of the fiscal year and dropped again significantly at the beginning of the 2024/25 sugar marketing year. Even the increased exports to the international market put pressure on the average sales prices.

Südzucker AG income statement

€ million	2024/25	2023/24	+/– in %
Revenues	**2,043**	**2,061**	**–0.9**
Change in work in progress and finished good and internal costs capitalized	–228	248	–
Other operating income	124	51	>100
Cost of materials	–1,360	–1,596	–14.8
Personnel expenses	–236	–277	–14.8
Depreciation of immaterial and material assets	–65	–66	–1.5
Other operating expense	–290	–259	12.0
Operating result	**–12**	**162**	**–**
Investment result	110	331	–66.8
Depreciation of financial assets and marketable securities	–2	–226	–99.1
Interest income / expense	–32	–22	45.5
Result from ordinary activities	**64**	**245**	**–73.9**
Income taxes	–11	–1	>100
Net earnings	**53**	**244**	**–78.3**
Profit carried forward from previous year	75	14	>100
Allocations to other retained earnings	0	0	–
Net earnings available for distribution	**128**	**258**	**–50.4**

TABLE 025

Change in work in progress and finished goods and internal costs capitalized decreased from € 248 to –228 million due to the significantly decreased production costs compared to the previous year.

Other operating result amounting to € 124 (51) million includes € 41 (31) million of income from prior periods, which largely resulted from the reversal of provisions. In fiscal year 2024/25, income of € 44 million was attributed to the sale of CO_2 emission certificates.

The decline in material expenses by € 236 million to € 1,360 (1,596) million was due to the substantially lower beet costs in the 2024/25 campaign compared to the prior year.

Despite an increase in the average number of employees, personnel expenses fell by € 41 million to € 236 (277) million. This was due to the fact that expenses for pension benefits were € 35 million lower than in the previous year, mainly as a result of changes to the actuarial parameters for pension obligations.

At € 65 (66) million, depreciation was on par with the previous year. No unscheduled write-downs were necessary.

Other operating expenses rose by € 31 million to € 290 (259) million.

Compared to last year, operating result dropped by € 174 million, and at € –12 (162) million, it falls significantly short of our expectations due to price trends.

Income from investments totaled € 110 (331) million, well below the prior-year level, as both dividends received and profit and loss transfers from subsidiaries were significantly lower.

Write-downs on financial assets and marketable securities of € 2 (226) million were necessary due to declines in stock market prices and, in the previous year, to write-downs on shares in affiliated companies, resulting from lower earnings expectations in the sugar business.

The net interest result amounted to € –32 (–22) million, reflecting the increased interest rate level and higher average debt. Included in the net interest result are expenses from the accretion of pension provisions and other provisions and long-term liabilities totaling € 16 (15) million.

The result from ordinary activities declined by € 181 million to € 64 (245) million.

Taxes on income of € –11 (–1) million – taking into account tax-free income from investments – result from the allocation of tax provisions for taxes for fiscal 2024/25.

Consequently, net earnings were € 53 (244) million.

As in the previous year, no withdrawals from or allocations to revenue reserves were made in the 2024/25 fiscal year. The profit carried forward from the previous year of € 75 (14) million led to retained earnings of € 128 (258) million.

Financial position

Investments

Investments in fixed assets and intangible assets totaled € 124 (120) million in the fiscal year. Investments focused on environmental, replacement and optimization measures in the sugar factories.

Financing

The group financing company Südzucker International Finance B. V., Oud-Beijerland, Netherlands, has issued bonds with a total volume of € 2.1 (1.9) billion, of which € 0.7 (0.7) billion is attributable to the 2005/perpetual hybrid bond, and uses the financing funds throughout the group. Südzucker AG has financial liabilities to Südzucker International Finance B. V. of € 473 (27) million. Südzucker AG has issued guarantees for all bonds.

A commercial paper program with a volume of € 600 (600) million is also available for seasonal campaign financing. This was not utilized at 28 February 2025 as at the previous balance sheet date.

The seasonal liquidity requirements are also secured by the € 600 (600) million syndicated credit line concluded through July 2026.

Net financial debt

The net financial debt totaled € 847 (641) million as of 28 February 2025, € 206 million above last year's level. Cash flow decreased to € 81 (532) million. Because of selling receivables as part of a factoring program and lower inventories, capital commitment from working capital dropped by € –23 (–111) million. Investments in fixed assets and intangible assets totaled € 124 (120) million. Investments in financial assets of € 2 (256) million related to the increase in the stake in CropEnergies AG. The dividend distribution for the 2023/24 fiscal year was € 184 (143) million.

Net financial debt of Südzucker AG

€ million	28 February 2025	29 February 2024	+/– in %
Securities	–111	–109	1.8
Cash and cash equivalents	–291	–58	> 100
Receivables as part of group financing	–148	–324	–54.3
Bonds	100	100	–
Financial liabilities to banks	51	261	–80.5
Liabilities as part of group financing	1,246	771	61.6
Net financial debt	**847**	**641**	**32.1**

TABLE 026

Net assets

Südzucker AG's total assets as of 28 February 2025 were € 4,962 (5,231) million, which was lower than the previous year's level.

Fixed assets amounted to € 3,361 (3,303) million, € 58 million above the previous year's level.

The decrease in inventories to € 642 (928) million is due to the lower production costs of the finished products from the 2024/25 campaign.

At € 550 (827) million, receivables and other assets were significantly below the previous year's level. This was the result of a lower volume of intra-group loans to affiliated companies.

Südzucker AG balance sheet (condensed)

€ million	28 February 2025	29 February 2024	+/– in %
Assets			
Intangible assets	11	10	10.0
Fixed assets	553	498	11.0
Financial assets	2,797	2,795	0.1
Fixed assets	**3,361**	**3,303**	**1.8**
Inventories	642	928	–30.8
Receivables and other assets	550	827	–33.5
Securities	111	109	1.8
Cash and cash equivalents	291	58	> 100
Current assets	**1,594**	**1,922**	**–17.1**
Accrued and deferred items	**7**	**6**	**16.7**
Total assets	**4,962**	**5,231**	**–5.1**
Liabilities and equity			
Equity	2,042	2,172	–6.0
Special items with an equity portion	28	28	–
Provision for pensions and similar obligations	845	874	–3.3
Other provisions	214	262	–18.3
Liabilities	1,833	1,895	–3.3
Total liabilities and equity	**4,962**	**5,231**	**–5.1**

TABLE 027

Additionally, as part of the introduction of a factoring program, trade receivables amounting to € 58 (0) million were sold.

Equity decreased to € 2,042 (2,172) million. The equity ratio is 41.2 (41.5) %. As in the preceding year, Südzucker AG's fixed assets at the balance sheet date were financed entirely through medium and long-term capital; the asset coverage ratio decreased to 107.9 (114.8) %.

Pension provisions fell by € 29 million to € 845 (874) million. The adjustment of the discount rate to 1.93 (1.82) % had a value-reducing effect.

Other provisions amounting to € 214 (262) million involve taxes, personnel expenses, litigation risks and recultivation obligations.

Liabilities declined by € 62 million from € 1,895 to 1,833 million. In addition to lower liabilities to banks and debt securities, liabilities to beet growers also fell. The increase in intragroup financing had the opposite effect.

Anticipated development and material risks and opportunities

Südzucker AG's expected development with its main risks and opportunities is essentially identical to that of Südzucker Group. This applies directly to the forecast for Südzucker AG's operating activities in the sugar segment and the associated risks and opportunities. Südzucker AG participates in the risks and opportunities of its subsidiaries and interests in proportion to its stake in them. In addition to the impact on the investment result, expenses may also arise from statutory and contractual liabilities with or from financial receivables relating to subsidiaries and associates, or from write-downs on financial assets. According to our assessment, there are still no significant risks that could threaten the continued existence of Südzucker AG. As the parent company of Südzucker Group, Südzucker AG plays a key role in the group-wide internal control and risk management system. Accordingly, the above statements in the forecast report and the risk and opportunity report for Südzucker Group also apply to Südzucker AG.

Proposed appropriation of earnings

The executive and supervisory boards will propose a dividend of € 0.20 (0.90) per share at the annual general meeting on 17 July 2025. With dividend-bearing capital of € 204 (204) million, this represents a total dividend payout of € 41 (184) million. The dividend is scheduled to be paid on 22 July 2025.

Concluding declaration regarding the dependent company report pursuant to section 312 (3) of the Stock Corporation Act (AktG)

According to the notice received from Süddeutsche Zuckerrüben-verwertungs-Genossenschaft eG (SZVG), Ochsenfurt, the entity holds a majority interest in our company through its own holdings of Südzucker shares and the shares it holds in trust for its associated shareholders. The report in this regard, based on article 312 of the German Stock Corporation Act, closes with the following declaration:

“For the legal transactions listed in the report regarding the relationship to SZVG, the Association of Süddeutsche Zucker-rübenanbauer e. V., Ochsenfurt, the Association of Süddeutscher Vertragsanbauer e. V., Ochsenfurt, its regional associations and the beet farmers, our company received appropriate compensation for every legal transaction in accordance with the conditions known at the time such transactions were undertaken.”

SUSTAINABILITY STATEMENT

General information

This combined non-financial group statement (hereinafter also referred to as "sustainability statement") has been prepared to meet the requirements of Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 (Corporate Sustainability Reporting Directive, CSRD) and article 8 of Regulation (EU) 2020/852 (hereinafter "EU Taxonomy" or "EU Taxonomy Regulation") and to meet the requirements of sections 315b and 315c of the German Commercial Code (HGB) for a non-financial group statement and sections 289b to 289e HGB for a non-financial statement of Südzucker AG.

The following contents represent the combined non-financial group statement for the 2024/25 financial year for Südzucker AG and Südzucker Group. The non-financial group statement was prepared pursuant to section 289d HGB with reference to the European Sustainability Reporting Standards (ESRS) as a framework. Since all of the aspects described apply equally to Südzucker AG and the group, no separate framework within the meaning of § 289d HGB was adopted for the parent company.

Our sustainability statement includes material information on aspects relating to environmental issues, employee issues, social issues, bribery and corruption control and respect for human rights.

HGB aspects	ESRS topic
Environmental issues	ESRS E1 – Climate change ESRS E3 – Water and marine resources ESRS E5 – Resource use and circular economy
Employee issues	ESRS S1 – Own Workforce ESRS S2 – Workers in the value chain
Social issues	ESRS S4 – Consumers and end-users
Human rights	ESRS S1 – Own Workforce ESRS S2 – Workers in the value chain
Bribery and corruption control	ESRS G1 – Business conduct

TABLE 028

As part of the annual audit of the group financial statements, KPMG AG Wirtschaftsprüfungsgesellschaft (KPMG), Mannheim, Germany verified that the combined non-financial statement was presented in accordance with section 317, paragraph 2, sentence 4 of the HGB. In addition, the supervisory board commissioned KPMG to perform a limited assurance review of the combined non-financial statement in accordance with ISAE 3000 (Revised).

External references or links are not part of the sustainability statement. These are marked by "*".

ESRS 2 – General disclosures

Basis for preparation

BP-1 – General basis for preparation of sustainability statements

Südzucker Group's sustainability statement has been prepared on a consolidated basis. The sustainability information presented in this report applies to all fully consolidated Südzucker Group companies according to the consolidated financial statements of Südzucker AG. This also includes AGRANA Beteiligungs-AG and its subsidiaries (hereinafter AGRANA). Immaterial subsidiaries for the financial report are also immaterial for the sustainability statement. Südzucker AG has not identified any joint ventures, associated companies or non-consolidated subsidiaries over which the company exercises operational control. Therefore, the information on Scope 1 and 2 greenhouse gas (GHG) emissions in the "Climate Change" section relates exclusively to fully consolidated companies.

The sustainability statement also takes into account the upstream and downstream value chains of Südzucker Group. This covers both the materiality assessment process and the policies, actions and targets described, where material impacts, risks or opportunities have been identified in relation to the upstream and downstream value chain (e.g. Scope 3 GHG emissions). We do not provide any comparative figures for the first year of preparing the sustainability statement.

In the present sustainability statement, Südzucker Group did not use the option of omitting a specific piece of information corresponding to intellectual property, know-how or the results of innovations. The same applies to the possibility of omitting disclosure of impending developments or matters in the course of negotiation.

The forward-looking statements contained in this sustainability statement are estimates of the executive board, which were made to the best of its knowledge and belief at the time of preparing the annual financial statements. These statements are naturally subject to certain risks and uncertainties. If any of the aforementioned uncertainties or other uncertainties occur, or if the assumptions underlying the statements prove to be inaccurate, the actual outcomes may differ from these forecasts.

BP-2 – Disclosures in relation to specific circumstances

Südzucker Group uses the same time horizons for sustainability reporting defined by ESRS 1 section 6.4. The defined time horizons are short-term (1 year), medium-term (1-5 years) and long-term (over 5 years).

Value chain metrics, estimated for fiscal year 2024/25, are included in chapters E1 “Climate Change” (GHG emissions Scope 3) and E5 “Resource use and circular economy” (packaging materials). Metrics with a high level of measurement uncertainty can be found in → chapter S1 “Own workforce” (S1-16 compensation metrics). Additional information is available in the indicated chapters.

The measurement of the metrics presented in this report has not been validated by any external body other than the one responsible for quality assurance, unless otherwise stated.

In the following sections, references to sustainability or material sustainability topics relate in particular to the material impacts, risks and opportunities that we identified in the materiality assessment.

Südzucker Group’ sustainability statement does not contain any references to other parts of the management report.

Governance

GOV-1 – The role of the administrative, management and supervisory bodies

Supervisory board and executive board

Südzucker AG is a German stock corporation and, as such, has a dual management structure consisting of an executive board and supervisory board. Pursuant to article 77 of the German Stock Corporation Act, the Südzucker AG executive board – currently consisting of four members – is responsible for managing the company. The supervisory board consists of 20 members in accordance with article 7, paragraph 1 of Südzucker AG’s articles of incorporation. According to article 111 of the German Stock Corporation Act (AktG), the supervisory board monitors the management of the company. Transferring management actions to the supervisory board is not permitted under stock corporation law and does not take place.

The Codetermination Act applies to Südzucker AG. Accordingly, the supervisory board is composed of ten shareholder representatives, who are elected by the annual general meeting, and ten employee representatives, who are elected by the employees. No employee representatives are part of the executive board.

The supervisory board aims to select a supervisory and executive board composition that ensures the supervisory board and the executive board are fully able to discharge their duties. 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. The supervisory board has adopted its own diversity policy and competence profile, which is in force in the version dated 23 February 2023. Simultaneously, it approved a diversity policy for the executive board’s composition, which is valid as per the version from 23 February 2022. The supervisory board is also mindful of aspects such as different educational and professional backgrounds, internationality, gender and age when appointing new executive board members and making proposals for new supervisory board members.

According to the supervisory board, the current composition of the supervisory board aligns with the objectives of the diversity concept and the competence profile. The supervisory board has seven female members, four from the employee side and three from the shareholder side. The proportion of women on the supervisory board is 35%. The legal gender quota as per article 96 section 2 of the German Stock Corporation Act has been met. There is a representation of various educational and professional backgrounds, as well as an international presence on the supervisory board. The CVs of the supervisory board members are available on the company website.

The current proportion of women on the executive board is 0 %, hence, the legal gender quota pursuant to article 76, section 3a, sentence 1 of the German Stock Corporation Act (AktG) is not met. The executive board members’ CVs with information on age, educational and professional background and international experience are published on the company website.

The board has two independent members, which is in compliance with requirements (10% share) considering the ownership structure. 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 regularly assesses how effectively it and its committees fulfill their duties. This is done annually using a questionnaire, without external assistance. Each year, the questionnaire is regularly revised and amended according to the latest revision of the German Corporate Governance Code. The questionnaires are evaluated, and the results and improvement suggestions are discussed at each November meeting. The aim is to continuously improve the work of the supervisory board and its committees.

The material impacts, risks and opportunities of Südzucker Group can be assigned to the functional competencies based on the sustainability-related qualification matrix. The material impacts, risks and opportunities of the environmental topics are aggregated for the functional competence of "ecological sustainability". The material impacts, risks and opportunities of the social aspects or personnel topics are represented in the functional competence of "Human resources / social sustainability". The material impacts, risks and opportunities related to the topics in the area of business conduct are reflected in the functional competence of "responsible business conduct and strategy / compliance" and in the sectoral competencies of "Food production / distribution and related value chains" as well as "agriculture and raw materials". The committee for strategy and sustainability, as part of the supervisory board, specifically addresses topics related to sustainability.

Sustainability-related qualification matrix for the supervisory board

Expertise in the area of sustainability	
Environmental sustainability	●●
Personnel / Social Sustainability	●●●
Responsible corporate governance and strategy / Compliance	●●
Sustainability reporting and auditing / Control and risk management systems	●●●
Expertise in the areas of sectors, products and locations	
Food production / distribution and related value chains	●●
Agriculture and raw materials	●●
International business / foreign markets of the Südzucker Group	●●
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.
●●● At least 50 % of the members have special expertise in the respective area.

TABLE 029

The sectors indicated in the sustainability-related qualification matrix represent our products, manufactured in the relevant regions according to our business model. The supervisory board is regularly informed about the product-specific segments and the locations relevant to the company.

Expertise in sustainability related to ecological and social aspects, personnel matters and business conduct is also present on the executive board. The scope encompasses compliance, control and risk management systems, including the material sub-topics in business conduct. Due to their professional backgrounds and many years of experience in the food industry, all members of the executive board have proven industry experience. Thus, the executive board members have adequate knowledge of the sector in which Südzucker AG operates and the company's products. The executive board members also have insights into the circumstances at individual geographic locations of Südzucker Group thanks to their broad international experience. Responsibilities for Südzucker Group's product-specific segments (sugar, special products, CropEnergies, starch and fruit) and overarching corporate functions are assigned to the executive board members based on their professional background and expertise.

To provide the executive board and supervisory board members with sustainability-related expertise, pertinent training takes place at least once every fiscal year. In fiscal 2024/25, two training sessions on sustainability reporting were conducted. In any case, members of the supervisory board are solely responsible for education and training measures they may require go fulfill their duties. They are appropriately supported by Südzucker AG when necessary. Both the executive board and the supervisory board can also rely on the expertise of the company's specialist departments.

Sustainability management organization

The organizational structure of Südzucker Group is designed to aim at a holistic and consistent management of sustainability across the entire group. The overall responsibility for sustainability, and thus for the material impacts, risks and opportunities, lies with the executive board. In accordance with the schedule of responsibilities of the executive board, the sustainability portfolio was assigned to the Chief Operating Officer (COO). He ensures that sustainability, including climate-related issues, is adequately considered in strategic corporate decisions. The executive board approves Südzucker Group's sustainability-related targets and decides on necessary investments in this sector, taking into account potential supervisory board approval rights.

Since June 2022, the group sustainability board has been responsible on behalf of the executive board for advancing and implementing the group-wide sustainability strategy. This steering and decision-making body is responsible for setting priorities, submitting proposals for sustainability targets to the executive board, providing an overview of the most important sustainability-related group projects, and monitoring progress in the group-wide sustainability program. It is composed of the members of the divisional managements responsible for sustainability and the heads of selected corporate functions. Other internal and external guests may be consulted depending on the topic It is chaired by the COO. The group sustainability board usually convenes every two to three months. In addition, three further meetings were held at short notice in fiscal 2024/25. The role and operating principles of the group sustainability board are specified in the group sustainability board charter of 2022.

Founded in 2022, the corporate function sustainability is accountable for managing the group-wide sustainability program, including sustainability targets and sustainability reporting. The corporate function sustainability also helps Südzucker Group's departments and operating units integrate sustainability into their business processes and directives. Specifically, this involves developing the necessary processes, tools and training to embed overarching sustainability matters in Südzucker Group. The head of the corporate function sustainability reports to the COO and is part of the group sustainability board.

At the divisional level, sustainability managers are responsible for implementing the corporate strategic direction and for coordinating sustainability activities at the operational and divisional levels. The corporate function sustainability and the divisional sustainability managers form the group sustainability team, whose purpose is to establish a forum for cooperation, knowledge exchange and reaching consensus. The team convenes monthly and as needed.

The content design of the eight impact areas of the group-wide sustainability program is carried out by cross-divisional teams established for this purpose. To link strategic considerations with reporting requirements, the heads of these teams were appointed as so-called standard leads. In this role, their task is to have the required data collected and reported in a complete and standardized manner within the group.

The Corporate Human Rights Committee was set up in 2022 to coordinate issues relating to human rights due diligence within Südzucker Group.

The supervisory board is responsible for monitoring sustainability matters. The supervisory board as the supreme governance body, supervises and advises the executive board in managing the company. This includes all matters that are significant for the strategic direction and leadership of Südzucker Group in line with the principles of sustainability. The supervisory board bases its decision on the results of the consultations and the recommendations of the strategy and sustainability committee. Furthermore, the audit committee has been entrusted with monitoring compliance, including adherence to the requirements to be observed by the executive board concerning environmental

Sustainability management organization

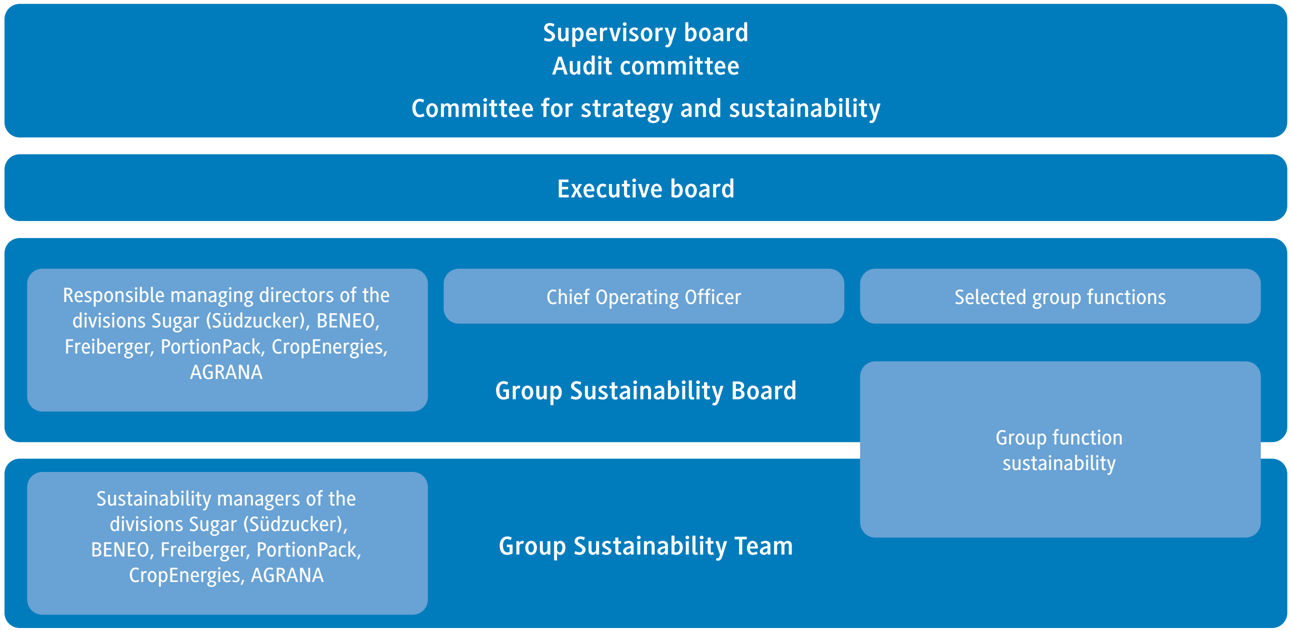


DIAGRAM 009

and social sustainability, and with auditing the group management report, including sustainability reporting. The responsibilities of the audit committee and the committee for strategy and sustainability with respect to sustainability-related matters are specified in the rules of procedure of the supervisory board dated 15 May 2024.

Definition and monitoring of sustainability targets
To advance the integration of sustainability within the group, we have established a dedicated organizational structure (sustainability management organization). New processes were established in this context, including the process for setting group-wide sustainability targets.

The proposals for group-wide metrics and targets to measure our progress in terms of sustainability are prepared by cross-divisional expert teams applying a standardized framework as part of the group-wide sustainability program. The framework includes specifications for defining metrics, targets and actions. The metrics are approved by the group sustainability board. Proposals for sustainability objectives are also discussed before being presented to the executive board for final approval in the subsequent step. The group sustainability board supervises the progress of the group-wide sustainability program. Within the scope of the board resolution, time horizons are also set. Once the time horizons are reached, validation of achieving the targets takes place. A reassessment of the sustainability targets is carried out in advance if necessary.

The controls and procedures in the sustainability area are based on the standard controls and procedures within the group and are continuously developed further (see risk management and internal controls of sustainability reporting). In accordance with the German Stock Corporation Act, the supervisory board also monitors the executive board with regard to sustainability matters, including the setting of sustainability targets and the progress made towards achieving them.

GOV-2 – Information provided to and sustainability matters addressed by the undertaking’s administrative, management and supervisory bodies

The executive board’s reporting to the supervisory board is governed by the rules of procedure for the supervisory board and the rules of procedure for the executive board of Südzucker AG. The executive board keeps the supervisory board informed of the group’s situation, both at regular meetings and in between. The reporting includes material sustainability matters. In fiscal year 2024/25, sustainability matters were discussed at every supervisory board meeting. Some of the topics addressed by the supervisory board included the status of the CSRD implementation, bio-based chemicals projects, investments to reduce GHG emissions and occupational safety in the group.

The head of the corporate function sustainability and the executive board report on the implementation of due diligence in this area at the annual meeting of the committee of strategy and sustainability. Material sustainability issues are regularly addressed by the COO at executive board level. The head of the corporate function sustainability is asked to present if required. A written report on the status of selected sustainability projects and current developments in the implementation of due diligence is usually also submitted to the group executive board on a quarterly basis. At the meetings of the group sustainability board, the head of the corporate function sustainability and the heads of the impact area teams regularly report on sustainability matters, especially on the status of actions, metrics and targets for the respective impact area.

The investment process is a good example of how the executive board and supervisory board incorporate sustainability into their oversight of the Group’s strategy and decision-making. Investment projects are evaluated using a transparent evaluation matrix. that also includes sustainability-related metrics such as CO_2 emissions and taxonomy-aligned capital expenditures. The weighting of these metrics varies by investment category, with the “sustainability” category being the most significant. Other metrics considered relate to profitability, strategic orientation, and risk areas. This allows projects that contribute to achieving the sustainability targets of Südzucker Group, such as actions taken to reduce GHG emissions, to be specifically requested and approved in the “sustainability” category.

In the course of preparing the sustainability statement, the executive board addressed all material impacts, risks and opportunities. The supervisory board’s strategy and sustainability committee also discussed all material impacts, risks and opportunities when the results of the materiality assessment were presented pursuant to ESRS 1.

GOV-3 – Integration of sustainability-related performance in incentive schemes

Since the 2021/22 financial year, selected sustainability-related components have been part of the executive board's compensation system. One of the remuneration components for the executive board is the multi-year variable compensation. This accounts for 55 % of the variable compensation or 27.5 % of the total compensation and depends on the achievement of the pre-defined strategic objectives. Part of these strategic objectives is related to sustainability. The outcome is multiplied by a so-called modifier ranging from 0.8 to 1.2. The supervisory board determines the modifier, which is based on the achievement of strategic targets. Südzucker AG's strategic objectives are aligned both with economic and strategic performance, such as the development of new business fields, and with sustainability criteria. The share of variable compensation linked to sustainability-related objectives is not ascertainable because of its mixing with strategic objectives. The executive board's performance for the period 2024/25 to 2026/27 is specifically assessed on the basis of the target to reduce Scope 1 and 2 CO_2 emissions by 2030 (corresponds to the emissions reduction target in the → "Climate Change" chapter), the target to lower the accident rate (by an average of 10 % annually) and other qualitative targets, including in the areas of personnel and human rights. The metrics used to measure the performance of the executive board include the Scope 1 and Scope 2 emissions and Südzucker Group's accident rate. The supervisory board decides on the remuneration system and proposes it to the annual general meeting for approval.

GOV-4 – Statement on due diligence

The following table provides an overview explaining where the core elements of the due diligence process according to the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises can be found in this sustainability statement.

Core elements of due diligence

Core elements of due diligence	Paragraphs in the sustainability statement
a) Embedding due diligence in governance, strategy and business model	ESRS 2 GOV-1, GOV-2, GOV-5, SBM-1, S2
b) Engagement with affected stakeholders in all key steps of the due diligence	ESRS 2 SBM-2
c) Identification and assessment of adverse impacts	ESRS 2 IRO-1, SBM-3
d) Taking actions to address these adverse impacts	E1, E3, E5, S1, S2, S4, G1
e) Tracking the effectiveness of these efforts and communication	ESRS 2, E1, E3, E5, S1, S2, S4, G1

TABLE 030

GOV-5 – Risk management and internal controls over sustainability reporting

Sustainability reporting is embedded in the group-wide risk management system. This fundamentally includes processes and systems for collecting and processing sustainability-related data, which we are continuously improving in terms of maturity. Key components include sustainability reporting principles, procedures and controls. Pursuant to Südzucker Group's risk management directive, the management of the corporate function sustainability, as a risk owner, is also responsible for the identification and assessment of opportunities and risks, the implementation of actions to reduce and manage risks, and the introduction and review of internal controls related to the sustainability reporting process.

In the fiscal year 2022/23, we identified, assessed, and categorized risks in this area into four groups based on the experience of previous sustainability reporting: Functional reporting logic, IT systems, calculation of metrics as well as reporting responsibilities and lines. Identified risks include, among others, unintentional manual calculation errors, faulty transfer of metrics into reporting, and incomplete disclosure. The risks were not prioritized. Based on this foundation, preventive measures for selected aspects of the process were defined and gradually implemented. In fiscal 2025/26, we will delve deeper into this analysis to systematically assess and prioritize further risks related to sustainability reporting.

We have defined minimum requirements for internal controls over sustainability reporting for this purpose. A special focus is placed on the control points close to the data source to enhance data quality (e.g., in the form of the four-eyes principle and plausibility checks). Controls carried out must be documented. In fiscal year 2024/25, new IT tools were implemented in the fields of HR and environment. Their implementation was accompanied by appropriate training sessions. Furthermore, training sessions were held concerning the functional logic of sustainability reporting.

The standard leads are accountable for the existence of and adherence to the minimum controls within the scope of sustainability reporting in their respective areas of responsibility. They take measures to enable the collection, consolidation and validation of the necessary qualitative and quantitative data in accordance with the definitions pursuant to the ESRS in a complete and uniform manner within the group. The corporate function sustainability is responsible for the overall process. The currently valid reporting responsibilities and reporting lines were approved by the executive board in July 2023.

Efforts to implement internal controls for the sustainability reporting process are ongoing. The next step for the group is to establish an internal control system to assess the effectiveness of these controls and report the findings to the executive board and supervisory board accordingly.

Strategy

SBM-1 – Strategy, business model and value chain

Südzucker's business model involves the use of plants and other raw materials of agricultural origin to develop, produce and market premium-quality food, food ingredients, animal feed, ethanol and other products.

The diagram "Südzucker Group value chain" illustrates the value chain of Südzucker Group across the individual segments. In a predominantly European and regionally based production process, we procure more than 30 million tonnes of renewable agricultural raw materials such as sugar beet, grain, chicory and fruit each year. We ensure the supply of raw materials by means of contract farming in the cultivation of sugar beet, chicory, field beans, potatoes and, to some extent, fruit. By purchasing our agricultural raw materials directly from farmers, we improve our ability to work with them to enhance sustainability in agriculture. The topics of sustainable and efficient agriculture are also addressed in our own agricultural operations, which simultaneously contribute to the raw material supply for the factories. We are committed to conducting research in these areas and sharing our knowledge with our business partners, in particular farmers and customers.

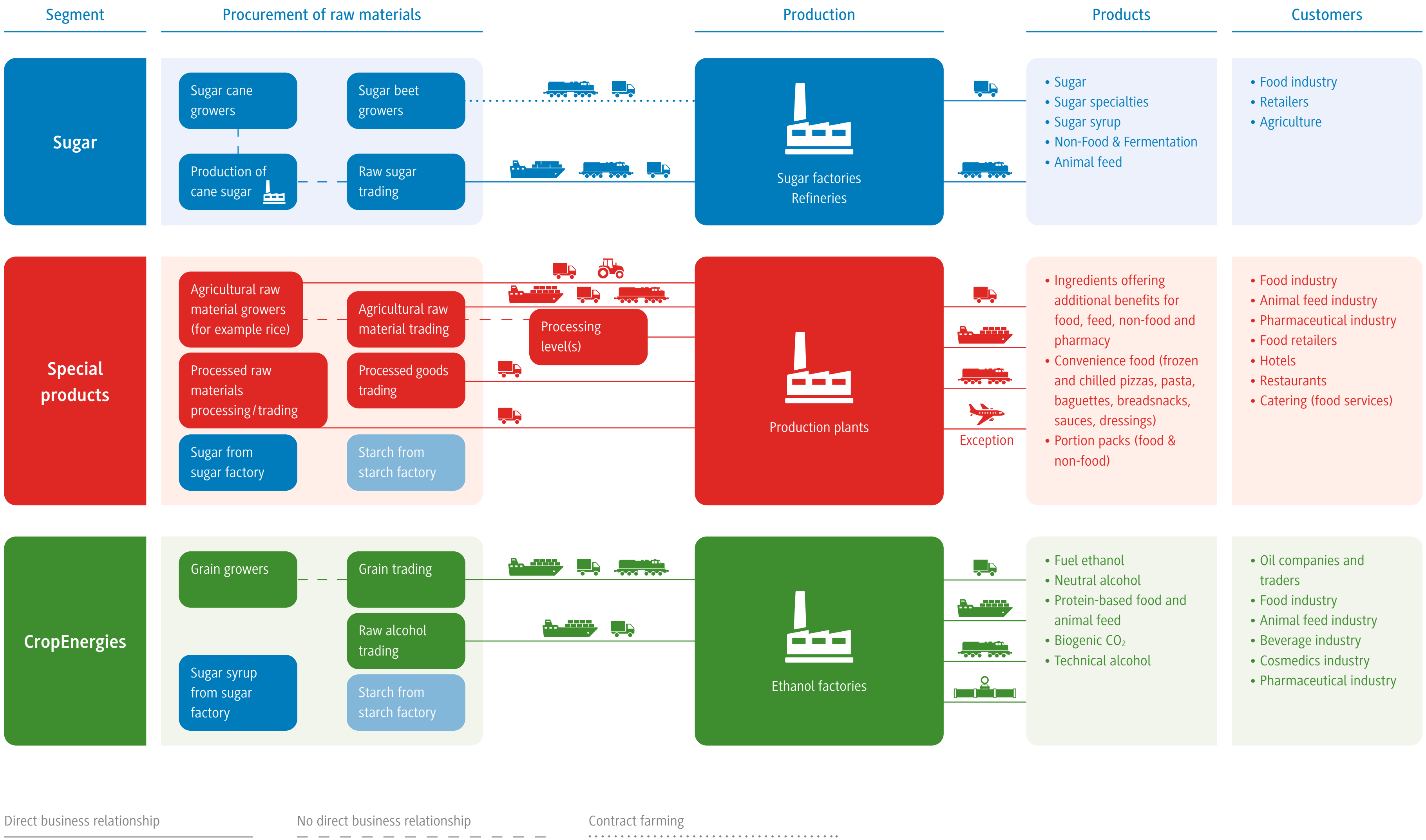
In fiscal 2024/25, sugar beets make up most of the agricultural raw material volume with 29 million tonnes. In the sugar segment, we collaborate with approximately 27,000 beet growers in Europe as part of a long-term partnership. The beet growers are organized into associations that negotiate and agree on the contract terms with Südzucker. Apart from sourcing via contract farming, we also purchase agricultural raw materials from traders who source directly or indirectly from raw material farmers. Within Südzucker Group, only the Freiberger division procures finished products such as flour, tomato sauce and cheese from retailers.

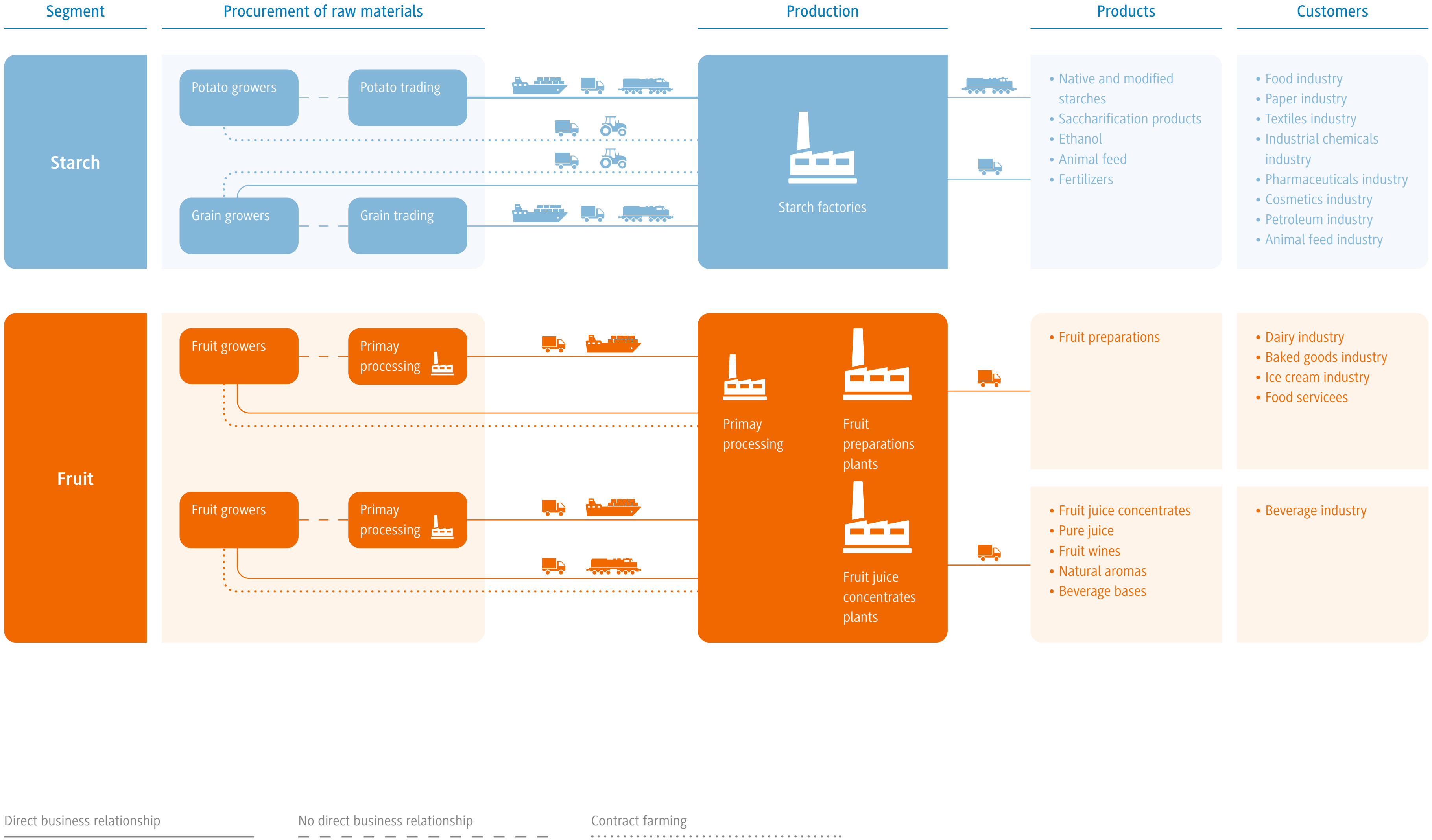
We aim to completely process and enhance the agricultural raw materials we purchase. We use synergy effects to operate our production plants, especially at the interconnected sites where we operate multiple industrial plants. For example, by-products from the starch facilities are valorized by processing them into ethanol at the ethanol plants. Many of our manufacturing locations are embedded in rural areas, where they foster growth and create jobs. We operate approximately 100 production facilities in total, primarily located in Europe. The fruit segment has a global presence with its sites around the world.

In terms of marketing, we focus on the business-to-business sector. End products for consumers and end-users are exclusively manufactured in the sugar, starch and special products (Freiberger division) segments. We serve clients from the food and beverage sector, the feed and mineral oil industries, and consumer markets like retail and the food service market. We market sugar specialties and glucose syrups, functional ingredients, frozen and chilled pizzas, portion pack articles, ethanol, animal feed, starch, as well as fruit preparations and fruit juice concentrates. In line with specific customer requirements, we offer products in organic quality, for example, as well as Fairtrade, GMO-free, Roundtable on Sustainable Palm Oil (RSPO), Marine Stewardship Council (MSC), kosher and halal certified products. We also support our customers in developing and optimizing their products. This diverse range of products, along with different regional markets, is aimed at balancing risks.

The major products offered by Südzucker Group in terms of revenues are sugar, ethanol, pizza and fruit preparations. In light of the material impacts, functional ingredients and plant-based proteins are also important for contributing to a balanced diet. The majority of sales revenues is attributed to the EU with 68 %. Germany plays a crucial role (23 % of the revenues) in this context.

Südzucker Group's value chain




Segment
Procurement of raw materials
Production
Products
Customers
Starch
Potato growers
Potato trading
Grain growers
Grain trading
Starch factories
• Native and modified starches
• Saccharification products
• Ethanol
• Animal feed
• Fertilizers
• Food industry
• Paper industry
• Textiles industry
• Industrial chemicals industry
• Pharmaceuticals industry
• Cosmetics industry
• Petroleum industry
• Animal feed industry
Fruit
Fruit growers
Primay processing
Fruit growers
Primay processing
Primay processing
Fruit preparations plants
Fruit juice concentrates plants
• Fruit preparations
• Dairy industry
• Baked goods industry
• Ice cream industry
• Food servicees
• Fruit juice concentrates
• Pure juice
• Fruit wines
• Natural aromas
• Beverage bases
• Beverage industry
Direct business relationship
No direct business relationship
Contract farming

In fiscal year 2024/25, 4,855 people, representing 25 % of the workforce, were employed in Germany. 7,584 employees work in other EU countries and 7,520 are employed abroad (→ ESRS S1 "Own workforce"). In total, Südzucker Group employed 19,959 people by the end of the 2024/25 fiscal year.

Sustainability strategy

Sustainability is closely linked to our company's purpose – we drive for a livable, healthy and sustainable world with plant-based solutions. This is why the advancement and implementation of our "Growing in Balance" sustainability strategy is one of the four focus topics in the 2026 PLUS group strategy.

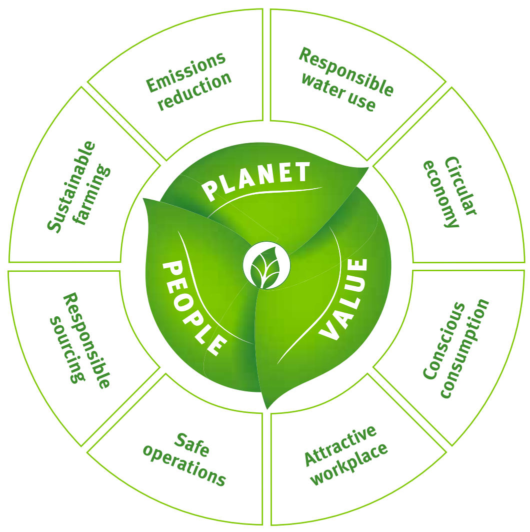
growing in balance

Here at Südzucker Group, "Growing in Balance" means harnessing the passion and expertise of all of our employees in their diverse roles to create value that is in harmony with people and the planet. In everything we do, we aim to strike a balance between economic, ecological and social issues, as well as the various expectations of our stakeholders and actively include them in these considerations. Together, we can help create a future worth living in.

Our operating activities give us direct influence on and, therefore a special responsibility for the people around us ("People"), protecting and restoring the environment ("Planet") and high-quality, innovative products and services as the basis for our economic success ("Value"). To meet this responsibility, we are working on eight impact areas as part of our group-wide sustainability program, including emissions reduction, responsible water use, circular economy, conscious consumption, attractive workplace, safe operations, responsible sourcing and sustainable farming. We are currently defining group-wide targets and specific measures for achieving them for each of these areas. Our sustainability targets are relevant across all segments and regions within the entire company. We are therefore committed to ensuring that all products and markets contribute to the success of our group-wide sustainability strategy.

The most important sustainability challenges we currently face include, in particular, managing sustainability matters in the upstream value chain, including collecting the necessary data, quantifying sustainability risks, and building knowledge and awareness of the topic in the Group's specialist departments and units.

The key solutions and most important projects, as well as our group-wide measurable sustainability goals, are described in more detail in the respective chapters.



Since commitment from all our employees is key to implementing our sustainability program, we believe it is essential to provide regular communications on sustainability tailored to the specific target audiences. We also conduct training courses and workshops on selected sustainability topics to enhance internal knowledge in this area.

SBM-2 – Interests and views of stakeholders

Südzucker Group strives for an open and continuous exchange with various stakeholders, laying the foundation for mutual understanding and social acceptance of our business decisions.

Stakeholder engagement within Südzucker Group

Stakeholder category	Dialog formats	Purpose of engagement	Main topics in relation to sustainability
Employees and unions	Employee meetings Performance reviews Staff newspapers Newsletters Intranet Training events Town hall meetings Video messages Online meetings Surveys Grievance mechanisms	Continuous improvement of working conditions Protection of the health and safety of employees Promotion of open communication Further development of the corporate strategy	Health and safety Work-life balance Diversity and inclusion Remuneration Working conditions and personal development Group and sustainability strategy
Customers / Consumers	Customer consultation Application support / services Product specifications Certifications Product websites Trade fair presence Surveys Grievance mechanisms	Understanding customer requirements and expectations Adding value to our product offering Further developing products Developing innovative solutions	Products and services Innovations Customer requirements in the area of sustainability Climate and environmental protection in own operations and in agriculture Social affairs and human rights Sustainability assessments and certifications
Shareholders, capital market, financial institutions, investors	Financial reports Annual general meeting Analysts' conferences, Roadshows, Conference calls Dialogue with rating agencies Analysts and shareholder representatives Company website	Further increase transparency and trust Promote sustainable investment decisions	Climate change and energy transformation Sustainable agriculture Water Human rights Corporate governance
Suppliers, including farmers	Information events (farmer meetings, field days, exhibitions, supplier forums) Online platforms (raw materials portal); Supplier communication (awarding negotiations, farming consultation) Grievance mechanisms	Understanding the needs of farmers and the risks associated with certain crops Promoting sustainable and ethical sourcing practices Creating transparency Ensuring partnership-based, long-term, reliable and resilient supplier relationships	Practices to improve sustainability in agriculture without affecting yields Data collection and measurement of emissions Climate protection Human rights due diligence Training
Press and public (journalists, media, residents and neighbors, authorities, industry and interest groups, research and scientific institutions, politics, schools, universities)	Press releases and talks Cooperative research and projects Political dialogue Committee meetings Talks Debate events Company and product websites	Promoting trust and acceptance Strengthening local ties	Investments in sustainability projects / sustainability strategy Climate and environmental protection Social commitment Nutrition

TABLE 031

We distinguish the following main stakeholder groups with whom we engage on various sustainability matters: Investors and financial institutions, shareholders (SZVG), rating agencies, customers and end consumers, farmers, suppliers (excluding farmers), employees, works council, trade unions, affected communities, society and NGOs, media, politics and authorities as well as industry and interest groups.

They have been divided into five categories: Employees and trade unions, customers, investors and financial institutions, suppliers (including their workforce), as well as society and the public. We have various formats at our disposal for the exchange.

Besides financial ratings, sustainability ratings assessing our company's sustainability performance are essential for capital market participants. We maintain regular contact with selected rating agencies. Südzucker Group has participated in the EcoVadis sustainability evaluation system since 2013. EcoVadis is an initiative that evaluates companies based on their commitment to social responsibility. In the current EcoVadis rating, the Südzucker Group was able to improve further and successfully retain its silver medal.

Südzucker Group is a member of key sustainability-oriented initiatives and organizations (table "key sustainability-oriented initiatives and organizations").

The findings gained from our engagement with stakeholders continuously contribute to the further development of our group strategy. As part of developing the policies for the eight impact areas of our sustainability strategy, a specific analysis of the relevance and positions of the individual stakeholder groups was performed and incorporated into our standardized framework. We also conducted a stakeholder analysis as part of the materiality assessment pursuant to ESRS 1. We are generally aware of the interests and points of view of our most important stakeholders as they relate to our group strategy, our sustainability strategy and our business model. In this way, we aim to strike a balance between the various, occasionally contradictory expectations of our stakeholders and align them with our corporate targets. This forms a core part of our sustainability philosophy, "Growing in Balance". We are not seeking to modify the business model to include the processing of agricultural raw materials.

No significant changes were made to the group's strategy and business model in the 2024/25 fiscal year.

Communication with the executive board, the supervisory board and the group sustainability board regarding our stakeholders' positions and expectations in relation to sustainability takes place as needed.

Key sustainability-oriented initiatives and organizations

Organization	Registered office	Member	Since	Objective
Charta der Vielfalt e. V.	Berlin, Germany	Südzucker AG	2008	Promotion of the recognition, appreciation and integration of diversity into Germany's business culture
EcoVadis SAS	Paris, France	Südzucker AG[1]	2013	Supplier assessment considering various aspects of corporate social responsibility
Fairtrade Deutschland / Transfair e. V.	Cologne, Germany	Südzucker AG	2006	Promotion of fair trade
SAI – Sustainable Agriculture Initiative Platform	Geneva, Switzerland	Südzucker AG[1]	2014	Promotion of sustainable agricultural practice
Science Based Targets initiative	New York, USA	Südzucker AG[1]	2022	Define and promote best practices for achieving climate goals
Sedex Information Exchange Limited	London, UK	Südzucker AG[1]	2009	Promotion of good social and environmental practice in the value chain
United Nations Global Compact	New York, USA	Südzucker AG[1]	2022	Promotion of actions to implement the Sustainable Development Goals for a sustainable and inclusive global economy

[1] More than one entity of Südzucker Group endorses this initiative.

TABLE 032

SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model

The identified material impacts, risks and opportunities reflect Südzucker Group's business model and group strategy, including the sustainability strategy. We are a manufacturer of high-quality products, particularly in the food sector but also in the animal feed and non-food sectors, and as an operator of large-scale technical plants, our material impacts, risks and opportunities are centered on the activities in our production facilities, on our employees and on the workers in the agricultural raw material supply chains.

A short summary of the material impacts, risks and opportunities can be found in the corresponding tables at the beginning of each thematic chapter. These tables also provide details of the material impacts – specifically, their influence on people and the environment, the expected time horizons for their occurrence and their linkage with the company's own activities or business relationships.

In the respective chapters, we describe how the material impacts, risks and opportunities currently influence and will continue to influence our business model, value chain, strategy and decision-making. This also applies to the information on the link between the material impacts and the strategy and business model.

All material impacts, risks and opportunities of Südzucker Group in accordance with the tables at the beginning of the chapters are covered by the disclosure requirements of the ESRS. No company-specific information was identified as material.

We have not identified any material financial impacts from our material risks and opportunities on our financial position and performance for the 2024/25 fiscal year. Furthermore, we have not identified any material risks or opportunities that could result in a significant risk of a material adjustment to the carrying amounts of assets and liabilities within the next reporting period, which will be reported in our corresponding financial statements.

Based on current assessments, Südzucker Group's business model and group strategy boast resilience to cope with the identified material impacts and risks and to seize material opportunities. We will continuously derive need for action from the significant effects, risks and opportunities identified and implement the required measures to maintain this status.

Impact, risk and opportunity management

IRO-1 – Description of the processes to identify and assess material impacts, risks and opportunities

In 2024, we conducted a double materiality assessment for the first time in accordance with the requirements of ESRS 1. The identification of material impacts, risks and opportunities provides the basis for the direction of our (sustainability) strategy and defines the framework for our group-wide sustainability reporting. We will review the relevance of the findings annually and make adjustments if necessary. We intend to conduct a comprehensive materiality assessment every three years.

As part of the materiality assessment, we considered the extent to which our company impacts people and the environment along with the risks and opportunities that arise for the company from sustainability aspects. Südzucker Group does not prioritize sustainability-related risks compared to other types of risk.

We performed the materiality assessment from a group perspective for all companies included in CSRD. Regarding the impacts, both the upstream and downstream value chains, as well as the company's own operations, were considered. Südzucker Group's business model guided the analysis, with particular emphasis on food production, chemical manufacturing, and energy generation as independent activities, along with the agricultural production of our business partners, the farmers. We documented differences in terms of divisions, which also affected business activities, as well as regional and business relationships.

The materiality assessment process to identify and assess the material impacts, risks and opportunities consisted of five steps, which are outlined in more detail below.

Step 1: Compilation of potentially relevant sustainability matters

We started by drawing up a list of potentially relevant sustainability matters. This was based on the list of sustainability aspects from ESRS 1 covered in the topic-specific reporting standards. We also drew on other external and internal sources, such as the eight impact areas of our "Growing in Balance" sustainability strategy. All eight impact areas could be assigned to at least one ESRS standard. No company-specific topics were identified beyond the list of sustainability aspects covered by the topic-related reporting standards in ESRS 1.

We also created a guideline summarizing the information relevant for the evaluation.

Step 2: Identification and evaluation of impacts, risks and opportunities

The identification and evaluation of impacts, risks and opportunities for each sustainability topic involved internal experts from various relevant specialist functions. For this purpose, several workshops were held for each topic and subtopic. Experts were selected based on their expertise and extensive experience in their respective business areas. They gathered additional information from the units as necessary and consulted other internal experts.

Various sources were used to identify and evaluate the impacts, risks and opportunities. With regard to impacts, for example, this was the risk analysis in accordance with the supply chain due diligence law and internal queries at the production locations; with regard to risks and opportunities, it was the current compliance reports, the climate change scenario analysis and the findings of group-wide risk management. The identification of impacts, risks and opportunities for the business conduct topics particularly took into account specific locations, activities and sectors.

A rating scheme was defined for the subsequent evaluation of impacts, risks and opportunities, implementing the criteria set out in ESRS 1. Topics with actual impacts were evaluated in terms of severity based on extent and scope and, in the case of negative impacts, for irreversibility. Topics with potential impacts were also evaluated in terms of likelihood of occurrence. In the case of extent, scope and irreversibility, the values of the scale from 1 to 3 were supported by a qualitative explanation. With regard to potentially negative human rights impacts, priority was given to severity over likelihood.

To determine the financial materiality of a topic, risks and opportunities were evaluated based on the potential extent of the financial effects in alignment with the risk management process and the respective likelihood of occurrence. The extent was rated on a scale of 1 to 5 and assigned a euro amount; the likelihood was rated on a scale of 1 to 4 and assigned a factor.

The maximum value was calculated for the evaluated impacts, risks and opportunities, divided by three and assigned to a three-level rating scale (low, medium, high). We consider a topic to be material if an impact, risk or opportunity is at least in the "medium" range.

The identified impacts were also analyzed to determine whether they could give rise to risks and opportunities. We also identified the level of the value chain at which each impact occurs or could occur. The evaluation also considered to what extent the impacts, risks and opportunities change within the time horizons. The materiality assessment time horizons pursuant to ESRS 1 exceed the time horizons of risk management. The results of the evaluation, along with the reasons, were documented.

Step 3: Considering the stakeholder perspective

The internal experts' evaluation was subsequently supplemented by the stakeholders' perspective. As part of the stakeholder analysis, stakeholder groups were identified for each subtopic that are particularly affected by the impacts of Südzucker Group's business activities in the respective area or have a strong interest in the topics as users of sustainability information. In the second step, we usually identified internal representatives for these relevant external stakeholder groups. Direct involvement and consultation of the stakeholders concerned was only partially conducted for the stakeholder groups of the works council, farmers and shareholders.

Interviews were generally conducted in a structured format. The feedback from the representatives of the stakeholder groups was incorporated into the final assessment of the materiality of the individual sustainability matters.

Step 4: Review and consolidation of the results

The overall result, including the stakeholder perspective, was submitted to the internal experts for final validation. A summary was also presented and approved by the group sustainability board. A total of 54 impacts, risks and opportunities are material for Südzucker Group.

Step 5: Validation of results by the executive board

The executive board finally approved the results of the materiality assessment. These were also submitted to the supervisory board and its relevant strategy and sustainability committee.

A list of material impacts, risks, and opportunities can be found at the beginning of the respective chapters on the topic-specific standards.

The material sustainability matters are addressed by the respective group functions and coordinated for the Südzucker Group. This also includes the relevant opportunities and risks, which are mapped in the group-wide risk management system. The operational implementation takes place within the units of the Südzucker Group. The evaluation of impacts is currently not integrated into the group's risk management process.

Description of the processes to identify and assess material environmental impacts, risks and opportunities

Within the scope of the double materiality assessment, the IRO-1 disclosure requirements of the topic-specific standards "Climate change", "Pollution", "Water and marine resources", "Biodiversity and ecosystems", and "Resource use and circular economy" were duly incorporated. The assessment covered the own operations, the upstream and downstream value chain, and, if applicable, assets, identifying the (material) impacts, risks, and opportunities related to the respective subtopics of the topic-specific standards. No direct consultation with affected communities took place within this framework. The interests and positions of the impacted communities were acknowledged, with internal stakeholder representatives being included in the materiality assessment process.

Climate change

The production of our products leads to the release of GHG emissions. As part of the double materiality analysis in the area of "Climate change", the impacts on climate change were determined on the basis of the company's footprint for the year 2023/24 (Scope 1, 2 and 3) along with the current and planned business activities. Materiality was assessed individually for the upstream value chain (Scope 3, categories 1–8), own operations (Scope 1 and 2) and downstream value chain (Scope 3, categories 9–15). Materiality is identified when GHG emissions account for ≥ 15 % of the company's footprint. Moreover, in the area of Scope 3 GHG emissions, one category was rated as significant at > 5 %. In addition, regulatory and market issues, as well as climate risks, were analyzed in terms of their risks and opportunities.

Our climate change scenario analysis for both production sites and agricultural supply chains follow the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

In fiscal 2022/23 we conducted a climate change scenario analysis for nearly 100 production locations in Südzucker Group. The aim of the survey was to determine the climate risk for each location. The scenarios recommended by the Intergovernmental Panel on Climate Change (IPCC) were applied, consisting of a combination of the Shared Socioeconomic Pathways (SSPs) and the Representative Concentration Pathways (RCPs). These climate scenarios are used in the Sixth Assessment Report of the IPCC and thus reflect the current state of scientific knowledge. The current conditions were considered along with an optimistic scenario (SSP1-2.6) and a pessimistic scenario (SSP5-8.5) up to 2040 and 2060 (long-term). Neither short-term (up to one year) nor medium-term (> 1–5 years) time horizons were considered. In selecting the time horizons, we aim to ensure that the lifetime of the analyzed assets is largely covered; there is no link to the strategic planning horizon (currently until 2026 or 2030) and the capital allocation plans. These scenarios do not apply to climate-related assumptions in the financial statements. We believe that the scenarios chosen cover the range of plausible risks and uncertainties, and that they can be used to assess the different conditions our sites might encounter.

The SSP1-2.6 scenario, which aims for sustainable development, envisions governments engaging in international cooperation and implementing strict environmental regulations. It promotes renewable energies and sustainable technologies, leading to stable economic growth and reduced inequality. The SSP5-8.5 scenario, by contrast, assumes a development that is heavily dependent on fossil fuels. Here, the emphasis is on economic growth, often at the expense of the environment. This results in high growth rates, but also in greater inequality and social tensions. As a company operating in the global food industry, political, economic, energy-related and technological conditions are crucial to Südzucker Group. These dynamics are accounted for in both scenarios.

The climatic hazards were selected based on an assessment by external experts, taking into account the geographical coordinates of the sites. The hazards classified as acutely relevant for Südzucker Group are heat waves, tornadoes/storms, forest and wildfires, droughts and flooding. The hazards classified as chronically relevant are water-stressed areas and rising sea levels. The data used for this analysis was gathered from a variety of sources, including the IPCC's interactive atlas, the World Resources Institute's Aqueduct Floods Tool, the Global Risk Data Platform of the United Nations Environment Programme (UNEP), and the internal knowledge and data of Südzucker Group. Furthermore, the identification and assessment of physical risks included the criteria of probability and extent to classify them from "low" to "high". This classification did not factor in the duration. Climate models with a spatial resolution of 100x100 km were used. Spatial resolution presents a limiting factor, as specific considerations of individual production sites are not possible. Moreover, climate scenarios cannot, in principle, fully represent all the details and complex interactions of climate systems. There are further limitations due to the inclusion of socio-economic factors that are based on assumptions and do not accurately reflect reality.

Standardized questionnaires were used to assess the exposure of production locations and the potential impact on production processes – triggered by the various hazards. The potential physical climate risk of a location was assessed based on this information. Consequently, the vast majority of our production locations are in the medium-risk category. The climate-related hazards assessed as posing a higher risk include drought and/or heat waves, as well as water stress. After a detailed analysis in fiscal 2024/25 for the production locations that were initially classified as high risk, only two locations ultimately retained a high classification. The next step is to examine adaptation measures on this basis.

Alongside the climate change scenario analysis for our own production locations, we started analyzing climate risks across our agricultural value chains in the 2023/24 financial year. For this purpose, a specific risk model was developed for Südzucker Group to enable the systematic identification of climate risks. In the first step, the physical climate risk for sugar beet was determined based on selected indicators, and preliminary potential impacts on yields were examined. In addition, we also evaluated options for increasing resilience, which can be classified into three areas: Actions at group level, actions at processing location level and actions at farm level. For example, the use of new varieties, precision farming methods and improvements in crop protection were examined.

A second step was taken in fiscal 2024/25, when the analysis was continued for sugar beets, following the approach developed in the previous year, and expanded to include wheat and corn as additional agricultural raw materials relevant to Südzucker Group, in order to enhance the significance of the results. In line with the analysis of the company's own operations, the combined SSP and RCP scenarios were employed in the analysis of the upstream value chain. The current conditions were considered, along with an optimistic scenario (SSP1-2.6), a medium scenario (SSP2-4.5) and a pessimistic scenario (SSP5-8.5) up to 2030 (medium-term), as well as up to 2040 and 2060 (long-term). A short-term time horizon (up to one year) was not considered. When selecting the time horizons, we aim to cover the lifetime of our assets as comprehensively as possible. There is a link to the strategic planning horizon, but not to the capital allocation plans. We believe that the scenarios chosen cover the range of plausible risks and uncertainties, and that they can be used to assess the different conditions our supply chains might encounter.

A description of the main dynamics included in the SSP1-2.6 and SSP5-8.5 scenarios is provided in the "own operations" section. The SSP2-4.5 scenario, also known as the "middle of the road" scenario, assumes a development in which social, economic and technological trends do not shift markedly from historical patterns. CO_2 emissions remain stable until about 2050 and then begin to decline, but do not reach net zero by 2100. Income growth is uneven, and progress toward the sustainable development goals is slow. Environmental challenges remain, despite some progress being made.

The selection of climate risks considered in the climate change scenario analysis was based on the assessment of internal and external experts, with regard to the geographical coordinates of the locations. During the fiscal year 2023/24, the initial step took into account the climate indicator temperature (days exceeding 30°C), encompassing both heat stress (chronic) and heat waves (acute), along with the precipitation indicator (alteration in precipitation levels). In fiscal 2024/25, further crop-specific climate-based indicators for sugar beet, wheat and corn were developed in a second step with internal and external experts. Both temperature-related and precipitation-related indicators were included. Other climate-related hazards and indicators from the classification table of climate hazards according to ESRS E1 were also analyzed for their relevance and included if appropriate. The identification and evaluation of physical risks included the criteria of probability, extent and duration.

To analyze climate-related physical risks within the upstream value chain, climate models were used at the level of defined cultivation regions (resolution of 100x100 km). The climate scenario restrictions are similar to those for our own operations, except that the focus is on the agricultural fields instead of the production locations as mentioned previously.

Südzucker Group is an energy-intensive industrial refiner, particularly in the sugar, CropEnergies and starch segments, and the majority of its production locations in these segments are subject to EU emissions trading. The company is thus also intensively focused on transitional climate risks associated with the transition to a low-carbon economy in line with the 1.5-degree limit.

No climate change scenario analysis has yet been used for the identification and assessment of transition risks. We plan to take this step in fiscal year 2025/26. We identified the transition risks in our own operations and within the upstream and downstream value chain, based on the 1.5-degree scenario for limiting global warming (excluding other scenarios) and with due consideration of short, medium and long-term transition events (e.g. higher pricing of GHG emissions, costs of transitioning to lower-emission technologies, increased raw material costs) and assessed these risks in terms of extent, likelihood and duration.

We have not identified any assets and business activities that are inconsistent with the transition to a carbon-neutral economy or require significant efforts to be compliant with this transition.

Pollution
The analysis was performed following the LEAP approach[1]. Workshops were held with internal company experts to assess the dependencies and effects. We were able to exclude the sub-topics "substances of concern" and "microplastics" as they are not material to our business model. With regard to the sub-topics of air, water, and soil pollution, we relied on environmental regulations and, where necessary, conducted surveys at production sites. The cultivation of agricultural raw materials was especially emphasized, given that this field has the strongest ties to nature. Risks (particularly transition and physical risks) and opportunities were then assessed with the help of risk management.

All impacts, risks and opportunities identified related to pollution were classified as immaterial. Südzucker Group operates no locations where pollution is of material significance and has no business activities associated with material impacts, risks and opportunities related to pollution. Considering this context, the ESRS E2 standard is not disclosed. This assessment is partly based on the regulatory requirements that Südzucker Group and its value chain must adhere to, particularly in Europe, where a large part of the company's business activities are located. Furthermore, there are no findings on actual negative impacts in terms of pollution.

[1] The LEAP approach is an integrated approach for identifying and assessing nature-related issues, developed by the Taskforce on Nature-related Financial Disclosures. LEAP refers to Locate, Evaluate, Assess and Prepare. These four phases aim to assist organizations in evaluating their dependencies and effects on the environment, identifying nature-related risks and opportunities, and taking action accordingly.

Water and marine resources
When identifying the impacts, risks, and opportunities related to water and marine resources, a list of potentially relevant sites was compiled and water risk was considered in particular, using tools such as the Aqueduct Water Risk Atlas. The sites located at river basins were also taken into account. Water plays a vital role, especially for the activities within the sugar segment situated in Europe. Due to the business model, there is no reliance on marine resources. The divisions associated with material impacts, risks, and opportunities related to water and marine resources are listed in the table at the beginning of the "Water and marine resources" section.

The analysis was performed following the LEAP approach. Workshops were held with internal company experts to assess the dependencies and effects. We relied on environmental regulations and, where necessary, performed inquiries at production site level. The consumption of surface water and groundwater as well as withdrawals and discharges were also considered. Marine resources, including their extraction and utilization and the associated economic activities, were covered as well. Only the Freiberger division is affected here to a minor extent. Risks and opportunities were then assessed with the help of risk management.

Biodiversity and ecosystems
Activities related to agriculture were specifically considered in the analysis, because in this area the interfaces with biodiversity and ecosystems are particularly pronounced.

The analysis was performed following the LEAP approach and potentially relevant sites of Südzucker Group were identified. Workshops were held with internal company experts to assess the dependencies, such as those on biodiversity and ecosystems, and impacts. We relied on environmental regulations and, where necessary, performed inquiries at production site level. The findings and experiences gained from Südzucker Group's commitment to the Sustainable Agriculture Initiative Platform (SAI) supported the process.

In the following step, transition risks, physical risks, systemic risks, and opportunities were assessed with the help of risk management. A scenario analysis was not applied for the identification of risks and opportunities.

We have not identified any significant impacts, risks, and opportunities related to biodiversity and ecosystems. With the exception of the fruit segment, Südzucker Group primarily sources agricultural raw materials from the European Union. This ensures the company complies with the "conditionality" applicable to agricultural production in the EU in the areas of climate and environment, including water, soil, biodiversity and landscape, public health, plant health and animal welfare. Compliance with "conditionality" is a fundamental requirement for receiving direct payments and other benefits under the EU's common agricultural policy. Farmers face administrative sanctions for non-compliance.

Activities related to our locations in or near areas with vulnerable biodiversity do not negatively impact these areas. No remedial actions regarding biodiversity need to be taken.

Potential negative impacts on biodiversity and ecosystems have been identified in the AGRANA subgroup's fruit sector. These impacts are limited to the fruit sector and is thus not material for Südzucker Group as a whole.

Resource use and circular economy
The analysis was performed following the LEAP approach. Resource inflows, resource outflows and waste were examined in detail for their material impact. As part of the materiality assessment, the business segments associated with material impacts, risks and opportunities relating to the use of resources and the circular economy were identified. The material resources used, the material opportunities linked to the circular economy and the stages of the value chain on which resource use and risks are centered were also included.

IRO-2 – Disclosure requirements in ESRS covered by the undertaking's sustainability statement

The relevant information for the sustainability aspects assessed as material was disclosed for the 2024/25 financial year in accordance with the disclosure requirements (full use of the phasing-in regulations). Data points under disclosure requirement G1-6 – Payment practices, sub-topic "Management of relationships with suppliers" in the "Business conduct" chapter, which are not reported, are an exception. This information was deemed non-material in the context of the materiality assessment, as it holds no significance concerning the sustainability aspect given the identified positive impact.

Environmental information

Disclosures as per EU Taxonomy

Information on taxonomy-eligible and taxonomy-aligned revenues, capital expenditure and operating expenses (maintenance, research and development) in accordance with the EU taxonomy is provided below. During the 2024/25 financial year, Südzucker Group's economic activities were to be examined and analyzed for the first time with regard to all six environmental objectives in terms of their taxonomy eligibility and alignment. The following key figures relate to the companies fully consolidated in the consolidated financial statements and were derived uniformly throughout the group using the IFRS data on which these consolidated financial statements are based.

An economic activity is considered taxonomy-aligned if it makes a substantial contribution to at least one of the following environmental objectives: climate change mitigation, climate change adaptation, sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control, and protection and restoration of biodiversity and ecosystems. In addition, the economic activity must not significantly harm the other environmental objectives (DNSH = do no significant harm) and must meet minimum safeguards, such as human rights. Taxonomy alignment is verified using the technical screening criteria per economic activity.

The individual Südzucker Group divisions worked with the support of the corporate functions to identify the relevant taxonomy-eligible economic activities and determine the taxonomy-eligible and taxonomy-aligned shares for all six environmental objectives. The analysis steps for the identification and assessment of the relevant economic activities and the necessary interpretation of the EU taxonomy were performed according to central guidelines. The individual revenues, capital expenditures and operating expenses are each assigned to an economic activity. The economic activities "Construction of new buildings" and "Renovation of existing buildings" are taxonomy-eligible for both the environmental objective of climate change mitigation and the transition to a circular economy. Taking into account the technical assessment criteria, the environmental objective of climate change mitigation was classified as more relevant for the implemented construction and renovation projects and consequently, in the reporting form these projects were assigned accordingly. Double counting when determining the metrics is therefore excluded. Where necessary, allocation keys were used to derive taxonomy-eligible and taxonomy-aligned revenues, capital expenditures and operating expenses.

The scope of the report refers to the environmental objectives of climate change mitigation and transition to a circular economy, as no taxonomy-eligible economic activities were identified for the other environmental objectives. As in the previous years, a large part of Südzucker's activities were not covered by the EU taxonomy in fiscal 2024/25 due to the legislative process still not being completed for all areas of activity, which is why they are not considered taxonomy-eligible. Our own sustainability targets, on the other hand, cover all of the group's economic activities and thus form the central steering tool in the further development of our business model and are therefore also relevant for the further development of our sustainable activities.

Due to outstanding definitions and unclear wording, application of the EU taxonomy requires our interpretation. The FAQ documents published by the EU Commission were considered accordingly.

Taxonomy reporting of revenues

The reference values for the share of taxonomy-eligible and taxonomy-compliant revenues are the external revenues reported in the consolidated group income statement, which are explained in more detail under item (06).

As in the previous year, the largest contribution in taxonomy-eligible revenues was attributable to the manufacture of ethanol for transport in the CropEnergies and starch segments (economic activity 4.13). The share of the reported taxonomy-aligned revenues of € 158 million or 1.6 % also mainly relates to revenues from self-produced fuel ethanol from waste and residual materials.

The relatively low share of taxonomy-aligned revenues compared to the share of taxonomy-eligible revenues is due to the fact that, according to the technical evaluation criteria under economic activity 4.13, only revenues from residue-based fuel ethanol are classified as taxonomy-aligned. The EU taxonomy regulation does not recognize the contribution that biofuels from arable and field crops make to reducing greenhouse gas emissions from transport. Nor does it take into account that ethanol must be certified as sustainable under the requirements of the Renewable Energy Directive, which is also an EU regulation.

The contribution to climate change mitigation and the impairment of other environmental objectives for the taxonomy-aligned revenues from residue-based fuel ethanol was reviewed according to activity-specific criteria. Among other things, the review included an analysis of climate risks using a climate change scenario analysis (→ ESRS 2 General Disclosures / Additional information on the processes to identify and assess material impacts, risks, and opportunities related to the environment). To prove the avoidance of the adverse effects with respect to the environmental objectives of water protection, prevention reduction and biodiversity protection, factory-specific queries were used. One of the factors taken into account was that the CropEnergies BioWanze plant is located less than one kilometer away from a nature reserve. The documents and expert opinions issued as part of the approval procedures for the plants concerned, e.g. in the area of emissions to air and water, formed the basis for checking compliance with the DNSH criteria. Finally, the criteria for minimum safeguards, including a human rights-related due diligence process, were reviewed for the entire group across all activities. Taxonomy-aligned ethanol revenues were generated exclusively from contracts with customers.

Share of taxonomy-eligible and taxonomy-aligned revenues

		2024/25		Substantial contribution criteria						DNSH criteria ("Does Not Significantly Harm")									
Economic activities	Code [1]	Turnover	Proportion of turnover	Climate change mitigation	Climate change adaptation	Water and marine resources	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water and marine resources	Pollution	Circular economy	Biodiversity	Minimum safeguards	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) turnover 2023/24	Category enabling activity	Category transition activity
		€ million	%	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. Taxonomy-eligible activities																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Manufacture of biogas and biofuels for use in transport and of bioliquids	CCM 4.13	154	1.6	Y	N/EL	N/EL	N/EL	N/EL	N/EL	–	Y	Y	Y	–	Y	Y	1,4		
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**154**	**1.6**	**1.6**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**–**	**Y**	**Y**	**Y**	**–**	**Y**	**Y**	**1.4**		
of which enabling		**0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**0.0**	**E**	
of which transitional		**1**	**0.0**	**0.0**						**–**	**Y**	**Y**	**Y**	**–**	**Y**	**Y**	**0.0**		**T**
A.2. Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Manufacture of biogas and biofuels for use in transport and of bioliquids	CCM 4.13	638	6.6	EL	N/EL	N/EL	N/EL	N/EL	N/EL								7.0		
Turnover of Taxonomy-eligible but not environmentally sustainable activities (A.2)		**638**	**6.6**	**6.6**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**								**7.0**		
A. Total (A.1 + A.2)		**792**	**8.2**	**8.2**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**								**8.4**		
B. Taxonomy-non-eligible activities																			
Turnover of Taxonomy-non-eligible activities (B.)		**8,902**	**91.8**																
Total (A. + B.)		**9,694**	**100.0**																

[1] The Code constitutes the abbreviation of the relevant objective to which the economic activity is eligible to make a substantial contribution, as well as the Section number of the activity in the relevant Annex covering the objective.

TABLE 033

Taxonomy reporting on capital expenditures (CapEx)

Capital expenditures comprise additions to fixed assets and intangible assets (including acquisitions, excluding goodwill) and are further explained under (02) "Scope of consolidation", (21) "Intangible assets" and (22) "Fixed assets (including leases)".

On the one hand, the share of taxonomy-eligible investments in fixed assets of around 29 % is attributable to the production locations at which taxonomy-eligible revenues are already being generated. These include investments in the CropEnergies segment in conjunction with the production of fuel ethanol (economic activity 4.13). On the other hand, Südzucker Group invests in other production sites, for example in wastewater treatment (economic activities 5.1 and 5.3) and, as part of the planned switch to lower-emission energy sources, in CHP plants (e. g. 4.16, 4.20 and 4.30). Excluding economic activity 4.13, these CapEx expenses fall under the so-called category c: Purchase of output from taxonomy-aligned economic activities.

As in the previous year, taxonomy-aligned investments exclusively comprise additions to fixed assets; taxonomy-aligned investments were immaterial in fiscal 2024/25. This results, among other things, from the classification under the economic activity 4.13, which is derived based on the taxonomy-aligned revenue share at the respective plant level. The allocation key ensures that only those plants and production processes that are related to economic activity 4.13 are taken into account. The significantly lower taxonomy alignment compared to taxonomy eligibility can be attributed in particular to the fact that the obligation to provide evidence for CapEx category c must be provided by the suppliers. Compared to the previous year, the share of taxonomy-aligned investments in total investments remained almost constant.

Share of taxonomy-eligible and taxonomy-aligned capital expenditure

		2024/25		Substantial contribution criteria						DNSH criteria ("Does Not Significantly Harm")									
Economic activities	Code[1]	CapEx	Proportion of CapEx	Climate change mitigation	Climate change adaptation	Water and marine resources	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaption	Water and marine resources	Pollution	Circular economy	Biodiversity	Minimum safeguards	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) CapEx 2023/24	Category enabling activity	Category transition activity
		€ million	%	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. Taxonomy-eligible activities																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Manufacture biogas and biofuels for use in transport and of bioliquids	CCM 4.13	2	0.3	Y	N/EL	N/EL	N/EL	N/EL	N/EL	–	Y	Y	Y	–	Y	Y	0.2		
Production of heat/cool from bioenergy	CCM 4.25	2	0.3	Y	N/EL	N/EL	N/EL	N/EL	N/EL	–	Y	–	Y	Y	Y	Y	1.2		
Construction, extension and operation of water collection, treatment and supply systems	CCM 5.1	0	0.0	Y	N/EL	N/EL	N/EL	N/EL	N/EL	–	Y	Y	–	–	Y	Y	0.2		
Construction, extension and operation of waste water collection and treatment	CCM 5.3	0	0.0	Y	N/EL	N/EL	N/EL	N/EL	N/EL	–	Y	Y	Y	–	Y	Y	0.4		
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	0	0.0	Y	N/EL	N/EL	N/EL	N/EL	N/EL	–	Y	–	Y	Y	–	Y	0.2		T
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**4**	**0.6**	**0.6**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**–**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**2.2**		
of which enabling		**0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**–**	**Y**	**–**	**Y**	**–**	**Y**	**Y**	**0.0**	**E**	
of which transitional		**0**	**0.00**	**0.0**						**–**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**0.2**		**T**
A.2. Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			

Share of taxonomy-eligible and taxonomy-aligned capital expenditure

		2024/25		Substantial contribution criteria						DNSH criteria ("Does Not Significantly Harm")									
Economic activities	Code[1]	CapEx	Proportion of CapEx	Climate change mitigation	Climate change adaptation	Water and marine resources	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaption	Water and marine resources	Pollution	Circular economy	Biodiversity	Minimum safeguards	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) CapEx 2023/24	Category enabling activity	Category transition activity
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Manufacture of hydrogen	CCM 3.10	0	0.0	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.2		
Electricity generation using solar photovoltaic technology	CCM 4.1	0	0.0	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.2		
Manufacture biogas and biofuels for use in transport and of bioliquids	CCM 4.13	19	3.2	EL	N/EL	N/EL	N/EL	N/EL	N/EL								1.8		
Installation and operation of electric heat pumps	CCM 4.16	7	1.2	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.5		
Cogeneration of heat/cool and power from bioenergy	CCM 4.20	47	7.8	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.0		
Production of heat/cool using waste heat	CCM 4.25	0	0.0	EL	N/EL	N/EL	N/EL	N/EL	N/EL								1.4		
High-efficiency co-generation of heat/cool and power from fossil gaseous fuels	CCM 4.30	30	5.0	EL	N/EL	N/EL	N/EL	N/EL	N/EL								3.3		
Construction, extension and operation of waste water collection and treatment	CCM 5.3	10	1.7	EL	N/EL	N/EL	N/EL	N/EL	N/EL								3.2		
Freight rail transport	CCM 6.2	0	0.0	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.2		
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	2	0.3	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.5		
Construction of new buildings	CCM 7.1/CE 3.1	0	0.0	EL	N/EL	N/EL	N/EL	EL	N/EL								1.1		
Renovation of existing buildings	CCM 7.2/CE 3.2	44	7.3	EL	N/EL	N/EL	N/EL	EL	N/EL								0.5		
Installation, maintenance and repair of energy effciency equipment	CCM 7.3	12	2.0	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.9		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (A.2)		**171**	**28.5**	**28.5**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**								**13.8**		
A. Total (A.1 + A.2)		**175**	**29.1**	**29.1**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**								**16.0**		
B. Taxonomy-non-eligible activities																			
Turnover of Taxonomy-non-eligible activities (B.)		**426**	**70.9**																
Total (A. + B.)		**601**	**100.0**																

[1] The Code constitutes the abbreviation of the relevant objective to which the economic activity is eligible to make a substantial contribution, as well as the Section number of the activity in the relevant Annex covering the objective.

TABLE 034

Share of taxonomy-eligible and taxonomy-aligned operating expenses (OpEx)

Operating expenses are calculated as the sum of maintenance expenses, including ongoing maintenance, research and development costs and costs of short-term leases. Production-related operating expenses, especially for the use of sustainable raw materials or energy sources, are not included in the numerator as per EU Taxonomy.

The share of taxonomy-eligible maintenance expenses and costs of short-term leases is attributable to the production locations at which taxonomy-eligible revenues are already being generated. The share of taxonomy-eligible research and development costs is attributable primarily to process optimization projects to cut energy consumption.

Only research projects for the reduction of carbon emissions related to the economic activity 4.13 fuel ethanol production, for which technical screening criteria are defined, were taken into account.

The share of taxonomy-aligned operating expenses predominantly related to ongoing maintenance and was less than 1 %. In this case, the situation is comparable to the revenues disclosure from fuel ethanol, in that the maintenance expenses of the ethanol production plants could only be taken into account on a pro rata basis for the production of residue-based ethanol.

Share of taxonomy-eligible and taxonomy-aligned operating expenses

		2024/25		Substantial contribution criteria						DNSH criteria ("Does Not Significantly Harm")									
Economic activities	Code[1]	OpEx	Proportion of OpEx	Climate change mitigation	Climate change adaptation	Water and marine resources	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water and marine resources	Pollution	Circular economy	Biodiversity	Minimum safeguards	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) OpEx 2023/24	Category enabling activity	Category transition activity
		€ million	%	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. Taxonomy-eligible activities																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Manufacture biogas and biofuels for use in transport and of bioliquids	CCM 4.13	3	0.9	Y	N/EL	N/EL	N/EL	N/EL	N/EL	–	Y	Y	Y	–	Y	Y	0.5		
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**3**	**0.9**	**0.9**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**								**0.5**		
of which enabling		**0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**0.0**	**E**	
of which transitional		**0**	**0.0**	**0.0**						**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**0.0**		**T**
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Manufacture biogas and biofuels for use in transport and of bioliquids	CCM 4.13	16	4.7	EL	N/EL	N/EL	N/EL	N/EL	N/EL								3.6		
Close to market research, development and innovation	CCM 9.1	6	1.8	EL	N/EL	N/EL	N/EL	N/EL	N/EL								1.1		
OpEx of Taxonomy-eligible but not environmentally sustainable activities (A.2)		**22**	**6.5**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**								**4.7**		
A. Total (A.1 + A.2)		**25**	**7.4**	**7.4**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**								**5.2**		
B. Taxonomy-non-eligible activities																			
Turnover of Taxonomy-non-eligible activities (B.)		**317**	**92.6**																
Total (A. + B.)		**342**	**100.0**																

[1] The Code constitutes the abbreviation of the relevant objective to which the economic activity is eligible to make a substantial contribution, as well as the Section number of the activity in the relevant Annex covering the objective.

TABLE 035

Additional information on the Scope of Taxonomy eligibility and alignment per environmental objective

Pursuant to Annex V of Commission Delegated Regulation 2023/2486 as of 27 June 2023, the disclosure requirements for revenues, CapEx and OpEx key performance indicators have been expanded. Non-financial undertakings are now additionally required to report the scale of the taxonomy-eligible and taxonomy-aligned activities for each environmental objective. The corresponding disclosures are shown in the tables below:

Share of revenues in total revenues per environmental objective

	Proportion of turnover / Total turnover	
Environmental objective	Taxonomy-aligned per objective	Taxonomy-eligible per objective
Climate change mitigation (CCM)	1.6 %	8.2 %
Climate change adaptation (CCA)	0.0 %	0.0 %
Water and marine resources (WTR)	0.0 %	0.0 %
Pollution (PPC)	0.0 %	0.0 %
Circular economy (CE)	0.0 %	0.0 %
Biodiversity (BIO)	0.0 %	0.0 %

TABLE 036

Share of capital expenditure in total capital expenditure per environmental objective

	Proportion of CapEx / Total CapEx	
Environmental objective	Taxonomy-aligned per objective	Taxonomy-eligible per objective
Climate change mitigation (CCM)	0.6 %	29.1 %
Climate change adaptation (CCA)	0.0 %	0.0 %
Water and marine resources (WTR)	0.0 %	0.0 %
Pollution (PPC)	0.0 %	0.0 %
Circular economy (CE)	0.0 %	7.3 %
Biodiversity (BIO)	0.0 %	0.0 %

TABLE 037

Share of operating expenses in total operating expenses per environmental objective

	Proportion of OpEx / Total OpEx	
Environmental objective	Taxonomy-aligned per objective	Taxonomy-eligible per objective
Climate change mitigation (CCM)	0.9 %	7.4 %
Climate change adaptation (CCA)	0.0 %	0.0 %
Water and marine resources (WTR)	0.0 %	0.0 %
Pollution (PPC)	0.0 %	0.0 %
Circular economy (CE)	0.0 %	0.0 %
Biodiversity (BIO)	0.0 %	0.0 %

TABLE 038

Declaration form 1: Nuclear- and fossil-gas-related activities

Row	Nuclear-energy-related activities	Yes / No
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	No
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	No
Row	**Fossil-gas-related activities**	
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	No
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat / cool and power generation facilities using fossil gaseous fuels.	Yes
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat / cool using fossil gaseous fuels.	No

TABLE 039

Complementary Delegated Act (EU) 2022/1214 – Disclosure standard templates in accordance with Article 8 paragraphs 6 and 7 of the Taxonomy Regulation

The following provides additional information regarding Südzucker Group's taxonomy-eligible and taxonomy-aligned nuclear energy and fossil gas related activities. The presentation is based on the standard reporting templates required by the Complementary Delegated Act (EU) 2022/1214.

Declaration form 2: Taxonomy-aligned economic activities (denominator)

		Amount and proportion of revenue						Amount and proportion of CapEx						Amount and proportion of OpEx					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Row	**Economic activities**	**€ million**	**%**	**€ million**	**%**	**€ million**	**%**	**€ million**	**%**	**€ million**	**%**	**€ million**	**%**	**€ million**	**%**	**€ million**	**%**	**€ million**	**%**
1	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
2	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
3	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
4	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
5	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
6	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
7	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**154**	**1.6**	**154**	**1.6**	**–**	**–**	**4**	**0.7**	**4**	**0.7**	**–**	**–**	**3**	**0.9**	**3**	**0.9**	**–**	**–**
8	**Total applicable KPI**	**9,694**	**100**	**9,694**	**100**	**–**	**–**	**601**	**100**	**601**	**100**	**–**	**–**	**342**	**100**	**342**	**100**	**–**	**–**

TABLE 040

Declaration form 3: Taxonomy-aligned economic activities (numerator)

		Amount and proportion of revenue						Amount and proportion of CapEx						Amount and proportion of OpEx					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Row	**Economic activities**	**€ million**	**%**	**€ million**	**%**	**€ million**	**%**	**€ million**	**%**	**€ million**	**%**	**€ million**	**%**	**€ million**	**%**	**€ million**	**%**	**€ million**	**%**
1	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
2	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
3	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
4	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
5	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
6	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
7	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI**	**154**	**100**	**154**	**100**	**–**	**–**	**4**	**100**	**4**	**100**	**–**	**–**	**3**	**100**	**3**	**100**	**–**	**–**
8	**Total applicable KPI**	**154**	**100**	**154**	**100**	**–**	**–**	**4**	**100**	**4**	**100**	**–**	**–**	**3**	**100**	**3**	**100**	**–**	**–**

TABLE 041

Declaration form 4: Taxonomy-eligible but not taxonomy-aligned economic activities

		Amount and proportion of revenue						Amount and proportion of CapEx						Amount and proportion of OpEx					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Row	**Economic activities**	**€ million**	**%**	**€ million**	**%**	**€ million**	**%**	**€ million**	**%**	**€ million**	**%**	**€ million**	**%**	**€ million**	**%**	**€ million**	**%**	**€ million**	**%**
1	Amount and proportion of taxonomy-eligable economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
2	Amount and proportion of taxonomy-eligable economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
3	Amount and proportion of taxonomy-eligable economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
4	Amount and proportion of taxonomy-eligable economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
5	Amount and proportion of taxonomy-eligable economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	–	–	–	–	–	30	5.0	30	5.0	–	–	–	–	–	–	–	–
6	Amount and proportion of taxonomy-eligable economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
7	**Amount and proportion of other taxonomy-eligable economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**638**	**6.6**	**638**	**6.6**	**–**	**–**	**141**	**23.5**	**141**	**23.5**	**–**	**–**	**22**	**6.4**	**22**	**6.4**	**–**	**–**
8	**Total applicable KPI**	**638**	**6.6**	**638**	**6.6**	**–**	**–**	**171**	**28.5**	**171**	**28.5**	**–**	**–**	**22**	**6.4**	**22**	**6.4**	**–**	**–**

TABLE 042

Declaration form 5: Taxonomy-non-eligible activities

Row	Economic activities	Amount and Share Revenue		Amount and Share CapEx		Amount and Share OpEx	
		€ million	%	€ million	%	€ million	%
1	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	–	–	–	–	–
2	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	–	–	–	–	–
3	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	–	–	–	–	–
4	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	–	–	–	–	–
5	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	–	–	–	–	–
6	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	–	–	–	–	–	–
7	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**8,902**	**91.8**	**426**	**70.9**	**317**	**92.7**
8	**Total applicable KPI**	**8,902**	**91.8**	**426**	**70.9**	**317**	**92.7**

TABLE 043

Environmental information ESRS E1 – Climate change

ESRS 2 SBM-3 – Material impacts, risks and opportunities

Südzucker Group has performed a double materiality assessment in accordance with ESRS 1 to identify material impacts, risks and opportunities (IROs).

Our materiality assessment in the area of "climate change" revealed the following material sub-topics: Climate change-mitigation and adaptation and energy. The following is a more detailed description of the IROs identified as material to climate change for the Südzucker Group, along with an explanation of their connection to the corporate strategy and business model.

The material impacts, risks, and opportunities can be linked to the following fields of action:

Reduction of GHG emissions in production (Scope 1 and 2)

The current use of fossil energy (12-E1) results in Scope 1 and 2 (7-E1) greenhouse gas (GHG) emissions within Südzucker Group's own operations. Part of the energy demand is already covered by the use of renewable energy (13-E1). As part of its policy to reduce Scope 1 and 2 GHG emissions, the Südzucker Group is planning further action to expand the use of renewable energy (→ section "Actions to reduce GHG emissions in production (Scope 1 and 2)".

The following risks arise from the energy used to manufacture goods and the transformation to climate-neutral production:

- Medium and long-term investment risks result from the technical implementation of actions to reduce GHG emissions in the company's own operations (9-E1).
- In light of the fact that Südzucker Group's energy usage is largely subject to regulatory requirements from emissions trading systems (e.g., the EU ETS I), there are long-term cost risks arising from the diminishing free allocation of emission allowances and from a rising CO_2 price (10-E1).
- Purchases largely cover the energy required to manufacture the goods. This involves medium- and long-term energy price risks (14-E1).

Reduction of GHG emissions in the value chain (Scope 3)

In the upstream value chain, Scope 3 (8-E1) GHG emissions arise primarily from the production of purchased agricultural raw materials (category 1), from activities related to fuels and energy (category 3)[1], and from upstream transportation (category 4).

Extreme weather events, which are more likely to occur as a result of climate change, can lead to crop failures in Südzucker Group's agricultural supply chains, representing a long-term risk (5-E1). The identification and assessment of climate change-related risks concerning the upstream value chain are described in → ESRS 2 General disclosures.

Material impacts, risks and opportunities (IROs) related to climate change

Material sub-topics	IRO	Short description	Category	Actual/ potential	Value chain	Origin	Time-horizon
Climate change adaptation	1-E1	Providing bioenergy to substitute fossil fuel	Positive impact	Actual	Downstream value chain	CropEnergies AGRANA	Short-term Medium-term Long-term
	2-E1	Providing bio-based chemicals	Positive impact	Potential	Downstream value chain	CropEnergies	Medium-term Long-term
	3-E1	Ban on combustion engines in the EU 27 for cars and vans by 2035	Transition risk	–	Own operations	CropEnergies	Medium-term Long-term
	4-E1	Investment risks from the technical implementation of projects in the area of bio-based chemicals	Transition risk	–	Own operations	CropEnergies	Medium-term Long-term
	5-E1	Crop failures due to extreme weather events caused by climate change in the agricultural supply chains	Physical risk	–	Upstream value chain	Südzucker Group	Long-term
	6-E1	New development options in the area of bio-based chemicals	Opportunity	–	Own operations	CropEnergies	Medium-term Long-term

[1] Unless otherwise included in GHG emissions Scope 1 or Scope 2.

Material impacts, risks and opportunities (IROs) related to climate change

Material sub-topics	IRO	Short description	Category	Actual/ potential	Value chain	Origin	Time-horizon
Climate change mitigation	7-E1	Greenhouse gas emissions (Scope 1 and 2)	Negative impact	Actual	Own operations	Sugar division (Südzucker), BENEO, CropEnergies, AGRANA	Short-term Medium-term Long-term
	8-E1	Greenhouse gas emissions (Scope 3)	Negative impact	Actual	Upstream value chain	Sugar division (Südzucker), BENEO, Freiberger, CropEnergies, AGRANA	Short-term Medium-term Long-term
	9-E1	Investment risks from the technical implementation of the GHG reduction measures	Transition risk	–	Own operations	Südzucker Group	Medium-term Long-term
	10-E1	Risks from the regulations and adjustments of the emissions trading scheme	Transition risk	–	Own operations	Sugar division (Südzucker), BENEO, CropEnergies, AGRANA	Long-term
	11-E1	New development options for biomass-based products	Opportunity	–	Own operations	Sugar division (Südzucker), BENEO, CropEnergies, AGRANA	Medium-term Long-term
Energy	12-E1	Use of fossil resources	Negative impact	Actual	Own operations	Sugar division (Südzucker), BENEO, CropEnergies, AGRANA	Short-term Medium-term Long-term
	13-E1	Use of renewable energy	Positive impact	Actual	Own operations	Südzucker Group	Short-term Medium-term Long-term
	14-E1	Energy price risks	Transition risk	–	Own operations	Sugar division (Südzucker), CropEnergies, AGRANA	Medium-term Long-term

TABLE 044

Provision of biomass-based products for the non-food sector

Providing bioenergy (1-E1) is already part of the Südzucker Group's business model. This includes ethanol production in the CropEnergies and Starch segments. Along with this, there are medium and long-term transition risks that are causing the fuel ethanol market in Europe to shrink (3-E1).

As part of the Group Strategy 2026 Plus, the establishment of the bio-based chemicals business area in the CropEnergies segment is planned (2-E1). This offers medium- and long-term market opportunities for CropEnergies within the Südzucker Group and prospects for reducing GHG emissions in the downstream value chain (6-E1). Medium and long-term investment risks are associated with setting up and operating of plants for producing bio-based chemicals (4-E1).

Market opportunities for biomass-based products (11-E1) arise for the Südzucker Group in other areas, for example, as part of the transition to a circular economy for bio-based packaging.

Resilience of the strategy and business model in relation to climate change

For the Südzucker Group, there is no group-wide formal resilience analysis in accordance with ESRS E1. Nevertheless, there are resilience analyses of individual group segments. This leads to the conclusion that our business model is resilient in the face of climate change.

Targets

E1-4 – Targets related to climate change mitigation and adaptation

Targets for reducing GHG emissions in production (Scope 1 and 2) and in the value chain (Scope 3)

In February 2022, the Südzucker Group joined the Science Based Targets initiative (SBTi). Based on the validation of our GHG emission reduction targets by SBTi in February 2023, we assume that they are scientifically grounded and aligned with the Paris Agreement.

The target for reducing GHG emissions by the target year of 2030 was set based on the SBTi requirements for near-term targets, which cover a period of five to ten years from the date the targets are submitted to the SBTi.

Südzucker Group has committed to reducing absolute GHG emissions from its own business operations (Scope 1) and from the purchase of energy (market-based Scope 2) by 50.4 % by 2030 – based on 3.7 million tonnes of CO_2 in the base year 2018 used for comparison. The target is in line with the SBTi requirements for limiting global warming to 1.5 °C.

Südzucker has also set a group reduction target for absolute GHG emissions in its value chain (Scope 3). In line with the SBTi criteria, we have committed to reducing these emissions by at least 30 % by 2030 compared to the year 2018, starting from 8.2 million tonnes of CO_2 in the base year 2018 (for categories 1, 3 and 4). The target is in line with the SBTi requirements for limiting global warming to 2 °C.

The target for reducing GHG emissions by the target year 2050 was set on the basis of the "Pathways to Net-zero – SBTi Technical Summary" from October 2021*. This SBTi standard sets the requirement for a long-term target which SBTi considers to align with limiting global warming to 1.5 °C. A net-zero target has not been set for Südzucker Group.

When setting our climate targets, we incorporated the perspectives of our material stakeholder groups, including investors and customers. This was achieved, among other things, by involving the group sustainability board.

The connection between our climate targets related to Scope 1, 2 and 3 and the targets of the policies "Reduction of GHG emissions in production (Scope 1 and 2)" and "Reduction of GHG emissions in the value chain (Scope 3)" is as follows:

- We already use renewable energies in our own operations and want to expand this share.
- With regard to GHG emissions in our own operations, we focus on increasing energy efficiency, continuing the phase-out of coal use, switching fuels, using renewable energies and, to a lesser extent, on the electrification of process heat generation.

Target path for GHG emissions reduction
GHG emissions in million t CO_2eq

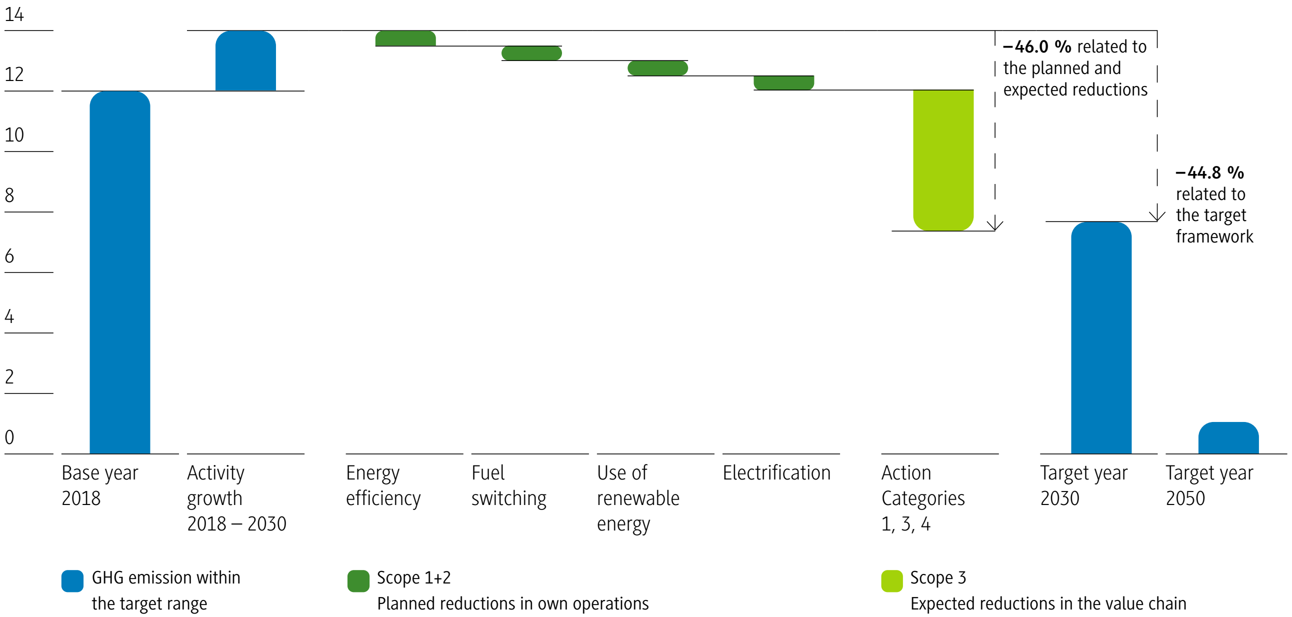


DIAGRAM 010

- When considering GHG emissions from the upstream and downstream value chain, the focus is on GHG emissions from agricultural raw material production (category 1) and, to a lesser extent, on GHG emissions associated with upstream transportation (category 4).

From today's perspective, we will be below the 2030 target framework emissions value of 7,558,991 t CO_2eq with the expected reductions of Scope 1, 2 and 3 GHG emissions to 7,392,870 t CO_2eq. Südzucker Group's current performance compared to specified targets is outlined in the → section "Gross Scopes 1, 2, 3 and Total GHG emissions". The responsible corporate function monitors and reviews the targets on an annual basis. The metrics used are Scope 1 gross GHG emissions, Scope 2 market-based gross GHG emissions, and Scope 3 GHG emissions categories 1, 3 and 4. Trends or significant changes in the company's performance with regard to achieving its targets are also presented in the → section "Gross Scopes 1, 2, 3 and Total GHG emissions".

Relevant greenhouse gases are primarily fossil CO_2, methane, and nitrous oxide. Scope 1 GHG emissions also include emissions of other greenhouse gases from the use of refrigerants.

The targets include – relative to the base year 2018 – 97.6 % of Scope 1 and Scope 2 (market-based) GHG emissions and 96.6 % of Scope 3 GHG emissions in the upstream value chain in Südzucker Group's target framework.

For the target years 2030 and 2050, about one-third of the reductions can be attributed to Scope 1 GHG emissions and about two-thirds to Scope 3 GHG emissions. Scope 2 GHG emissions are of lesser significance.

Climate targets and decarbonization levers of the Südzucker Group

kt CO_2eq	Base year 2018	2030 target	Up to 2050 target
GHG emissions within the target range	11,867	7,559	1,127
Increase in Scope 1-3 GHG emissions within the target range due to capacity increase		1,827	
Planned reduction of Scope 1 and 2 GHG emissions through			
Energy efficiency		–735	
Fuel switching		–570	
Use of renewable energies		–681	
Electrification of process heat generation		–268	
Reduction of GHG emissions Scope 3 Categories 1, 3, 4		–4,047	

TABLE 045

The targets are based on the climate scenarios of SBTi, as described in the SBTi document "Foundations of Science-based Target Setting" from April 2019*.

The rise in capacity is based on the Südzucker Group's five-year production plan and taken into account accordingly. However, this increase in GHG emissions will be offset by actions to reduce GHG emissions.

The baseline value depends in particular on the quantity of processed agricultural raw materials. The calculation was based on the GHG emissions in the base year 2018, i.e., a period of 365 days.

In particular, new technologies are to be introduced as part of the GHG reduction measures related to the decarbonization levers of energy efficiency and electrification.

When setting the targets for reducing GHG emissions, the transition risks associated with the EU Emissions Trading System (10-E1), resulting from the current use of fossil fuels, were factored in.

Energy price risks (14-E1), investment risks from GHG reduction measures (9-E1) and the risk of physical crop failures (5-E1) are taken into account at the level of actions.

Provision of biomass-based products for the non-food sector (substitution of fossil-based products)

Südzucker Group's strategy includes providing biomass-based products for the non-food sector in order to replace fossil-based products.

At this time, the Südzucker Group has not set any quantitative targets for this field of action due to the ongoing development of political and legal frameworks.

Impact, risk and opportunity management

E1-2 – Policies related to climate change mitigation and adaptation

The policies for reducing GHG emissions in production and in the value chain aim to minimize the respective GHG emissions and are implemented as part of the climate target management process. They are applicable throughout the group and are planned to extend up to the target year 2050. The corporate function Climate, Environment, Health & Safety is responsible for monitoring. In this regard, the corporate function works closely with the executive board, which is responsible for implementation in the group companies.

Policy on reducing GHG emissions in production (Scope 1 and 2)

To minimize GHG emissions in production, we plan to gradually implement measures in the following sectors:

- Energy efficiency
- Reduction of Scope 1 GHG emissions
  - Continuation of the coal phase-out
  - Switching fuels (natural gas instead of coal or heating oils)
  - Use of renewable fuels (biogas, biomass, hydrogen). The own production and use of biogas / biomethane from manufacturing residues is particularly relevant.
  - (Partial) electrification of process heat generation
- Reduction of GHG emissions Scope 2 and expansion of renewable energy use
  - Purchase of electricity from renewable / non-fossil sources
  - Purchase of heat from renewable / non-fossil sources

A fundamental prerequisite for converting from fossil-based products to products from renewable sources is a suitable political and economic framework.

Policy on reducing GHG emissions in the value chain (Scope 3)

To minimize GHG emissions in the upstream value chain, we plan to gradually implement measures in the following sectors:

- Reduction of GHG emissions related to agricultural raw material production
- Reduction of GHG emissions related to transportation

In terms of adapting to climate change, there is not yet a separate group-wide policy for managing physical climate-related risks. Based on the current plan, the implementation is scheduled by fiscal year 2026/27. A group-wide uniform approach is in place for the analysis (→ ESRS 2 – General disclosures). The management of climate risks takes place within the companies of the Südzucker Group. They work continuously on deriving the required resilience measures to minimize respective risks and maintain business operations.

Provision of biomass-based products for the non-food sector (substitution of fossil-based products)

A fundamental prerequisite for converting from fossil-based products to products from renewable sources is a suitable political and economic framework.

A formal policy for this sector does not exist as it represents a field of action for corporate strategy. Accordingly, this leads to measures such as the production of bioenergy, the production of intermediate products for the manufacture of bio-based plastics and / or bio-based chemicals, the production of bio-based chemicals, and R&D measures for the (further) development of technologies for the manufacture of bio-based products.

E1-3 – Actions and resources in relation to climate change policies

The actions described here follow the aforementioned target horizon and should therefore be completed by 2030 and 2050. We regularly review the actions and advance them as required.

Actions to reduce GHG emissions in production (Scope 1 and 2)

Südzucker Group currently does not depend on the availability and allocation of funds to take these actions. Investments can be covered by operating activities.

Südzucker Group is not exposed to any coal, oil or gas activities. The company's current strategy does not require any adjustment of the business model in order to achieve the climate change targets. We regularly review our strategy. Consequently, Südzucker Group does not have a formal transition plan. We regularly assess the need to summarize the actions in a formal transition plan.

Our action plan for Scope 1 and 2 GHG emissions focuses on three areas. The primary focus is on actions to increase energy efficiency, such as replacing existing equipment with highly energy-efficient units, followed by actions to reduce Scope 1 and Scope 2 GHG emissions. A major contribution here will come from replacing our coal-fired equipment step-by-step, electrification and gradually converting to renewable fuels. In addition, we prepared a group-wide roadmap to obtain electrical energy from renewable sources. The switch to renewable fuels will specifically involve the self-generation and use of biogas and biomethane from manufacturing residues and, in the future, the use of hydrogen. The list of actions is reviewed annually and updated if necessary. Ultimately, the decision to select the climate neutrality path will depend on the policy framework in each respective country and the technical requirements at each site.

Most of the actions identified are related to investments. The projects required to achieve the emission reduction targets identified in the various divisions will be sequentially included in the company's investment plans. Information on how sustainability-related metrics such as emissions and taxonomy-aligned CapEx are considered when evaluating investments is provided in → ESRS 2 – General disclosures (section "Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies"). The investment planning process integrates and aligns with the overall business strategy and financial planning of the Südzucker Group. The planned investment measures are requested by the Südzucker Group companies and approved by the Südzucker Group's executive and supervisory boards. The portfolio of measures is regularly reviewed. Implementation of the measures leads to a reduction in greenhouse gas emissions, possibly with a delay.

Based on our action plan to achieve our climate change targets regarding Scope 1 and 2 GHG emissions, Südzucker Group has invested approximately € 300 million in capital expenditure and related preparatory investments that contribute to GHG reduction between 2020/21 and 2024/25. We plan to spend around € 230 million on these projects in the period from 2025/26 to 2030/31. We have not currently identified operating expenses that can be clearly attributed to the objectives.

Material actions implemented by Südzucker Group to reduce Scope 1 and 2 GHG emissions in its own operations in fiscal year 2024/25 are shown in the table → Material actions to reduce GHG emissions (Scope 1 and 2) in own operations in fiscal year 2024/25.

There are currently no CapEx plans in accordance with the Commission Delegated Regulation (EU) 2021/2178.

Taxonomy-eligible investments under the environmental target of climate change mitigation by Südzucker Group amounted to € 171 million in 2024/25. This includes, in particular, investments in CHP plants as part of the planned coal phase-out (CCM 4.20 and 4.30), the installation of heat pumps (CCM 4.16 and 4.25), the operation of wastewater treatment plants (CCM 5.3) and renovation of existing buildings (CCM 7.2). Taxonomy-aligned investments were immaterial in fiscal 2024/25.

Some of the actions planned to achieve the 2030 climate change target related to Scope 1 can be assigned to activities within the meaning of the Delegated Regulation (EU) 2021/2139. Basically, these are

- 4.16 Installation and operation of electric heat pumps
- 4.19 Cogeneration of heat / cool and power from renewable non-fossil gaseous and liquid fuels
- 4.20 Cogeneration of heat / cool and power from bioenergy
- 4.23 Production of heat / cool from renewable non-fossil gaseous and liquid fuels
- 4.24 Production of heat / cool from bioenergy
- 4.25 Production of heat / cool using waste heat
- 4.30 High-efficiency co-generation of heat / cool and power from fossil gaseous fuels

Material actions to reduce GHG emissions (Scope 1 and 2) in own operations in fiscal year 2024/25

Action	Relevant decarbonization lever	Achieved / expected GHG reduction in t CO_2eq / year	Assignment of CapEx and OpEx to line items in the financial statements	Taxonomy eligible	Relevant key performance indicators in accordance with the Delegated Regulation (EU) 2021/2178
Fuel switching from coal to natural gas in the Sugar division (Südzucker)	Fuel switching	31,900 / 28,400	Annex (22)	Yes	CCM 4.30
Process optimization in plants of the Sugar division (Südzucker)	Energy efficiency	8,554 / 13,400	Annex (22)	No	–
Purchase of electrical energy from renewable sources	Use of renewable energy	220 / 220	Annex (09)	No	–

TABLE 047

Actions to reduce GHG emissions in the value chain (Scope 3)

Regarding Scope 3, we are specifically targeting reductions in GHG emissions from agricultural raw material production (category 1) and raw material transportation (category 4). A detailed action plan is planned for fiscal year 2025/26.

Actions to provide biomass-based products for the non-food sector (substitution of fossil-based products)

Ongoing investment measures are required to implement this strategic field of action. The investment planning processes facilitate integration into and alignment with the general business strategy and financial planning of Südzucker Group. The planned investment measures are requested by the Südzucker Group companies and approved by Südzucker Group's executive and supervisory boards.

The following actions were implemented to substitute fossil-based products during the 2024/25 fiscal year:

- Research and development measures for the (further) development of technologies for the production of biomass-based products
- Purchase and operation of a plant for the production of ethanol from residues and waste
- Start of construction of a plant for the production of ethyl acetate from renewable carbon

Additional actions are regularly assessed.

Potential locked-in GHG emissions

Südzucker Group's business model consists of processing agricultural raw materials into biomass-based products. Consequently, locked-in GHG emissions mainly result from the operation of our own power plants, provided they are operated with fossil fuels. Locked-in GHG emissions associated with the direct use-phase GHG emissions of sold products are therefore not relevant for the Südzucker Group, since these are biomass-based products. Products such as bioethanol that have been brought to market displace fossil-based products, thereby allowing third parties to reduce the amount of locked-in GHG emissions.

Major investments in coal, oil, and gas

In fiscal year 2024/25, no CapEx amounts were invested in economic activities related to coal, oil, and gas (NACE B.05, B.06, B.09.1, C.19, D.35.1, D.35.3, and G.46.71). The use of fossil fuels is being gradually reduced in accordance with the outlined action plan.

Exclusions for Paris-aligned benchmarks

Südzucker Group does not meet the exclusion criteria specified in Article 12 (1) (d) to (g) of the Commission Delegated Regulation (EU) 2020/1818 (Climate Benchmark Standards Regulation).

Südzucker Group is not aware of any exclusions based on Article 12 (2) of the Commission Delegated Regulation (EU) 2020/1818 (Climate Benchmark Standards Regulation) and Commission Implementing Regulation (EU) 2022/2453 (Template I Climate Change Transition Risk).

Metrics

E1-5 – Energy consumption and mix

The data was collected following the quality hierarchy of supplier data before measurement data before estimation. The energy quantities were calculated as lower heating values for fuels and as usable energy quantities for electrical energy, heat, steam and cooling. Data validation is performed by an individual working at the location or by someone whose function is closely connected to the respective location.

The assessment of impact as a climate-intensive sector is carried out annually at the beginning of the fiscal year for each location. The classification is validated by an individual working at the location or by someone whose function is closely connected to the respective location. When a location is assigned to a climate-intensive sector, all fossil energy consumed in operations at the location is documented.

Südzucker Group's total net revenues originate from high climate impact sectors. The difference between total energy consumption (→ Table: Total energy consumption and energy mix related to own operations) and total energy consumption from activities in high climate impact sectors corresponds to the energy consumption at Südzucker AG's administrative locations in Mannheim and AGRANA Beteiligungs-AG in Vienna (holding locations that do not contribute to net sales revenues).

Activities in sectors listed in Annex I, sections A and C of Regulation (EC) No 1893/2006 of the European Parliament and of the Council were used to calculate energy intensity.

The activities are to be assigned to sectors A (Agriculture, Forestry, Fisheries) and C (Manufacturing/Production of Goods).

Total energy consumption and energy mix related to own operations (E1-5)

MWh	2024/25
Total fossil energy consumption	**12,124,261**
threreof fuel consumption from coal and coal products	2,702,576
thereof fuel consumption from crude oil and petroleum products	93,766
thereof fuel consumption from natural gas	8,115,277
thereof fuel consumption from other fossil sources	386
thereof consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources	1,212,256
Total consumption from nuclear sources	**22,902**
Total renewable energy consumption	**2,360,900**
thereof fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.)	1,577,952
thereof consumption of purchased or acquired electricity, heat, steam, and cooling from renewable energy sources	763,990
thereof consumption of self-generated non-fuel renewable energy	18,958
Total energy consumption	**14,508,063**
Share of fossil sources in total energy consumption (in %)	83.6 %
Share of renewable sources in total energy consumption (in %)	16.3 %
Share of consumption from nuclear sources in total energy consumption (%)	0.1 %

TABLE 048

Non-renewable energy production and renewable energy production (E1-5)

MWh	2024/25
Non-renewable energy production	0
Renewable energy production	8,569,131

TABLE 049

E1-6 – Gross Scopes 1, 2, 3 and total GHG emissions

The reporting includes fossil CO_2, methane, and nitrous oxide as relevant greenhouse gases. Scope 1 also includes emissions of other greenhouse gases from the use of refrigerants. The current global warming potential values published by the Intergovernmental Panel on Climate Change (IPCC), based on a 100-year time horizon, are used to calculate the emission level.

Significant Scope 3 categories are reported as those that account for at least 5 % of the total greenhouse gas emissions in Scope 3 of the upstream value chain of the Südzucker Group.

The metrics were identified in accordance with the principles, requirements and guidelines of the GHG Protocol's Corporate Standard (2004 version), for Scope 2 GHG emissions additionally in accordance with the principles, requirements and guidelines of the GHG Protocol's Corporate Standard for Scope 2 greenhouse gas emissions (2015 version) and for Scope 3 greenhouse gas emissions additionally according to the principles and provisions of the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011 version)*.

Where available, supplier-specific emission factors were used. Secondary data is used to calculate Scope 3 GHG emissions. They are based on general industry standards, averages and published data sources that do not originate directly from the upstream value chain. Primary data has not yet been integrated.

Energy intensity in relation to activities in high climate impact sectors (E1-5)

		2024/25
(1)	Total energy consumption from activities in high climate impact sectors (Million MWh)	14.50
(2)	Net revenue from activities in high climate impact sectors (Billion €)	9.70
(3)	**Energy intensity from activities in high climate impact sectors (Million MWh / Billion €) (Ratio of lines 1 and 2)**	**1.50**

TABLE 050

Gross Scopes 1, 2, 3 and total GHG emissions (E1-6)[1]

	Retrospective		Milestones and target years			
t CO_2eq	2018 (Base year)	2024/25	2030	% of target / base year	2050	% of target / base year
Scope 1 GHG emissions						
Scope 1 gross GHG emissions	3,034,307	2,722,192				
Percentage of Scope 1 GHG emissions from regulated emission trading schemes (%)	93.0	87.1				
Scope 2 GHG emissions						
Gross location-based Scope 2 GHG emissions	826,133	446,746				
Gross market-based Scope 2 GHG emissions	630,636	344,803				
Total gross GHG emissions, Scope 1 and 2	**3,664,943**	**3,066,995**	**1,817,812**	**49.6**		
Significant scope 3 GHG emissions						
Total Gross indirect (Scope 3) GHG emissions[2]	**8,201,684**	**7,977,385**	**5,741,179**	**70.0**		
thereof category 1[3]	7,193,694	6,632,847				
thereof category 3	454,771	592,786				
thereof category 4	553,219	751,752				
Total GHG emissions						
Total GHG emissions (location- based)	12,062,124	11,146,323				
Total GHG emissions (market- based)	11,866,627	11,044,380	7,558,991	63.7	1,127,330	9.5

[1] GHG emissions Scope 1 and 2 relate to the fully consolidated group. Non-consolidated companies under operational control do not exist.
[2] Total gross GHG emissions, Scope 3 categories 1, 3 and 4.
[3] Services not included for reasons of materiality.

TABLE 051

The following databases provided the secondary data emission factors used

- Scope 1: DEFRA v12, GHG Protocol v20-eGRID
- Scope 2: IEA v6, MLC
- Scope 3: Agri-footprint, ecoinvent und World Food LCA

Biogenic CO_2 emissions were calculated using an emission factor of “0”.

Supplier-specific emission factors were used for gross market-based Scope 2 GHG emissions where available; otherwise, the residual mix factors were applied.

The GHG emissions were derived from the scope of operational control. No deviations arise compared to the fully consolidated group.

Contrary to the GHG emissions reporting for the fiscal year 2024/25, the GHG emissions of smaller sites were not considered for the base year 2018. As such, the base year encompasses the following portions of GHG emissions under operational control: Scope 1 >98.8 %, Scope 2 >98.9 % and Scope 3 >93.9 %.

For quality assurance purposes, a dual-control principle has been introduced at plant level for validating Scope 1 and 2 data. The validation is performed by an individual working at the location or by someone whose function is closely connected to the respective location. The validation of Scope 3 data is centrally managed by the corporate department Climate, Environment, Health & Safety.

In addition, a risk-based plausibility check is carried out by the Climate, Environment, Health & Safety corporate department for all data in Scope 1-3.

Due to data availability reasons, all transports taking place in the upstream value chain have been accounted for in the transport emissions section (Scope 3 Category 4). We generally record transportation in the downstream value chain under Scope 3 Category 9 (classified as non-material). We use the transported tonnage and the average transported distance, which are partly estimated, in conjunction with a mode-of-transport-specific emission factor.

The biogenic emissions related to Scope 1 amount to 556,745 tonnes of CO_2eq from the combustion of organic materials. The emission factors we use (IEA v6, MLC, Agri-footprint, ecoinvent and World Food LCA) do not allow a breakdown by biogenic CO_2 emissions, so the figures for Scope 2 and Scope 3 do not include any additional biogenic CO_2 emissions.

The following contractual instruments are used for the purchase of energy from renewable sources:

- Heat: Heat supply contracts
- Electricity: Power Purchase Agreement contracts, contracts for the supply of certificates of origin and electricity supply contracts

No certificates of origin are available for January and February 2025 due to legal regulations. The purchase of electricity from renewable sources is ensured through contracts that have been concluded and remain in effect. We make use of contractual instruments for the purchase of energy that are 100 % bundled and 0 % unbundled with attributes about energy production to determine Scope 2 (market-based) GHG emissions.

The calculation of Scope 3 GHG emissions in the base year 2018 was based on the SBTi requirements for near-term targets as the sum of the GHG emissions in categories 1, 3 and 4. These categories were also used as the basis for determining the target values for the years 2030 and 2050.

GHG intensity based on net revenue

Million t CO_2eq / Billion €	2024/25
Total GHG emissions (location-based) per net revenue	1.15
Total GHG emissions (market-based) per net revenue	1.14

TABLE 052

The net revenues used to calculate the GHG intensity correspond to the revenues item in Südzucker Group's income statement.

E1-7 – GHG removals and GHG mitigation projects financed through carbon credits

In fiscal 2024/25, Südzucker Group did not achieve any greenhouse gas emission reductions through the removal and storage of greenhouse gases as part of projects developed within its own activities or to which it has contributed within its own upstream and downstream value chain. In fiscal year 2024/25, Südzucker Group did not engage in any climate change mitigation projects outside the value chain that were financed or intended to be financed by the purchase of CO_2 certificates. In fiscal year 2024/25, the use of CO_2 certificates to publicly claim GHG neutrality was not of any relevance.

E1-8 – Internal carbon pricing

Südzucker Group uses an internal carbon pricing scheme to determine shadow prices for investment decisions. They are generally assessed as part of a scoring model in terms of profitability and sustainability. Decisions on such projects are based on a thorough analysis of the potential CO_2 savings compared to the baseline scenario that would result from their successful implementation. This baseline refers to the CO_2 emissions from energy consumption without taking into account the implementation of energy efficiency measures. A hypothetical investment price emerges from the CO_2 savings, influencing the investment decision.

No use is made for the following purposes:

- Assessment of the useful life and the residual value of assets
- Impairment of assets
- Fair value measurement of assets acquired through business acquisitions

The internal CO_2 pricing scheme applies to companies in the fully consolidated scope (Category I of the shareholding list).

The calculation of the CO_2 price used assumes a linear rise from the current CO_2 market price of 67 € / t CO_2 in 2024 within the EU ETS to 140 € / t CO_2 by 2030.

The analysis was based on M. Pahle, J. Sitarz, S. Osorio (PIK), B. Görlach (Ecologic) (2022). The EU-ETS price through 2030 and beyond: A closer look at drivers, models and assumptions. Input material and takeaways from a workshop in Brussels on 30 November 2022, Kopernikus-Projekt Ariadne Potsdam-Institut für Klimafolgenforschung (PIK), Dezember 2022. The prices were considered relevant for the selected application because a high share of Südzucker AG's Scope 1 GHG emissions are subject to the EU ETS. Internal validation was performed by the corporate department Climate, Environment, Health & Safety.

Environmental information
ESRS E3 – Water and marine resources

ESRS 2 SBM-3 – Material impacts, risks and opportunities

Südzucker Group has performed a double materiality assessment in accordance with ESRS 1 to identify material impacts, risks and opportunities (IROs).

Our materiality assessment for "water and marine resources" revealed a material sub-topic: Water. The following is a more detailed description of the IROs identified as material related to water and marine resources for the Südzucker Group, together with an explanation of their link to the corporate strategy and business model.

Our sugar factories and fruit juice concentrate production primarily cover their fresh water requirements with agricultural raw materials: Sugar beet consists of 75 % water and apples of 85 %. Additional needs are met by fresh water. Since it is – globally speaking – the most important resource, we strive to reduce the freshwater requirements of our factories – especially in areas with water stress – or to switch to alternative sources. Instead of drinking water or groundwater, for example, we use rainwater, river water or wastewater. Water recycling enables us to further reduce water withdrawal at our locations and thus achieve positive impacts (1-E3).

Südzucker Group operates 48 sites in areas with high or extreme water stress. We have assessed water withdrawal in these areas as a material negative impact (2-E3).

Material impacts, risks and opportunities (IROs) related to water and marine resources

Material sub-topics	IRO	Short description	Category	Actual / potential	Value Chain	Origin	Time-horizon
Water	1-E3	Reduced water withdrawal due to water recycling	Positive impact	Actual	Own operations	Sugar division (Südzucker), BENEO, CropEnergies, AGRANA	Medium-term
	2-E3	Water withdrawal in water stress areas	Negative impact	Actual	Own operations	Sugar (Südzucker) and agriculture divisions, BENEO, Freiberger, CropEnergies, AGRANA	Short-term Medium-term Long-term

TABLE 053

Impact, risk and opportunity management

E3-1 – Policies related to water and marine resources

In 2024, we updated our group-wide environmental, energy, climate and occupational safety policy from 2021. It also covers the topic of water and is accessible to employees on the intranet. Südzucker Group is committed to reducing the resource requirements and environmental impact of its business activities. This includes complying with all legal and self-imposed requirements as well as continuously reviewing and optimizing plant designs and production processes.

With regard to the two material IROs, consistent water conservation by closing loops is also an inherent part of our production processes and hence a practiced approach at our locations. Reusing process water in the same or different process steps allows us to reduce the need for fresh water. Condensates from the sugar production process, for example, are reused for extraction purposes or for replenishing cooling circuits. By further reducing the demand for fresh water, we are trying to decrease our already small water footprint even further and amplify its positive effects. Beyond the identified materiality, we pursue this approach for all Südzucker Group locations, especially for those located in areas with high or extreme water stress. No formal policy is available.

Water withdrawal to cover the remaining fresh water requirements varies according to local water availability. We regularly assess water risks and develop specific actions at site level.

This approach is relevant for the two material IROs 1-E3 and 2-E3. It forms the basis for the positive impacts of Südzucker Group's activities and simultaneously addresses the negative impacts.

The corporate function Climate, Environment, Health & Safety is responsible for monitoring. In this regard, the corporate function works closely with the executive board, which is responsible for implementation in the group companies.

Südzucker Group does not currently pursue any policies relating to marine sustainability.

E3-2 – Actions and resources related to water and marine resources

Water withdrawal, including in areas of high-water stress, as well as water recycling and reuse, is tracked annually at the site level across the group to detect deviations from normal operations and increased consumption. Based on the results, corrective or improvement measures are initiated at the site level. These metrics for water recycling and reuse were collected for the first time in fiscal year 2024/25.

As part of our environmental management program, we regularly implement various site-level action plans to reduce our long-term water consumption and increase the security of supply to our plants. In addition to actions aimed at optimizing production processes, the company is increasingly implementing actions to recover water. This happens, for example, at the Wijgmaal site in Belgium, where rice is processed. These actions are primarily, though not exclusively, concentrated on sites in areas experiencing water stress.

The cooperative project to build water fields in Tienen, launched by Raffinerie Tirlemontoise and others together with the Flemish government and a water company in April 2022, provides another example. Here, the aim is to treat the water from the beets produced in sugar production to generate drinking and irrigation water. The storage area is currently being designed. Our long-term target is to close the water cycle in order to reduce the use of groundwater.

Targets and metrics

E3-3 – Targets related to water and marine resources

The following target was formally adopted in fiscal 2024/25: By 2030, water management plans are to be introduced for all our production sites in areas affected by water risks, including areas of high-water stress, to mitigate water scarcity; the relevant structures are currently being established. No external stakeholders were involved in the preparation of this target.

E3-4 – Metrics

Strictly speaking, the difference between the water withdrawn (surface water, groundwater and drinking water from the public supply) and the wastewater discharged and delivered for irrigation or fertilization purposes cannot be truly defined as water consumption, as it continues to be part of the natural water cycle. In fact, the water is released into the atmosphere, for example, through cooling or drying processes, or is contained within the final product itself. The following table outlines the water consumption at Südzucker Group's production plants:

Water consumption

Thousands of m^3	2024/25
Total water consumption	–7,974
Total water consumption in areas at water risk, including areas of high-water stress	–6,897
Total water recycled and reused	273,030
Total water stored[1]	392
Changes in storage	N/A

[1] Includes stored water that is reintroduced into the production process to avoid water abstraction.

TABLE 054

Südzucker Group's water consumption figure of –7,974 thousand m^3 reflects the fact that the company returns significantly more water than it extracts, as the raw materials processed at its locations, such as sugar beet, chicory roots and apples, supply a substantial amount of water.

The difference between water withdrawal and water discharge of –6,897 thousand m^3 in areas affected by water risks, including areas with high-water stress, demonstrates that significantly more water was discharged than withdrawn. These are sites that have been identified as material according to IRO 2-E3.

A total of 273,030 thousand m^3 of water was recovered and reused.

The water withdrawn at the Südzucker Group's sites is typically discharged after being used multiple times in production without being stored. Ponds for storage are available at a few sites, where water obtained during the beet campaign is stored and later used for production purposes. This storage serves to prevent water stress. At the end of fiscal year 2024/25, 392,000 m³ of stored water were within the balance limits of the Südzucker Group. Occasionally, water is also supplied to farmers for irrigation purposes.

Water intensity – water consumption within the Südzucker Group per net sales revenues – is –823 m³/million €.

The data was collected in accordance with this standard for the first time in fiscal year 2024/25.

Background information

About half of the sites identified in the context of negative impact of IRO 2-E3 are located in an area of high water stress or are located in catchment areas whose status was assessed as less than good as part of the implementation of the European Water Framework Directive 2000/60/EC. However, around 1/3 of these sites are small, non-material sites that do not have detailed information on water status. We still intend to conduct individual assessments of these sites and categorize the condition of the relevant catchment areas using available information referred to in the annexes of the Water Framework Directive.

Water withdrawals are primarily based on meter readings and invoice values. In the field of water recycling and reuse, mathematical calculations are increasingly being used alongside meter readings.

The collected data is primarily based on measurements. Extrapolations and estimates are particularly applicable in the field of water recycling and reuse when suitable measuring devices are not available.

Environmental information
ESRS E5 – Resource use and circular economy

ESRS 2 SBM-3 – Material impacts, risks and opportunities

Südzucker Group has performed a double materiality assessment in accordance with ESRS 1 to identify material impacts, risks and opportunities (IROs).

Our materiality assessment in the area of "resource use and circular economy" revealed the following material sub-topics: resource inflows, including resource use, resource outflows related to products and services, and waste. The following is a more detailed description of the IROs identified as material for the Südzucker Group together with an explanation of their link to the corporate strategy and business model.

Südzucker Group's business model involves the use of plants and other raw materials of agricultural origin to develop, produce and market food, food ingredients, animal feed, ethanol and other products. Every year, Südzucker Group procures over 30 million tonnes of renewable agricultural raw materials such as sugar beets, grains, chicory and fruit. These are almost entirely processed into high-quality products. This also includes marketing side streams such as molasses, sugar beet pellets, gluten, protein-rich animal feed, flavorings, carbocalk and biogenic carbon dioxide. Group Strategy 2026 PLUS outlines Südzucker Group's goal of sourcing more raw materials, expanding the value chain and further complementing the product portfolio (1-E5).

Material impacts, risks and opportunities related to resource use and circular economy

Material sub-topics	IRO	Short description	Category	Actual / potential	Value Chain	Origin	Time-horizon
Resources inflows, including resource use	1-E5	Almost complete utilization of the used agricultural raw materials	Positive impact	Actual	Own operations	Südzucker Group	Short-term Medium-term Long-term
	2-E5	Use of renewable energy carriers	Positive impact	Actual	Own operations	Südzucker Group	Short-term Medium-term Long-term
	3-E5	Use of packaging material with a high share of primary raw materials	Negative impact	Actual	Own operations	Sugar division (Südzucker), BENEO, Freiberger, PortionPack, AGRANA	Short-term Medium-term Long-term
Resource outflows related to products and services	4-E5	Providing products to substitute mineral and fossil resources	Positive impact	Actual	Downstream value chain	Südzucker Group	Short-term Medium-term Long-term
Waste	5-E5	Reuse and recycling of waste	Positive impact	Actual	Own operations	Südzucker Group	Short-term Medium-term Long-term

TABLE 055

We are already covering part of Südzucker Group's energy needs with renewable energy in support of our climate targets. This is how the energy potential of wastewater and side streams is used to substitute primary fuels in its own production (2-E5).

Using packaging materials with a high content of primary raw materials results in negative environmental impacts (3-E5). Südzucker Group seeks to minimize these impacts as much as possible. To the extent possible, Südzucker Group opts out of single-use packaging and strives to make the packaging it employs as environmentally sustainable as possible.

In the CropEnergies and starch segments, Südzucker Group produces ethanol as an alternative to fossil fuels. As part of our Group Strategy 2026 PLUS, we plan to expand our product portfolio to include bio-based chemicals that replace fossil resources. This opens up market opportunities for bio-based products in other areas, such as in the transition to a circular economy for bio-based packaging (4-E5).

Given that the raw materials used in Südzucker Group are almost entirely processed, the total amount of waste is very low in relation to the processed raw materials. Most of the waste is already being recycled today (5-E5).

Impact, risk and opportunity management

E5-1 – Policies related to resource use and circular economy

Südzucker Group has the following policies in place to mitigate negative impacts and further expand positive impacts.

Policy of nearly full utilization of raw materials

The primary objective of the policy is to maximize the nearly full utilization of raw materials as a key component of our business model. This is intended to preserve or further enhance the positive contribution to sustainable resource utilization. The implementation of the policy prioritizes the prevention and minimization of waste in accordance with the waste hierarchy. The policy is applied in our own operations.

Südzucker Group's highly diversified business and the associated differences in procured raw materials and product portfolios are the reasons the policy is being implemented at the company level. The companies are supported by Südzucker Group's research and development department. The implementation of the policy is continuously monitored by the management processes for raw materials, waste and products that have been put in place at the plant level.

The policy of using plants and other raw materials of agricultural origin – including the use of side streams – is designed to encourage the use of renewable resources and to move away from primary raw materials. The policy relates to the material IROs 1-E5 and 4-E5.

Policy of utilizing side streams

The policy of utilizing side-streams by applying all components of the purchased agricultural raw materials is closely linked to the policy of nearly complete utilization of raw materials.

The policy primarily aims to ensure the existing and future use of side streams. This is intended to preserve or further enhance the positive contribution to sustainable resource utilization. The implementation of the policy prioritizes the prevention and minimization of waste in accordance with the waste hierarchy. The policy is applied in our own operations.

We use synergy effects to operate our production plants, especially at the interconnected sites where we operate multiple production plants. In Zeitz and Pischelsdorf, for example, side streams of the wheat starch plants are valorized by processing them into ethanol and animal feed in the ethanol facilities. The energy potential of wastewater streams is also used for biogas production. The biogas produced is utilized in-house to replace primary fuels.

We also rely on innovation to further develop our product streams. One key component is close cooperation with start-ups from the food and circular economy sectors, such as the EIT Food Accelerator Network. Moreover, “Mission KickStart!” is an internal program to accelerate collaboration with startups. This also creates opportunities to develop further synergies in the production process, for example by utilizing side streams.

Südzucker Group's highly diversified business and the associated differences in procured raw materials and product portfolios are the reasons the policy is being implemented at the company level. The companies are supported by Südzucker Group's research and development department. The implementation of the policy is continuously monitored by the management processes for raw materials, waste and products.

The policy of using side streams is aligned with the use of renewable resources and the substitution of primary raw materials. The policy relates to the material IROs 2-E5 and 4-E5.

Policy of achieving the highest possible utilization rate

Südzucker Group's manufacturing operations focus on avoiding waste and on keeping unavoidable waste in the raw materials cycle. We also endeavor to replace primary raw materials with waste. The general objective is to achieve the highest possible utilization rate for unavoidable waste. This is intended to preserve or further enhance the positive contribution to sustainable resource utilization. The implementation of the policy prioritizes the prevention and minimization of waste in accordance with the waste hierarchy. Otherwise, efforts will be made to channel the waste into reuse or recycling.

The policy of achieving the highest possible utilization rate is applied within our operations and Südzucker Group's highly diversified business and the associated differences in procured raw materials and product portfolios are the reasons it is being implemented at the company level. The implementation of the policy is continuously monitored via the waste management processes put in place at the factory level.

The policy is focused on moving away from the use of primary raw materials. The policy relates to the material impact 5-E5.

Policy of environmentally friendly packaging

During our production, we refrain from using single-use packaging whenever feasible and design our packaging to be as sustainable as possible. The policy aims to enhance the proportion of recycled material or renewable raw materials in packaging and the proportion of recyclable packaging material in the necessary packaging we place on the market, for example when selling small quantities or to end consumers. This should help sustain or enhance the positive contribution to sustainable resource usage and at the same time reduce the current negative impact caused by the use of packaging materials with a high share of primary raw materials. The implementation of the policy prioritizes the prevention and minimization of waste in accordance with the waste hierarchy. Otherwise, efforts will be made to channel the waste into reuse or recycling.

The policy of environmentally friendly packaging is applied within our own operations, and Südzucker Group's highly diversified business and the associated differences in procured raw materials and product portfolios are the reasons it is being implemented at the company level. The continuous monitoring of the concept's implementation is ensured through the management structures for the circular economy area implemented within Südzucker Group.

The policy aligns with the use of renewable resources and the transition away from primary raw materials. The policy relates to the material impact 3-E5.

Policy for replacing fossil-based products

We are particularly interested in expanding our portfolio in the area of biomass-based products for the non-food sector as a substitute for fossil-based products. To this end, we are researching the further development of biofuel production and biomass-based products, such as those made from sugar, starch, ethanol or carbon dioxide, which can replace fossil products in the market. The main goal of this policy is to facilitate the transition from fossil products to biomass-based alternatives. This is intended to preserve or further enhance the positive contribution to sustainable resource utilization.

The policy for replacing fossil-based products is used in our own operations, developed at the group level and put into action by the companies. By implementing the concept, efforts are made to avoid or minimize waste, or to increase the proportion of waste for reuse or recycling, in accordance with the waste hierarchy. Corporate departments such as research and development or strategy and transformation assist in executing the concept across Südzucker Group.

The policy is focused on the use of renewable resources. The policy relates to the material impact 4-E5.

E5-2 – Actions and resources related to resource use and circular economy

The materiality assessment pursuant to ESRS 1 revealed that our material impacts related to resource use and circular economy are predominantly positive. In order to maintain these actual positive effects, we have decided to track the utilization rate at group level. For this purpose, an appropriate key figure was developed by the responsible corporate department together with the divisions and integrated into the data collection. This aims to ensure or maintain the highest possible utilization rate.

This key figure will be determined for the first time in fiscal 2024/25 in Südzucker Group's own business unit and will be continuously tracked going forward. The key figure enables monitoring the recycling rate and, if necessary, implementing actions to achieve the target. This action contributes to the policy of achieving the highest possible recycling rate and relates to the material impact 5-E5. An action plan is not required because this is a matter of monitoring progress.

Südzucker Group is implementing actions as part of its environmentally friendly packaging policy to reduce the actual negative impact of IRO 3-E5. The goal is to increase the use of recycled material or renewable raw materials in packaging and the use of recyclable packaging material in the necessary packaging we place on the market, for example when selling small quantities or to end consumers. To this end, the recyclability of packaging materials is to be taken into account.

Regarding the significant impact 3-E5, Freiberger, for instance, has been advocating for the promotion of the circular economy and the conservation of resources since 2018 as part of the "Rethinking Plastic" initiative. This includes the use of recyclable packaging materials that have been successfully tested in the plants and are already partly in use. The initiative aims to systematically separate plastic waste, increase the proportion of recycled materials and reduce the use of plastics. As part of the initiative, Freiberger is also working with research institutions and other Südzucker Group companies on various research projects on plastic substitutes for packaging. In particular, the potential applications of films based on renewable raw materials are being explored.

These actions are carried out by participating in research projects and initiatives and are continuously performed in Südzucker Group's own business sector. No action plan is required, as coordination is achieved through project participation.

No further specific actions are currently being implemented or planned for the policies of nearly complete utilization of the used raw materials pursuant to 1-E5 and 4-E5, the utilization of side streams pursuant to 2-E5 and 4-E5 and the substitution of fossil-based products pursuant to 4-E5. The implemented management processes for raw materials, waste, and products ensure continuous monitoring of the need for further actions.

Metrics and targets

E5-3 – Targets related to resource use and circular economy

Südzucker Group is committed, as part of its environmental, energy, climate and occupational safety policy, to reducing the resource requirements and environmental impacts of its business activities. This management target is implemented as part of Südzucker Group's environmental management system. The aim is drawn from the strategic priorities, with the designated targets listed below.

Targeting a high utilization rate

In line with the policy of achieving the highest possible utilization rate and with regard to the material impact 5-E5, waste disposal must be avoided, and a high utilization rate must be achieved and maintained within Südzucker Group. Starting in fiscal year 2024/25, the utilization rate will be determined as a group-wide measurable target for the company's own activities. This is calculated from the total weight of the non-disposed waste and the total amount of waste generated.[1]

The target is a utilization rate of ≥ 90 % for Südzucker Group. This represents an ongoing target that must be achieved and upheld. The utilization rate is tracked annually at the group level. This is a non-binding target.

This goal was established in collaboration with the divisions, taking into account the interests of the stakeholder groups, and approved by the group sustainability board. When developing the program for the circular economy impact area of our "Growing in Balance" sustainability strategy, we conducted an analysis of the relevance and positions of the individual stakeholder groups and integrated it into the standardized framework.

Achieving a high utilization rate is based on scientific findings that show that sustainable management promotes high utilization rates, thereby conserving raw materials and primary energy.[2]

The following table shows the current utilization rate and the target achievement. Measuring progress will take effect from the 2024/25 financial year.

Utilization rate and target achievement

	2024/25
Utilization rate	94.1 %
Target achievement	100 %

TABLE 056

The target was included for the first time in the 2024/25 Annual Report, and consequently no changes to the target formulation have been made, the corresponding key figure or the underlying measurement method, significant assumptions, restrictions, sources and data collection procedures.

Reference to resource inflows and outflows

Our target of a high utilization rate is indirectly related to a circular product design, since the utilization rate also includes recycling. The raw materials Südzucker Group uses are almost entirely processed into high-quality products, resulting in a very low total amount of waste relative to the raw materials processed. Most of the waste is recycled, composted or used for energy. As such, the target promotes increasing the circular material usage rate in terms of the recirculation of materials and components after their first use. The target also has a direct influence on waste management, as the focus is placed on recycling. A high utilization rate also indirectly contributes to the minimization of primary raw materials, as they are retained within the production cycle. Reducing the total amount of waste positively impacts the utilization rate and is preferable to waste recycling. Südzucker Group's approach of nearly complete processing of the raw materials used helps minimize the total amount of waste relative to the processed raw materials, thereby achieving this target, which is unrelated to sustainable procurement and the use of renewable resources. There are no other aspects concerning this target.

[1] Total weight of non-disposed waste/total weight of generated waste x 100.
[2] Source: Waste Management in Germany 2023, 2023, BMUV.

Compliance with the waste hierarchy

Compliance with the waste hierarchy, which prioritizes the waste prevention over its recovery or disposal, is a key component of Südzucker Group's waste management. Our production processes are focused on the efficient use of raw materials and waste prevention. For the waste generated at the plants, the target is to keep these material flows within the material cycle, primarily to recycle them or to utilize their energy potential. The target of a high utilization rate thus encompasses levels 2 (preparation for re-use) 3 (recycling) and 4 (other recovery) of the waste hierarchy.

Cascade principle in waste hierarchy

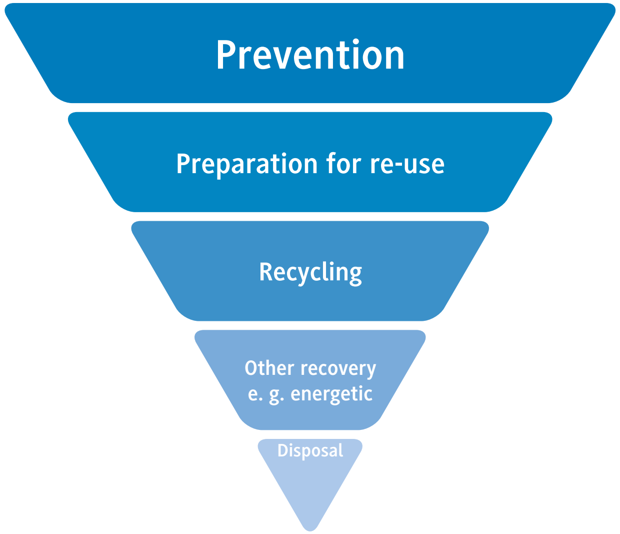


DIAGRAM 011

No ecological thresholds or company-specific allocations were identified when setting the target.

E5-4 – Resource inflows

Description of material resource inflows

Südzucker Group's business model is to develop, produce and market high-quality foods, food ingredients, animal feed, ethanol and other products that make use of plants and other raw materials of agricultural origin. The processed agricultural raw materials, such as sugar beets and wheat, are cultivated in temperate climates and largely do not require irrigation. We are able to largely cover fresh water requirements at our sugar factories and fruit juice concentration production plants by using the water contained in the agricultural raw materials. When sourcing packaging materials, the focus is on recycled materials or renewable raw materials. This results in the reference to the material IROs 1-E5 to 5-E5. Critical raw materials, rare earths and fixed assets have been identified as non-material resource inflows.

Materials and products used for production and in the context of services

	2024/25
Total weight of products and technical and biological materials used during the reporting period in tonnes	37,017,407
Percentage of biological materials that is sustainably sourced[1]	89.1 %

[1] The data on the procurement of sustainable biological materials was validated by external parties (certification systems).

TABLE 057

In fiscal 2024/25, the certification systems REDcert2, RED compliant, SAI/FSA, ISCC-EU, Fair Trade, FSC and BIO, among others, were used to procure sustainable biological materials.

Agricultural raw materials are primarily used in the production processes. As a result, recycled waste is only used in the context of packaging materials. Synergy effects across various societal sectors are leveraged to fully utilize the agricultural raw materials in use. For example, the sugar-containing residues from the sugar factory at the Wanze location are used in the affiliated ethanol factory. Low-quality alcohols from around the world are also purchased at the Ryssen location and used to produce high-quality alcohols.

Recycled materials are primarily used in packaging materials. In terms of product packaging, Südzucker Group opts out of single-use packaging and strives to make the packaging it employs as environmentally sustainable as possible. The majority of our products are already delivered today in bulk or liquid form, e.g., by trucks or rail, without additional packaging. Südzucker Group thus strategically applies the cascade principle (→ Diagram: Cascade principle in waste hierarchy) as far as possible to prevent waste.

Secondary reused or recycled components, secondary intermediary products and secondary materials

	2024/25
Total weight of secondary reused or recycled components, secondary intermediary products and secondary materials in tonnes	182,847
Percentage of secondary reused or recycled components, secondary intermediary products and secondary materials	0.5 %

TABLE 058

Methodologies used to calculate the data

Data collection is carried out across all sites on a monthly basis. To ensure data quality, supplier-based information (e. g., invoices) is preferred over the provision of measurement data (primary data). Data is collected based on estimates only if both are not available. In principle, all data used for these reports on resource inflows is recorded as accounting data or measurement data.

The percentage of sustainably sourced biological materials[1] and the percentage of secondary reused or recycled components, secondary intermediary products and secondary materials[2] were calculated. In cases where there were data gaps or data were not available, an estimate of the data was carried out using past years' data or experiential values as a basis.

In fiscal 2024/25, a significant data estimate was carried concerning secondary resource inflows due to the absence of weight information on packaging materials. Data was conservatively estimated based on supplier information and the experience of the responsible purchasing department for each type of packaging.

E5-5 – Resource outflows

Description of material resource outflows

Südzucker Group's strategy is to make full use of the raw materials employed, which helps in reducing waste generation as a whole. The predominant part of the unavoidable waste is recycled, composted or utilized for energy recovery, which is evident in the high utilization rate. For the purpose of ensuring proper waste management, waste management policies are implemented at the local level throughout the group and annual balances of the waste generated are compiled.

Südzucker Group's products are primarily composed of agricultural plant and animal raw materials used as food and animal feed. There is no design with regard to durability, reusability, repairability, disassembly, remanufacturing, refurbishment, recycling, recirculation by the biological cycle or optimization of the use of the product or material through other circular business models.

The expected durability refers to a product's ability to remain functional and relevant when used as intended, considering both the product's lifespan and its longevity. The focus in the design of relevant products is on maintenance (repairability) to promote longer use in practice and on the respective scale than is intended as standard, without compromising circular treatment at the end of life. Südzucker Group products mainly consist of food and feed, which are not repairable. Since they are consumed, a lifecycle-related treatment at the end of their lifespan is neither possible nor necessary. Therefore, only the recyclability of the packaging materials is considered relevant and examined below.

Recyclable content in packaging

	2024/25
Rate of recyclable content in the packaging material used	89.9 %

TABLE 059

Waste composition

The waste streams relevant to Südzucker Group are confined to organic waste, packaging materials, and construction and demolition waste, due to the primary processing of plant and animal raw materials from agriculture. The main waste components in production are food waste or other biomass waste. Wood, paper, cardboard, plastic, metals, and glass are the main components of packaging materials. Demolition or construction activities primarily generate waste materials such as soil, concrete, bricks, wood, glass, metals, plastics, gypsum and asbestos.

[1] Total weight of renewable resource inflows from sustainable procurement / Total weight of resource inflows x 100.
[2] Total weight of secondary resource inflows / Total weight of resource inflows x 100.

Waste generation

Tonnes	2024/25
Total amount of waste generated	**981,019**
Total amount by weight diverted from disposal	**922,935**
Hazardous waste, diverted from disposal	2,149
thereof hazardous waste that was prepared for reuse	60.6
thereof hazardous waste, that was sent for recycling	1,730
thereof hazardous waste, that sent for other recovery operations	358
Non-hazardous waste, diverted from disposal	920,786
thereof non-hazardous waste that was prepared for reuse	11,532
thereof non-hazardous waste, that was sent for recycling	889,395
thereof non-hazardous waste, that sent for other recovery operations	19,858
The amount by weight directed to disposal	**58,084**
Hazardous waste, directed to disposal	1,805
thereof hazardous waste for incineration	1,186
thereof hazardous waste zur landfilling	411
thereof hazardous waste for other disposal operations	209
Non-hazardous waste, directed to disposal	56,279
thereof non-hazardous waste for incineration	2,659
thereof non-hazardous waste zur landfilling	32,244
thereof non-hazardous waste for other disposal operations	21,375
Total amount of non-recycled waste	**89,893**
Percentage of non-recycled waste	9.16 %

TABLE 060

Hazardous waste and radioactive waste

Tonnes	2024/25
Total amount of hazardous waste	3,954.0
Total amount of radioactive waste	0.0

TABLE 061

Methodologies used to calculate the data

All data used for these reports on resource outflows were primarily recorded as accounting data or measurement data.

In fiscal 2024/25, a significant data estimate was made for the recyclable share of the packaging materials. The data was estimated for the Südzucker Group – excluding AGRANA – based on supplier information.

In the context of waste data collection, a decision was made regarding thresholds that for locations connected to the public waste disposal system and not using other waste disposal services during the reporting period (FY 2024/25), no data entry is required. This decision is based on the fact that the involved sites (for example, administrative-only sites) do not receive site-specific quantity information from the waste disposal company through public waste collection, and it would be disproportionate to weigh the waste due to the minimal volumes involved. Moreover, the waste generated at these sites is not material compared to the total waste of Südzucker Group.

Social information
ESRS S1 – Own workforce

People from diverse backgrounds and cultures collaborate closely at our globally active group of companies. We focus on their individual skills and talents. Every day, we strive to cultivate a climate of mutual trust within our group of companies, as well as a work environment free from all forms of prejudice and discrimination, where everyone is accepted equally and can contribute their talents, knowledge, experience and opinions. Südzucker Group's values – responsibility, creativity, appreciation and cooperation – are designed to contribute to achieving our overarching goal: to harness more strength from the group.

ESRS 2 SBM-3 – Material impacts, risks and opportunities

Südzucker Group has performed a double materiality assessment in accordance with ESRS 1 to identify material impacts, risks and opportunities (IROs).

Our materiality assessment in relation to "own workforce" revealed the following key subtopics: Working conditions, as well as equal treatment and opportunities for all. The following is a more detailed description of the IROs identified as material to Südzucker Group's own workforce, along with an explanation of their link to the corporate strategy and business model.

Our business model involves the use of plants and other raw materials of agricultural origin to develop, produce and market high-quality food, food ingredients, animal feed, ethanol and other products. As a result, the company is dependent on a

Material impacts, risks and opportunities (IROs) related to our own workforce

Material sub-topics	IRO	Short description	Category	Actual / potential	Value chain	Origin	Time-horizon
Working conditions	1-S1	Adverse effects on the health of employees due to hazards	Negative impact	Actual	Own operations	Südzucker Group	Short-term Medium-term Long-term
	2-S1	Good working conditions for employees, such as secure employment, regulated working hours, adequate wages and social dialog	Positive impact	Actual	Own operations	Group companies with collective bargaining agreements	Short-term Medium-term
	3-S1	Good work-life balance, particularly due to reliable working hours and other country-specific regulations	Positive impact	Actual	Own operations	Südzucker Group	Short-term Medium-term
	4-S1	Adverse effects on the health of employees due to workload demands	Negative impact	Potential	Own operations	Südzucker Group	Short-term
	5-S1	Business interruption due to labor disruption	Risk	–	Own operations	Südzucker Group	Medium-term Long-term
	6-S1	Shortage of skilled workers	Risk	–	Own operations	Südzucker Group, Sites in Europe	Medium-term Long-term
	7-S1	Loss of know-how due to employee turnover	Risk	–	Own operations	Südzucker Group	Medium-term Long-term
Equal treatment and opportunities for all	8-S1	Development opportunities for employees	Positive impact	Actual	Own operations	Südzucker Group	Short-term Medium-term Long-term
	9-S1	Underrepresentation of women, especially in management and production	Negative impact	Actual	Own operations	Südzucker Group	Short-term Medium-term
		Instances of inappropriate behavior	Negative impact	Potential	Own operations	Südzucker Group	Short-term Medium-term

TABLE 062

suitable workforce, particularly in the production sector. Moreover, employees at our facilities could be exposed to negative repercussions. With this in mind, our corporate strategy, particularly the HR strategy, endeavors to minimize the negative impacts and risks concerning our own workforce and to further enhance the existing positive impacts. Our HR strategy specifically targets ways to multiply these positive effects.

Südzucker Group is a manufacturing company that operates process plants and technical equipment in addition to the corresponding administrative processes. In this context, there are hazards that can lead to injuries or occupational diseases for employees. Despite all measures and controls in place to ensure occupational safety and health protection, not every work-related accident or illness can be prevented. Unfortunately, there were also accidents in our company in fiscal 2024/25 that had adverse effects on the health of the affected employees (1-S1). In line with our corporate responsibility, we therefore aim to reduce the accident rate for the entire group; we also strive to consistently enhance our safety culture. This contributes to the impact area of "Safe operations" within our "Growing in Balance" sustainability strategy.

Due to Südzucker Group's strong focus on production and technology, male employees still account for a significantly higher proportion of the workforce in almost all segments. There is still an underrepresentation of women in senior management positions and in production within Südzucker Group (9-S1). As a signatory of the Diversity Charter, we have committed ourselves to promoting diversity and inclusion, making it one of the areas of action of our HR strategy. We aim to foster an inclusive environment where every employee feels welcome and appreciated. In spite of all measures we have implemented, we cannot completely eliminate the possibility of inappropriate behavior among our nearly 20,000 employees worldwide. This includes sexual harassment and other types of harassment such as bullying and insults (10-S1). However, due to a partial lack of transparency regarding actual overtime worked, particularly at our locations outside Europe, we cannot exclude potential adverse effects on employees' health due to workload demands. This results from the overall workload and the individual requirements, including the respective personal coping strategies (4-S1).

As a company operating in the sugar industry, we are largely subject to collective bargaining agreements in Germany and other European countries. Consequently, most employees of Südzucker Group have an employment contract bound by a collective agreement, which ensures a secure employment and fair wages and regulates working hours. Furthermore, the social dialogue at company, corporate and European levels is intended to ensure appropriate working conditions in the future as well. This is due to the fact that important co-determination factors such as organizational changes, structural or cost-efficiency programs are generally coordinated and decided on with the works council committees (2-S1). With the corresponding agreements on reliable and in some cases flexible working hours, we also provide our employees a basis for achieving a work-life balance as part of our HR strategy (3-S1). To increase employee retention, we are continually expanding the range of group-wide and division-specific learning opportunities and development initiatives as part of our HR strategy. These development and qualification opportunities strengthen the skills and satisfaction of our employees (8-S1).

Risks arise from the dependence on our own workforce and, in part, from the negative impacts. Südzucker Group competes intensely with other companies for qualified personnel and is therefore exposed to medium and long-term risk of being unable to adequately fill vacancies as planned due to the shortage of skilled workers. This applies particularly to our locations in Europe (6-S1). Additionally, employee turnover carries the risk of loss of know-how (7-S1). If new agreements with the works councils and trade unions cannot be concluded on acceptable terms following the termination of existing collective bargaining agreements, strikes, work stoppages or similar labor dispute action may follow, which would have a negative impact on Südzucker Group (5-S1).

In → section "S1-4 – Taking action on material impacts and approaches to mitigating material risks and pursuing material opportunities and effectiveness of those actions", we report on what we are doing to mitigate the negative effects, strengthen the positive effects and minimize the risks. The framework for these measures across the group is formed by our HR strategy, which covers various fields of action. This includes, among other things, the work environment, incentive systems, leadership, as well as diversity, equal opportunities and inclusion. In our HR strategy, we have committed to designing attractive workplaces and fostering diversity, inclusion, participation and the individual development of our employees. Due to country-specific regulations and legislation in the personnel sector, the actions generally do not apply to the entire group. Instead, they are tailored to the specific company or country. We continually strive to develop and expand these actions. Our HR strategy, along with the occupational safety policy, is closely tied to our "Growing in Balance" sustainability strategy. Here, the topics are particularly reflected in the impact areas "Attractive workplace" and "Safe operations".

Affected own workforce

Südzucker Group is linked to various types of own workforce who may be affected by the material impacts outlined above. Our company employs both permanent and temporary employees, and also hires temporary external workers in accordance with applicable legal regulations. During periods of higher labor demand, such as the processing of agricultural raw materials in the harvest season, we meet this demand by hiring seasonal workers as well as temporary workers. In some company areas, temporary workers are deployed in production throughout the year to the extent permitted by law. We also utilize freelancers for clearly defined tasks, such as in the context of projects. According to our definition, external workers include workers hired out through third parties as well as freelancers.

Generally, our entire workforce, including external workers, may be affected by material negative impacts (1-S1, 4-S1, 10-S1).

For material positive impacts (2-S1, 3-S1, 8-S1), the focus is on employees who have an employment relationship with Südzucker Group (employees). This also applies to the underrepresentation of women in management and production (9-S1).

With the exception of the underrepresentation of women in management and production (9-S1), which is more systemic in nature, the significant negative impacts are associated with individual incidents (1-S1, 4-S1 and 10-S1). We have not identified any significant risk concerning forced labor or child labor due to our activities.

The material positive impacts identified particularly affect employees with collective bargaining agreements, who comprise the majority of Südzucker Group employees (2-S1) and all employees (3-S1 and 8-S1).

We link the positive impacts we have identified to good working conditions, including a sense of security, reliable working hours, fair wages, opportunities for a good work-life balance and personal development, as well as effective leadership. Furthermore, we promote social dialogue. We are committed to collective bargaining to continue ensuring good working conditions. We believe it is important to respect the freedom of association of our workforce, enabling them to represent their interests in a self-determined manner. Thus, we are in regular negotiations with the trade unions in the countries where we are mainly represented (Germany, Belgium, Poland, France, Austria).

Our group-wide climate roadmap to achieve the 2030 climate targets includes a series of CAPEX and OPEX actions at existing production sites. We are not aware of any negative impacts on our own workforce for the fiscal year 2024/25 that could result from this plan.

In the fiscal year 2024/25, we have proactively reached a company agreement in Germany, committing to creating jobs for new employees, further qualifying existing employees and refraining from dismissing any employees during the transition to a climate-neutral production process.

Within the framework of the materiality analysis, we analyzed whether there are specific groups of people who are more vulnerable to certain impacts. The negative impact regarding workload potentially affects primarily older workers, female workers and workers with disabilities in particular (4-S1). Both negative impacts under the sub-topic "Equal treatment and opportunities for all" primarily affect female workers (9-S1 and 10-S1) as well as individuals of the third gender (diverse) and transgender people (10-S1).

Depending on the field of activity, the occupational hazards that can impair employees' health vary. For instance, the risks in administrative sectors differ from those found in production or maintenance.

The financial risks that we identified for Südzucker Group in the materiality assessment (5-S1, 6-S1 and 7-S1) do not stem from the impact on specific groups of Südzucker's own workforce.

Impact, risk and opportunity management

S1-1 – Policies related to own workforce

Südzucker Group has developed policies and guidelines to mitigate actual and potential negative impacts, enhance positive effects and minimize risks. With regard to human-rights-related obligations, the code of conduct, the general HR policies and the anti-discrimination policy refer to relevant, internationally recognized instruments such as the conventions of the International Labor Organization.

Code of conduct

The basis for Südzucker Group's interaction with employees and for the employees' behavior towards each other and towards external persons is the company's code of conduct. The objective is to support the own workforce in their daily work and, in particular, in critical situations, in acting responsibly, appropriately and in compliance with the law. Our code of conduct combines applicable laws with international standards, company regulations, corporate policies and obligations arising from the employment relationship with Südzucker Group companies. All executives and employees, including external workers, must adhere to these guidelines and principles. This applies with the exception of AGRANA, which, as a publicly listed company, has its own code of conduct that takes into account the contents of Südzucker Group's code of conduct.

Our code of conduct addresses all the material impacts and risks listed in the table above. It sets out clear directives on the following topics, among others: health and occupational safety (1-S1), adequate wages (2-S1), social dialogue (2-S1), freedom of association and the right to collective bargaining (2-S1), diversity and the principle of equal treatment (9-S1 and 10-S1), as well as good work-life balance (3-S1). The executive board is responsible for overseeing the implementation.

We express our clear commitment to responsible behavior and human rights in the code of conduct. Among other conditions, it specifies that we do not tolerate any form of child or forced labor. The action mentioned in the code of conduct to provide remedies in the event of negative impacts on human rights is the mechanism for reporting, identifying, documenting and investigating concerns about illegal behavior or conduct that conflicts with our code of conduct (→ ESRS G1 Business conduct / Whistleblower system). No direct consultation of the company's workforce was conducted during the revision of the 2024/25 code of conduct.

The code of conduct was updated in the fiscal year 2024/25. The range of topics remained the same. However, the obligations were specified, and the communication channels for reporting were emphasized.

The Group functions responsible for its sub-areas are accountable for the implementation of the code of conduct. Our code of conduct is available on the company website and on the intranet. The revised version will also be communicated to our workforce through various channels.

General HR policy

Furthermore, Südzucker Group developed and adopted a general HR policy in the fiscal year 2024/25. It covers employees and will apply group-wide from the fiscal year 2025/26.

The objective of the general HR policy is to create a mandatory framework for HR topics for Südzucker Group. Within this policy, we are committed:

- to ensuring equal opportunities regardless of age, gender, origin or other characteristics and to promoting a diverse working environment,
- to providing a safe and healthy working environment that supports both physical and mental health,
- to fostering a company culture rooted in responsibility, creativity and teamwork, where executives are meant to serve as role models,
- to investing in the continuous training of our employees and to promoting their personal and professional development,
- to offering a fair and competitive compensation to attract and retain suitable employees over the long term,
- to assuring the right of employees to organize and collectively represent their interests,
- to the protection of employees' personal data
- and to ethical behavior.

Accordingly, this policy also covers all major impacts and risks listed in the "Material impacts, risks and opportunities (IROs) related to our own workforce" table, with a particular focus on the IROs pertaining to working conditions (1-S1, 2-S1, 5-S1 to 8-S1), and serves as the foundation for devising additional actions. The monitoring of the implementation is carried out by the Labor Director of Südzucker AG, who is simultaneously the CEO. For topics with interfaces to the sustainability strategy, he is supported by the group sustainability board.

The policy was drafted with the involvement of representatives of the divisional HR departments as representatives of the "own workforce" stakeholder group. Responsibility for the implementation of the policy lies with the HR corporate department. The policy will be published on the intranet.

In fiscal year 2024/25, further group-wide policies were issued on the following topics:

- Recruiting & Onboarding
- Compensation & Benefits
- Leadership & Culture
- Training & Progress
- Diversity, Equal Opportunity & Inclusion
- Working hours / Overtime including mobile work

These policies are intended to provide an additional framework for specific topics, to substantiate the provisions of the general HR policy and, in particular, to address 2-4-S1 and 8-10-S1. They will also apply company-wide for employees starting from the

2025/26 fiscal year. The policies were drafted with the involvement of representatives of the divisional HR departments as representatives of the “own workforce” stakeholder group.

As of the reporting date, the required processes for enacting and overseeing the policies, along with the related responsibilities, had not yet been put into place. We will publish the policies on the intranet.

Policy for workplace accident prevention

Occupational health and safety is a high priority throughout Südzucker Group. In 2024, we updated our group-wide environmental, energy, climate and occupational safety policy from 2021. It covers all employees and is accessible on the intranet. Südzucker Group commits to ensuring safe production facilities and working conditions and to cultivating a safety culture that proactively promotes safe behavior and values the health and safety of people. This policy is particularly aimed at addressing the material occupational health and safety-related impact (1-S1). No consultation with the own workforce was conducted during the revision of the policy, nor were any internationally recognized instruments included. The executive board is responsible for overseeing the implementation. For topics with interfaces to the sustainability strategy, it is supported by the group sustainability board.

The corporate department climate, environment and health & safety is responsible for implementing the policy for the prevention of workplace accidents. The importance of this topic is also underscored by the fact that occupational safety is one of the eight focus areas in the group-wide sustainability strategy.

Our goal is to reduce the accident rate, and we have drawn up a corresponding program of actions (→ S1-4 – Actions related to material impacts, approaches to managing material risks and pursuing material opportunities and effectiveness of these actions). Risks in occupational safety and plant security are regularly identified and assessed, the development of skills for managers, experts and employees is promoted, the achievement of objectives is systematically reviewed and the effectiveness of the established actions is evaluated. Certified occupational health and safety management systems according to ISO 45001 are implemented at six production locations, five of which are in Germany and Austria and one of which is in Mexico.

The topic of occupational safety is also raised in the code of conduct and in the general HR directive.

Anti-discrimination policies

Our policies (code of conduct, general HR policy and policy on the topic of diversity, equal opportunities and inclusion) enshrine the principle of equal treatment, the promotion of diversity, equal opportunities and inclusion, and the prohibition of discrimination (including harassment). Südzucker AG, representing the entire Südzucker Group, has also publicly committed itself to promoting diversity, equal opportunities and inclusion as a signatory of the Diversity Charter. There are no specific obligations across the group regarding inclusion or support actions for particularly vulnerable groups, aside from adhering to the respective national laws.

The group-wide policy on “diversity, equal opportunities and inclusion”, effective from fiscal year 2025/26 specifies possible reasons for discrimination, such as age, disability, gender, gender identity, sexual orientation, ethnic origin (including skin color, nationality, ethnic or national descent), religion, political opinion or social origin, as well as possible forms of discrimination based on other personal characteristics.

As part of a group-wide initiative in 2021, a cross-divisional working group, led by a diversity and inclusion officer at the corporate level, aligned the principles of equality, openness, respect and empathy and anchored them in a group-wide mission statement. These principles form the foundation of our actions and commit us to a discrimination-free coexistence.

The implementation of the “diversity, equal opportunities and inclusion” policy and the mission statement is the responsibility of the corporate HR department. The monitoring of the implementation is carried out by the Labor Director of Südzucker AG, who is also the CEO. For topics with interfaces to the sustainability strategy, he is supported by the group sustainability board.

Both the policy and the mission statement are available on the intranet.

Our ambassador network was established to specifically reinforce our principles and to help strengthen international networking in the area of diversity and inclusion. Comprising employees from various Südzucker Group locations, the team serves as a local point of contact, supporting those affected and acting as a liaison between the workforce and management.

Another initiative involves the creation of a global job architecture that will ensure transparency and fairness in salary classification, job allocation and promotion by clearly defining the roles and responsibilities associated with each position. We are also in the process of introducing a new compensation system for non-tariff employees that is based on the internationally recognized benchmarks of Korn Ferry, a leading provider of compensation analysis. This allows us to align our compensation with the market while appropriately honoring the performance of our employees, in conjunction with the collective agreements we apply in the group companies where we are bound by such agreements. In the countries where we operate and where it is a legal requirement, we also have representatives for severely disabled individuals who provide specific support and ensure that the needs of employees with disabilities are appropriately considered. Südzucker AG's job postings also encourage all candidates to apply, irrespective of their gender, nationality, religious or social background, sexual orientation or identity, origin or physical or mental abilities. Furthermore, we have been conducting unconscious bias workshops for managers since 2023 to uncover and question unconscious prejudices. Complaints about discrimination, including harassment, can be reported, among other things, via the Südzucker compliance line (→ S1-17 – Incidents, complaints and severe human rights impacts and ESRS G1 – Business conduct). Additional information can also be found in the → section "Actions relating to material negative impacts" in this chapter.

S1-2 – Processes for engaging with own workers and workers' representatives about impacts

We integrate the views of our workforce into our decisions to handle the actual and potential effects, both directly and indirectly, through employee representatives. The focus is on employees. Südzucker Group is committed to open communication with its employees. Employees can stay informed group-wide about developments in the company, including major initiatives for dealing with the main impacts and, in some cases, address questions or provide feedback via a quarterly magazine, town hall meetings (three times a year), monthly newsletter, video messages on specific occasions and continuously on the intranet. In fiscal year 2024/25, the main focuses included working conditions and compensation policy, diversity and inclusion, and fulfilling human rights-related due diligence responsibilities.

In order to better incorporate employee perspectives in the company's development, employee surveys are conducted at irregular intervals. In the fiscal year 2024/25, this was, for example, the survey on satisfaction with the internal IT within the group. Furthermore, the idea management tool recorded 826 suggestions from employees across various divisions in Germany aimed at improving workflows or workplaces in the calendar year 2024. The originators of the ideas are sent a letter informing them about the assessment of their particular idea and if a reward payment has been decided.

We also involve our employees directly in the development of new approaches. For example, we conducted workshops with enthusiastic employees in Germany, France and Poland to co-develop leadership principles for our company. The outcomes of the workshops were recorded and distributed to the attendees. In the context of the group-wide initiative "Young Professionals", initiated in February 2024, selected young professionals from the technical area are working on targeted projects. Participants are expected to receive regular feedback on their ideas and approaches, along with the necessary support, through networking with Südzucker Group's group operations leadership team.

Our code of conduct and general HR policy clearly state our commitment to freedom of association. This allows our employees to organize freely to advocate jointly for their interests and includes the right to join labor unions, conduct collective bargaining and organize strikes.

Works councils, elected by employees, are established at almost all of our major locations in Germany, Belgium, Poland, Austria and France, in accordance with the respective national laws. The works councils at the sites meet at regular intervals, usually every two to four weeks. These works councils are consolidated in a central works council. It convenes twice a year, with extraordinary meetings as needed. Once a year, all works councils from the various locations meet at a plenary meeting of the works council. A European Works Council has been established at the group level, which meets annually and promotes the exchange of information on cross-border issues.

Delegates of the employee representation at the operational, corporate and European level are informed by the CEO in his role as labor director, among others, in regular work meetings. Key co-determination issues such as organizational changes, structural or cost efficiency programs are generally decided by consensus. Company agreements cover issues such as occupational safety requirements, shift work, flexible working hours and employee training.

At meetings and conventions, there is also an opportunity to discuss climate protection with our employees. That includes explaining what our emissions reduction actions mean for the company and our employees. The exchange of ideas on these matters and other sustainability topics was a focal point of the annual plenary meeting of the works council in June 2024. In July 2024, we concluded a company agreement in Germany, committing to creating jobs for new employees, further qualifying existing employees and refraining from dismissing any employees during the transition to a climate-neutral production process.

There is no global framework agreement between Südzucker Group and employee representatives in connection with respect for human rights. Nevertheless, we also incorporate the perspective of our employees, both directly and indirectly, on this issue. We have, for example, maintained an exchange with representatives of the works council at the annual meeting of the supervisory board's strategy and sustainability committee and at the annual plenary meeting of the works council. Information that we receive through human rights-related reports from our employees is also included.

To gain insights into the perspectives of our workforce who are particularly vulnerable to impacts and / or could be marginalized, we have various initiatives and formats. For example, we gain such insights via the ambassador network focused on diversity and inclusion, the ongoing women's mentoring program or the "Pride at Work Community", which was established in the 2024/25 financial year. In Germany, there is a representative body for severely disabled employees that advocates for the interests of employees with disabilities.

The corporate department of internal communication is responsible for the communication policy directed at employees, while the corporate department of human resources is responsible for involving employees. In his role as labor director, the CEO is the primary point of contact for all matters relating to employee representation. He attends the yearly meetings of the European Works Council. No financial resources are allocated for the involvement of employees. The effectiveness of our cooperation with employees is reflected, by way of example, in the agreements reached during the reporting year, including those on the compensation of non-tariff employees and on partial retirement – applicable to Südzucker AG, BENEO and CropEnergies in Germany. This ensures employees are informed about their contributions to a decision.

S1-3 – Processes to remediate negative impacts and channels for own workforce to raise concerns

Workers – including third-party workers – have various channels to communicate concerns, complaints or grievances, such as HR managers, works councils / equal opportunities officers or anti-bullying officers. Alternatively, they can address their concerns in town hall meetings.

Most importantly, our confidential whistleblower system, which can be used anonymously if desired, is accessible (→ chapter "Business conduct"). This enables affected individuals or observers – including employee representatives – to confidentially report potential cases, even in connection with employee matters. Reports can also be made via a specially designated phone number, an email address or by mail. Südzucker Group's reporting channel, the Südzucker compliance line, is operated by an external provider.

Südzucker Group's grievance mechanism and a detailed description of how to handle information are published on our company website and accessible to everyone. We also draw attention to the various reporting channels in the code of conduct a during compliance training, among other aspects. The reporting channel, Südzucker compliance line, is accessible in seven languages: German, English, French, Dutch, Polish, Romanian and Spanish. Further specific actions to support the availability of the grievance mechanism directly at the workplace of our own workforce have not yet been implemented.

All submitted information will be carefully checked and processed as part of the whistleblower procedure. The corporate HR function is involved in clarifying and addressing issues related to employee matters. In the fiscal 2024/25, 10 cases related to discrimination were reported (→ S1-17 Incidents, complaints and severe human rights impacts). When the examination of the situation reveals that the notice is justified, Südzucker Group takes appropriate prevention and / or remedial measures. Remedial actions are defined specifically for each individual case. If a violation can be traced back to individual employees, employment law measures may ensue. The effectiveness of the remedial actions is not systematically assessed. The process for dealing with complaints, including those related to employee matters, is outlined in more detail in the → chapter "Business conduct", together with an indication of how the effectiveness of the system is evaluated. The remedial measures taken in fiscal 2024/25 are outlined in → section S1-4 – Actions related to material impacts, approaches to managing material risks and pursuing material opportunities and effectiveness of these actions.

The primary principle of our whistleblower system is the protection of the whistleblower in accordance with the applicable law transposing Directive (EU) 2019/1937 and in line with local whistleblower protection laws. Whistleblowers who report in good faith will not be subjected to any kind of disadvantage. In cases where the report is submitted anonymously, personal details will not be sought at any stage of the procedure (additional details can be found in the "Business conduct" chapter). This is documented in the policy for the whistleblower system of Südzucker AG as the parent company. It has not yet been studied to what extent our own workforce is familiar with and has confidence in the whistleblower protection process. The policy on protection of individuals, including workers' representatives, against retaliation is outlined in the → "Business conduct" chapter.

S1-4 – Actions related to material impacts, approaches to mitigating material risks and pursuing material opportunities and effectiveness of those actions

Actions related to material negative impacts

Through the actions described below, we aim to prevent, mitigate and improve any negative impacts on our workforce, while enhancing positive effects. We assess the effectiveness of the implemented actions by examining the progression of the gathered group-wide metrics. For some of the actions described, we have additional methods to assess effectiveness.

We have created a global HR organization tasked with executing the strategic targets. This team comprises the HR managers of the divisions and the corporate HR function lead. Other international teams have also been set up for the main topics: Recruitment, employee development, leadership, in addition to digitalization, data and processes. A cross-divisional working group of occupational safety experts is also in place to promote the topic within the group.

Working conditions

We have identified the following material negative impacts in relation to working conditions: "Adverse effects on the health of employees due to hazards" (1-S1) and "Adverse effects on the health of employees due to workload demands" (4-S1).

With respect to 1-S1, we have taken the following protective and preventive measures in line with our occupational safety target:

- In 2024, we established a group-wide health and safety action plan outlining key actions to further improve occupational safety for our own workforce and to further develop the safety culture at Südzucker Group. These actions are generally implemented at the site level. In the 2024/25 financial year, for example, we held workshops and seminars on safety culture, safety days, training on machine safety and management training.

- We are continuously training our own workforce about risks and protective measures, making technical improvements to our facilities and marking traffic routes to increase safety at Südzucker Group locations.

- Workplace accidents and so-called "near misses" are shared within Südzucker Group through accident reports and "lessons learned newsletters" to sensitize our own workforce to these issues. In the event of serious accidents and incidents with a high hazard potential, a "Safety Flash" is also prepared and distributed in a timely manner to provide information about particular risks at short notice and to draw lessons from them.

- Südzucker Group honors accident-free factories as part of its annual occupational safety competition, which will also take place in the 2024/25 financial year. This action also raises awareness of occupational safety issues, particularly among the group's employees.

- A Health & Safety Booklet was also created in 2024, providing all the important information on the topic of occupational safety. It is to be made available to the employees of Südzucker Group and continuously developed. We are currently setting up a process for this. By implementing these steps, we support the enhancement of important knowledge among the employees of Südzucker Group.

- We also kicked off a long-term, group-wide safety campaign in 2024 titled "Safety First – Because You Matter", directed at Südzucker Group's workforce. Monthly, a central theme on different facets of job safety is presented to sensitize people to the topic.

The actions listed above are part of the existing management systems for occupational safety and health protection and are thus generally designed to be ongoing. Continuous communicative actions are employed and refined to uphold and advance a robust safety culture. Moreover, occupational safety services require consistent assessment and enhancement.

Our fire department is available for rescue operations in the event of actual injuries or accidents at some of our factories. For all other instances, help is provided by public rescue forces, with emergency plans in place for their deployment.

Remedial action was taken for the workers affected by occupational accidents in the financial year 2024/25 as part of the services provided by the respective accident insurance companies. Additional psychological support is provided as needed to deal with traumatic events.

There are further offers to achieve positive effects on one's own workforce. Südzucker Group offers site-specific and continuous individual preventive measures to protect physical and mental health at its locations as part of its company health management, such as preventive measures (back exercises, yoga, health days, nutrition and non-smoking courses, cooperation with gym facilities, participation in running events) or reintegration measures after long-term absence. The seminars and training courses are designed to raise employees' awareness of the importance of maintaining a healthy balance between their professional and personal daily lives. We also provide these programs online. These offers are particularly targeted at employees.

Our target is to lower the accident rate across the entire group. We assess the effectiveness of the actions taken by means of a suitably defined key figure. Furthermore, the statistical development of accidents in our company, safety tours at the locations and the findings from internal and external audits serve to evaluate the effectiveness of the actions.

We regularly perform hazard evaluations to identify risks early on and establish which actions are needed and appropriate. A key aspect is the implementation of an incident management system in 2024, facilitating group-wide exchange and learning from accidents and "near misses". We allocate human resources, including security experts at the locations, to implement the actions.

We have taken the following protective and preventive measures with regard to workload related to 4-S1:

- In our newly developed, group-wide valid guideline "Policy on working hours" for fiscal year 2024/25, we have recommended flexible working hours. Offering permanent flexibility in working hours for employees in the commercial sector is intended to help establish a work environment that caters to the employees' needs. In principle, the option to work flexible hours should be available at all times, provided that there are no operational reasons (e.g. significant impairment of operations) that would preclude it.

- Südzucker, BENEO and CropEnergies employees in Germany can anonymously access a range of services through the family service, including help with life coaching. These offers are announced both within the onboarding process and on the intranet. These offerings are designed to be permanent and, depending on when the employee accepts them, can also serve as a remedial measure.

- Employees who are older or have disabilities are a notably vulnerable group regarding workload demands. Employees who belong to this group and are paid according to a collective bargaining agreement thus receive more vacation so that they can plan for periods of recovery. We also occasionally set up partial retirement programs in Germany that allow older employees to retire earlier.

We also have other actions in place to positively impact our employees as part of our occupational health management, as described earlier in this section.

The development of the turnover rate figure (turnover ratio) helps us assess the effectiveness of our actions. The HR officers in the respective country or division typically determine the necessary actions as part of the existing management processes. Since 4-S1 is not an actual material impact, corrective action is not relevant.

Equal treatment and opportunities for all

We identified the "underrepresentation of women, especially in management and production" (9-S1) and "instances of inappropriate behavior" (10-S1) as negative effects in this area.

With respect to 9-S1, the following actions are being taken to mitigate the underrepresentation of women in our company, identified as an actual impact:

- By implementing our continuous "Empowering Women" program started in 2020, we seek to fortify and better network women in the professional sphere throughout Südzucker Group. The program is aimed at female employees who want to develop into leadership or expert roles. The resulting "Empowering You" format also includes men in the content to jointly develop policies and ideas to promote gender equality in the company.

- The "Empowering Women" program has evolved into the "Empowering Women Community", a women's network aimed at supporting women within and outside the network in their career paths within Südzucker Group. In addition to the corporate department Digital & IT, there is the "Women in Tech" network, providing a platform for women in technology roles within our organization.

- Since 2023, our ongoing mentoring program has provided the female employees of Südzucker Group with individual support through connections with experienced colleagues. We strive to strengthen the professional and personal development of participating women, cooperation and the exchange of knowledge as well as a positive corporate culture.

- In October 2024, Südzucker Group made its debut at the career fair "herCareer" to specifically reach out to female candidates in the job market.

Except for the last action, these are ongoing initiatives intended to continue in the coming years. In addition, as a preventive measure for fiscal year 2024/25, we regularly raised awareness among Südzucker Group employees on the topic of diversity and inclusion, particularly through communication initiatives and targeted actions (e.g., on German Diversity Day or International Women's Day). There are no additional actions to bring about positive effects on the employees.

The actions described above were generally designed and coordinated by a cross-divisional working group under the leadership of the corporate HR function, in order to achieve our group-wide target of increasing the proportion of women in the first and second management levels below the executive board to 25 % by 2027 (→ section "Targets and metrics"). With the relevant metric, we can assess the effectiveness of the actions. In fiscal 2024/25, the proportion of women in the two management levels was 19 %.

With regard to 10-S1, training courses, in particular, are conducted as a permanent preventive measure. To increase awareness of biases related to different diversity dimensions, such as culture, nationality, gender or religion, "Unconscious Bias" workshops were launched in 2023. The target group initially consisted of the first management level below the executive board. In the fiscal year 2024/25, training was extended to the corporate departments HR and finance as well as the diversity and inclusion task force. The workshops are offered across the group, except for AGRANA, which has its own training on this topic. Additional training courses are also offered. The topic of discrimination is addressed, for example, within the framework of human rights training. The first workshops for Südzucker Group employees in Germany to raise awareness of anti-Semitism were also held in cooperation with the Remembrance, Responsibility and Future Foundation in fiscal 2024/25.

As a preventive measure, we have also established a permanent ambassador network to help strengthen networking in the area of diversity and inclusion within Südzucker Group and raise awareness of this topic. Members of the network are also there to support those affected locally in difficult situations. We also established a "Pride at Work Community" in the 2024/25 financial year to raise awareness of LGBTQIA+ topics and issues across the group and to promote understanding in the workplace.

Social audits play a crucial role in implementing due diligence obligations towards one's own workforce. Südzucker is a member of the SEDEX[1] platform for improving responsible and ethical business practices in global supply chains and is regularly audited by independent institutions using the SMETA[2] methodology. By doing so, we seek to showcase our commitment to the principles of social sustainability, including the ban on discrimination and harassment, which is expected to result in greater transparency in our sustainability management. In addition to reviewing human rights, working conditions and health and safety standards, a SMETA audit examines business ethics, including compliance with the law and prevention of bribery, corruption and fraud. Comprehensive information is also provided on environmental practices at the sites. SMETA audits are usually held every three years. At the end of the 2024/25 financial year, a total of 63 (63) Südzucker Group's locations still had valid SMETA or comparable social audits in place. All production locations registered with SEDEX also conduct a SEDEX self-assessment.

The HR officers in the respective country or division typically determine the necessary actions as part of the existing management processes.

In the event of actual instances of inappropriate conduct, employment-related consequences will be enforced as remedial measures. In the fiscal year 2024/25, incidents of workplace discrimination occurred at certain locations, for example. Implemented actions consisted of awareness campaigns and employment-related measures like warnings or dismissals upon established gravity. There are no additional actions to bring about positive effects on the employees.

The effectiveness of the actions taken is evaluated, among other things, through insights from external social audits, ratings or detailed indications.

[1] Supplier Ethical Data Exchange (SEDEX).
[2] SEDEX Members Ethical Trade Audit.

Actions related to material positive impacts

Working conditions

As positive impacts of our business activities, we have identified "good working conditions" (2-S1) and "work-life balance" (3-S1) here. Our primary actions in these fields are:

- The working conditions for most of Südzucker Group's employees, both in production and in administrative areas, are safeguarded by collective bargaining agreements. Depending on the country, this encompasses issues such as secure employment, fair working hours, decent pay and social dialogue to ensure good working conditions for our employees.
  - Decent pay: Südzucker Group's payment system is based on fixed and variable components along with supplementary benefits. Depending on the region and the group company, the supplementary benefits include monetary and non-monetary components, such as a company pension plan, profit sharing, Christmas bonuses, share ownership plans and various insurance policies, some of which also apply in the private sector. In addition, employees under collective agreements in Germany receive separate compensation for work on Saturdays, Sundays, public holidays and at night. For the number of collective agreements in the reporting year, see → section "Collective bargaining coverage and social dialogue".
  - Social dialogue: see → section "Processes for engaging with own workers and workers' representatives about impacts".
- Our "Policy on working hours", which applies throughout the Group, recommends that we offer our employees the opportunity to work remotely, provided the position in question allows this and the employee is personally suited to it. In addition, wherever possible, we offer flexible working hours, temporary part-time positions, as well as childcare during school holidays or special leave for significant family events in all business areas.
- We also offer our employees, especially in the commercial sector, broad access to digital collaboration tools and the opportunity to work in international project groups as part of our New Work initiative.

With the help of the turnover rate, we can track the effectiveness of our actions. The HR officers in the respective country or division typically determine the necessary actions as part of the existing management processes. There are currently no further actions to report.

Equal treatment and opportunities for all

We see the "Development opportunities for employees" (8-S1) as having a positive impact on our business activities. We further expanded the range of group-wide and division-specific learning opportunities and development measures in the 2024/25 financial year. Our ambition is to develop a holistic, modular training program that supports both our managers and our employees in their individual development by means of different levels and formats.

In this context, our digital learning platform, the Südzucker Group Campus, plays a crucial role in providing this support. It is permanently available to the majority of Südzucker Group employees. On the one hand, the Südzucker Group Campus supports regular, documented mandatory training, as well as adherence to legal and other code requirements (work safety, compliance, data security, hygiene, environmental protection, human rights, etc.). Since November 2023, the Südzucker Group Campus has also offered a new and steadily expanding range of online training courses to develop essential soft skills, including presentation techniques, remote working and personal branding. The catalog of training and further education courses is augmented by new self-directed online language training courses and additional face-to-face events aimed at improving specialist and methodological knowledge (e.g., conducting job interviews, agile project management) or strengthening personal or social skills (e.g., modern self-management and time management, strengthening personal resilience). Naturally, employees receive support when selecting external seminars that extend beyond the scope of our training catalog. In addition, trainee programs and junior management programs are regularly conducted. During regular feedback discussions, executives should collaborate with their employees to explore ideas for their ongoing education and personal growth.

The leadership training for executives aims to convey a modern and unified leadership model based on leadership principles, serving as a guide for effective leadership conduct and strengthening key leadership competencies, including communication and employee development. In addition, ongoing training courses such as "Lateral leadership – leading without disciplinary responsibility" and "From employee to manager" are offered. In order to address some of the special challenges in the production environment, additional specific training courses are also offered for foremen.

The group-wide IOP onboarding program is designed to facilitate networking among younger employees from different departments and locations, deepen insight into international group structures and promote mutual understanding and personal growth. In order to share experience and knowledge and support the timely implementation of key projects, we have held regular international, sometimes group-wide meetings of various corporate departments for many years.

The development opportunities specifically for female employees are described in the → section "Equal treatment and opportunities for all" ("Empowering Woman" program, mentoring program).

Using the turnover rate, we can assess the effectiveness of our actions. The HR officers in the respective country or division typically determine the necessary actions as part of the existing management processes. There are currently no further actions to report.

Actions related to material risks

Risks arise from the dependence on our own workforce, which is inherent to our business model. External developments, such as demographic trends and shifting values, play a significant role here. We have identified three material risks related to working conditions: "Business interruption due to labor disruption" (5-S1), "Shortage of skilled workers" (6-S1) and "Loss of know-how due to employee turnover" (7-S1). These risks are already integrated into our risk management. No significant opportunities were identified regarding our own workforce in the materiality analysis.

The core actions outlined in the previous sections, which we use to counter the negative and positive impacts of our business activities on our workforce, also help mitigate the main risks related to working conditions. Collective bargaining agreements, for example, are crucial for regulating wages and working conditions. Conflicts could trigger strikes, and dissatisfaction with the results might weaken employee loyalty and damage our company's reputation in the long run. Therefore, we consider open dialogue and the inclusion of employee representatives to be essential. Poor personal development and a lack of opportunities for advancement might result in dissatisfaction and low motivation at work, which could be a reason for employees to leave the organization.

With regard to 6-S1 and 7-S1, we have implemented additional preventive measures. A policy has been in place since the 2023/24 fiscal year to ensure that key positions in the company are filled in good time and in line with requirements. Systematic succession planning should also help secure valuable expert knowledge, motivate and retain employees by highlighting internal promotion/career opportunities and reduce recruitment costs. Vacancies are usually advertised internally and, if appropriate, preference is given to employees from within. We strive to preserve know-how and experience within Südzucker Group, foster career mobility and strengthen the sharing of knowledge and experience between locations and divisions.

We also continued Südzucker AG's 2024/25 training initiative to increase the company's visibility and attractiveness as a training provider. Among other things, marketing measures were implemented throughout Germany, and partnerships with schools and educational institutions were expanded. Our educational offerings continue to be a crucial element in meeting the long-term needs of our skilled workforce.

With the procedures and actions described above, we aim to ensure that our own business practices do not cause or contribute to any significant negative impacts on our own workforce. For instance, we aim to make the shift systems reliable and minimize night shifts as much as possible, as they are particularly taxing on the health of the workforce.

Targets and metrics

The following targets and metrics are designed to mitigate significant negative impacts, promote positive ones and minimize substantial risks.

S1-5 – Targets related to managing material negative impacts, advancing positive impacts and managing material risks and opportunities

Regarding our own workforce, we have set two group-wide targets to address significant negative impacts, which were decided in 2022 by the executive board following the recommendation of the respective departmental head at the corporate level. The targets relate to the identified negative impacts. No targets have been set in terms of impacts and risks because the focus is currently on mitigating the negative impacts of Südzucker Group's operations on its workforce. Using the turnover rate, we can track the effectiveness of our actions regarding material positive impacts and risks.

Our absolute objective is to cut Südzucker Group's accident rate by more than half from 11.1 in 2021 to 5.0 by 2026. The objective is related to 1-S1 and contributes to achieving the strategic objectives of our policy in the area of occupational safety. In fiscal year 2024/25, the accident rate was 8.4. The positive trend affirms the advancements already accomplished in reaching the target.

The target definition is based on existing internal accident statistics and a benchmark both within Südzucker Group and with other companies; no stakeholders were involved in setting this specific target. Work-related accidents are recorded if they have resulted in one or more days of absence. The accident rate refers to the number of accidents per one million working hours. The executive board oversees the attainment of the target.

Südzucker Group has committed to the absolute objective of increasing the proportion of women at the first and second management levels below the executive board to 25 % by 2027. The target is related to 9-S1 and contributes to achieving the strategic objectives of our HR strategy with a focus on diversity and inclusion. In the 2022/23 fiscal year, the proportion of women in the first and second management levels was 19 %; in the 2024/25 fiscal year, it remained unchanged at 19 %. The current progress towards reaching the target does not match the initial plans. The target definition is based on existing internal statistics; no stakeholders were involved in setting this specific target. The executive board oversees the attainment of the target.

At present, we are engaged in another target within the HR field, aiming for its completion in the 2025/26 business year.

S1-6 – Characteristics of the undertaking's employees

The data on employees of Südzucker Group is provided as a headcount as of the fiscal year-end date (28 February 2025). This information is disclosed in note (10) of the notes to the group financial statements. Temporary workers and seasonal workers refer to people temporarily employed to perform seasonal or time-limited tasks when they work regularly for the company over a specific period. The other definitions used correspond to the definitions set out in S1.

Südzucker Group employees by gender (headcount)

28 February	2025
Male	13,263
Female	6,679
Other[1]	17
Not reported	0
Total	**19,959**

[1] Gender as stated by the employees.

TABLE 063

Südzucker Group employees by country or region (headcount)

28 February	2025
Germany	4,855
Austria	2,778
Other EU	4,806
Other Countries	7,520
Total	**19,959**

TABLE 064

Südzucker Group employees by type of contract and gender (headcount)

28 February 2025	Male	Female	Other[1]	Total
Permanent employees	11,673	5,418	17	17,108
thereof non-guaranteed hours employees	65	19	0	84
Temporary employees	1,590	1,261	0	2,851
thereof non-guaranteed hours employees	13	8	0	21
Employees	**13,263**	**6,679**	**17**	**19,959**

[1] Gender as stated by the employees.

TABLE 065

Employee turnover[1]

	2024/25
Number of employees who left during the reporting period	3,397
Rate of employee turnover during the reporting period	17 %

[1] Includes seasonal workers.

TABLE 066

The employee turnover rate was calculated based on the number of employees leaving the company in relation to the total number of employees at the end of the financial year. This figure is significantly influenced by our seasonal workers who worked in the sugar segment due to campaign operations.

S1-8 – Collective bargaining coverage and social dialogue

The proportion of employees covered by collective bargaining agreements is 68 %. In the European Economic Area, our employees are covered by several collective bargaining agreements.

Collective bargaining coverage and social dialogue

	Collective bargaining coverage[1]	Social dialogue[1]
0–19 %		
20–39 %		
40–59 %		
60–79 %		
80–100 %	Germany, Austria	Germany, Austria

[1] European Economic Area; information for countries with more than 50 employees, accounting for more than 10 % of the total.

TABLE 067

S1-9 – Diversity metrics

Gender distribution in top management levels[1] at Südzucker Group

28 February	2025	
	Head count	in %
Male	372	81
Female	88	19
Other[2]	0	0
Not reported	0	0
Total	**460**	**100**

[1] 1st management level: management of the corporate departments and executive board / management of the segments / divisions; 2nd management level: management level that reports directly to the management of the corporate departments and management level that reports directly to the executive board / management of the segments / divisions.
[2] Gender as stated by the employees.

TABLE 068

We are currently realigning and revising the definitions of the 1st and 2nd management levels.

Employee age groups

28 February	2025	
	Head count	in %
Under 30 years old	3,816	19.12
30–50 years old	10,275	51.48
Over 50 years old	5,868	29.40
Total	**19,959**	**100**

TABLE 069

S1-10 – Adequate wages

All employees of the company receive an adequate wage that is in line with the applicable benchmarks.

S1-14 – Health and occupational safety metrics

Südzucker Group employees' occupational safety metrics

	2024/25
Percentage of own workforce (headcount) covered by a certified Health & Safety management system	16.5
Number of occupational fatalities [1]	0
Number of work-related accidents [2]	318
Rate of work-related accidents [2, 3]	8.5

[1] Includes fatalities resulting from work-related illnesses. Includes other workers working on our sites.
[2] Excluding incidents that occurred while commuting.
[3] Lost Time Injury Rate (LTIR); Number of all work-related accidents with at least one lost day per 1 million hours of attendance.

TABLE 070

S1-16 – Remuneration metrics (pay gap and total remuneration)

Foreign employees' salaries were usually converted into euros according to annual average exchange rates. For the key figure total remuneration, the remuneration per employment level was included. The salary data is based on payout values.

Pay gap and total remuneration of employees

	2024/25
Gender pay gap (difference between the average pay level of female and male employees) in %	22
The annual total remuneration ratio of the highest-paid individual to the median annual total remuneration for all employees (excluding the highest-paid individual)	46

TABLE 071

S1-17 – Incidents, complaints and severe human rights impacts

The information includes, subject to the relevant data protection regulations, work-related incidents of discrimination on the grounds of gender, racial or ethnic origin, nationality, religion or belief, disability, age, sexual orientation, or other relevant forms of discrimination involving internal and / or external stakeholders across operations during the reporting period. This includes incidents of harassment as a specific form of discrimination.

Incidents, complaints and severe human rights impacts

	2024/25
Discrimination cases and human rights complaints	
Incidents of discrimination, including harassment	10
Complaints filed through channels (including grievance mechanisms) for people in the undertaking's own workforce (including non-employees) to raise concerns regarding human rights violations; excluding cases of discrimination	1
Total amount of fines, penalties and compensation for damages as a result of the incidents and complaints disclosed above in €, including the cases of discrimination	0
Severe human rights incidents	
Severe human rights incidents connected to the undertaking's own workforce [1]	0
Total amount of fines, penalties and compensation for damages of the incidents as a result of the severe incidents disclosed above in €	0

[1] Indication of how many of these are cases of non-respect of the UN Guiding Principles on Business and Human Rights, ILO Declaration on Fundamental Principles and Rights at Work or OECD Guidelines for Multinational Enterprises. If no such incidents have occurred, the undertaking shall state this.

TABLE 072

In fiscal 2024/25, no cases of non-compliance with the United Nations Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work or the OECD Guidelines for Multinational Enterprises involving our own workforce were disclosed within Südzucker Group.

Social information
ESRS S2 – Workers in the value chain

Value chain workers are essential to the success of the Südzucker Group. Being a leading integrated group of companies for plant-based solutions, fair working conditions and respect for human rights throughout our value chain is a key priority for us. This concerns not only our direct team members but also the workforce of our suppliers and partners.

By fostering fair working conditions and upholding human rights, we asssume social responsibility and strengthen the trust our customers and stakeholders have in our company. Implementing human rights due diligence is an essential component of our sustainability strategy, embedded in our corporate strategy and underpinning our commitment to sustainable business practices.

ESRS 2 SBM-3 – Material impacts, risks and opportunities

Südzucker Group has performed a double materiality assessment in accordance with ESRS 1 to identify material impacts[1], risks and opportunities (IROs).

Our materiality assessment in the area of "workers in the value chain" revealed the following key subtopics: working conditions, equal treatment and opportunities for all, as well as other work-related rights. The following is a more detailed description of the IROs identified as material to Südzucker Group's workers in the value chain, along with an explanation of their link to the corporate strategy and business model.

Südzucker Group's business model involves the use of plants and other raw materials of agricultural origin to develop, produce and market food, food ingredients, animal feed, ethanol and other products. Our strategy includes a further expansion of technology and market-driven value creation from plant-based raw materials, marking it as one of the five strategic fields of action of our Group Strategy. As a company, this has an impact on workers in our value chain, especially in our agricultural raw material supply chains.

Insufficient health and safety practices in the workplace can compromise the physical integrity of workers and, in the worst case, jeopardize the fundamental right to life (1-S2). Furthermore, the wage received by a worker in a particular location for a regular working week may not suffice to ensure an acceptable standard of living for that person and their family (2-S2). People can face barriers to jobs and training opportunities, earn low wages, or be confined to particular careers due to their gender, skin color, ethnic origin, or religious beliefs (5-S2). Child labor persists in global agricultural supply chains, despite rising international focus, and can cause permanent disabilities, illnesses and psychological injuries to the children affected (6-S2).

These potential negative impacts are typical for the global supply chains involved in the production of agricultural raw materials. They commonly arise from dependence on workers in precarious environments. We identified an actual negative impact of child labor in AGRANA's supply chain in fiscal 2024/25 (7-S2), with appropriate remediation measures implemented.

We have established a systematic, integrated and risk-based management approach to identify, prevent, minimize or eliminate these potential and actual negative impacts in our value chain and the associated human rights risks or violations. Throughout the fiscal year 2024/25, our method for conducting risk analysis of our supply chains was further adjusted within the scope of the continual advancement of the management approach, focusing specifically on agricultural supply chains where we have identified our substantial impacts and human rights risks. The outcomes are integrated into the relevant business processes.

The management approach is a fundamental part of the "Growing in Balance" sustainability strategy, making it a key element of our group strategy. Within the "People" pillar of our sustainability strategy, we have reiterated our dedication to upholding human rights and backed it with actions during the last financial year.

Reliance on labor in our supply chains, such as agricultural and harvest workers, is dictated by our business model. This fact, along with our strategic commitment to respecting human rights in our global value chain, may lead to higher procurement costs, whether through increased efforts for qualification measures with suppliers or potential supplier changes (3-S2). Moreover, incidents in our supply chains, such as non-compliance with occupational health and safety measures or child labor, may cause reputational damage (4-S2). This applies in particular to incidents that can be directly linked to the Südzucker Group. Both the risk of higher purchase prices and the reputational risk are relevant for all three sub-topics.

[1] Impacts related to human rights identified in the materiality assessment process laid out in ESRS 1 are to be equated with the risks in accordance with the German Supply Chain Due Diligence Act (LkSG) throughout the text. The human rights-related due diligence obligations also encompass relevant environmental due diligence obligations in the sense of the LkSG.

Impacts affecting value chain workers

Südzucker Group is linked to various types of workers in the value chain. The material impacts outlined above do not affect all value chain workers of the Südzucker Group, but only those who are engaged in the deeper agricultural upstream supply chain. This also includes workers who are particularly vulnerable to negative impacts due to inherent characteristics or special circumstances. The following impacts are relevant:

- Insufficient health and safety precautions in the workplace (1-S2): Numerous agricultural tasks require physical strain or manual labor and frequently take place in open-air settings. For workers, physical hazards can pose a direct threat to their health and safety, especially if they are required to work without proper training or protection. As a result, they may develop health issues due to weather conditions, fatigue or repetitive physical motions and overexertion.

- Withholding of decent pay (2-S2): Farming is seasonal employment, leading many workers to face the risk of poverty-level wages. Informal or illegal workers are also found in agricultural supply chains. Given that this usually occurs in remote regions, it can lead to the withholding of decent pay.

- Unequal treatment in the workplace (5-S2): In agriculture, small-scale female and male farmers are particularly vulnerable to social, political, and economic discrimination and marginalization due to their gender, skin color, ethnicity or beliefs. As a result, access to certain occupations, educational and training opportunities, and fair remuneration can be hindered or denied.

Material impacts, risks and opportunities (IROs) related to value chain workers

Material sub-topics	IRO	Short description	Category	Actual / potential	Value chain	Origin	Time-horizon
Working conditions	1-S2	Insufficient health and safety precautions in the workplace	Negative impact	Potential	Upstream value chain	Südzucker Group	Short-term Medium-term Long-term
	2-S2	Withholding of decent pay	Negative impact	Potential	Upstream value chain	Südzucker Group	Short-term Medium-term Long-term
	3-S2	Higher purchase prices due to potential supplier changes as a result of human rights requirements	Risk	–	Own operations	Südzucker Group	Medium-term Long-term
	4-S2	Reputational risk in the event of non-compliance with legal regulations by suppliers	Risk	–	Own operations	Südzucker Group	Short-term Medium-term Long-term
Equal treatment and opportunities for all	5-S2	Unequal treatment in the workplace	Negative impact	Potential	Upstream value chain	Südzucker Group	Short-term Medium-term
Other work-related rights	6-S2	Child labor due to violations of the minimum age	Negative impact	Potential	Upstream value chain	Südzucker Group	Short-term Medium-term Long-term
	7-S2	Child labor due to violations of the minimum age	Negative impact	Actual	Upstream value chain	AGRANA	Short-term

TABLE 073

- Child labor due to violations of the minimum age (6-S2 and 7-S2): The risk of child labor is heightened particularly for products where payment is tied to the amount harvested. Even children of seasonal and itinerant workers are at a greater risk of working in the fields with their families, since attending school is not always feasible due to constantly changing locations.

All of the material impacts identified are systemic in nature and widespread in agriculture, particularly outside Europe. This holds true particularly with regard to child labor.

As part of the materiality assessment, we have identified both sector-specific and topical risk factors, with a focus on groups that are more vulnerable to certain impacts due to legal, political, social or economic marginalization. The protection of vulnerable groups is a particularly high priority within our due diligence obligations. The impacts primarily relate to agricultural workers, especially seasonal and itinerant workers, women and children on family-owned farms.

The financial risks identified for the Südzucker Group in the materiality assessment (higher purchase prices and reputational damage) do not stem from the impact on specific employee groups.

Impact, risk and opportunity management

S2-1 – Policies related to value chain workers

Südzucker Group is aware of its corporate responsibility and is committed to respecting human rights and the associated environmental rights, as well as providing access to remedies for those affected by human rights violations. We have enshrined this objective in our policy statement on Respect for Human Rights, among other things. Here, we also explain how we meet our obligations regarding human rights. The findings from the direct and indirect exchange with the stakeholder group "Workers in the value chain" were incorporated into the preparation of the policy statement. The policy statement is available to all interested parties on our company website.

The scope of the policy statement and the corporate due diligence obligation under the German Supply Chain Due Diligence Act (LkSG) extends to Südzucker Group's own business operations and the business activities of Südzucker Group, including all group companies where Südzucker Group has a decisive influence, with the exception of the AGRANA Group. It also applies to all employees and business associates along our global supply and value chain. AGRANA has its own policy statement, which is available on the AGRANA Group's website.

According to our policy statement, we align our corporate activities and our human rights due diligence processes with the following internationally recognized standards: Universal Declaration of Human Rights, UN Guiding Principles on Business and Human Rights, core labor standards of the International Labor Organization (ILO), OECD Guidelines for Multinational Enterprises, Ten Principles of the UN Global Compact (UNGC), Supplier Ethical Data Exchange (SEDEX) regulations.

In fiscal 2024/25, one case of non-compliance with the United Nations Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work or the OECD Guidelines for Multinational Enterprises involving workers in the value chain were disclosed in Südzucker Group's upstream and downstream value chains (IRO-7-S2).

Südzucker Group acknowledges the above-mentioned negative impacts on workers in the value chain with this policy statement. This includes the issues identified as material: Insufficient health and safety precautions in the workplace (1-S2), withholding of decent pay (2-S2), unequal treatment in the workplace (5-S2) and child labor due to violations of the minimum age (6-S2 and 7-S2). Other human rights-related topics are also addressed.

We are committed to adhering to applicable legal regulations and the internationally recognized standards for the protection of human rights, as outlined above, as an integral part of our corporate responsibility. This encompasses legal regulations on working conditions applicable in the respective countries, as well as the exclusion of child, forced and compulsory labor and the prohibition of human trafficking.

Actions to implement our due diligence obligations regarding the impacts identified in the materiality assessment are intended to ensure that potentially affected groups of people are protected and risks are mitigated. For this purpose, processes have been established, emphasizing open communication (whistleblower system) and exchange (e.g., in industry initiatives or networks). Our whistleblower system is a key element of our human rights-related risk management, allowing us to effectively implement remedies and enhance our processes with the insights gained (→ ESRS G1 – Business conduct).

Our human rights-related principles are embedded in our code of conduct and our supplier code of conduct in addition to the policy statement. The code of conduct is binding for all executives and employees and applies to all Südzucker Group companies with the exception of AGRANA. AGRANA has its own code of conduct, which considers and applies the content of Südzucker Group's code of conduct. The Südzucker Group expects suppliers and partners to adhere to the principles outlined in this code of conduct. This expectation is specified in the supplier code of conduct. It outlines sustainable procurement guidelines aimed at business partners, suppliers and upstream suppliers of the Südzucker Group, except for AGRANA. It stipulates provisions concerning the safety of workers, precarious work, human trafficking, the use of forced labor and child labor. These provisions comply with the applicable ILO standards. The supplier code of conduct also refers to basic international standards and directives, which contain provisions on precarious work and human trafficking that go beyond the aforementioned provisions. The supplier code of conduct is accessible to all interested parties on our company website. AGRANA has its own code of conduct, which considers and applies the content of Südzucker Group's supplier code of conduct.

Overall responsibility for human rights due diligence lies with Südzucker Group's executive board. The executive board has set up the group human rights committee to provide advisory and coordinating support to the executive board and the Group's subsidiaries – with the exception of AGRANA – in fulfilling due diligence obligations. AGRANA covers the fulfillment of due diligence obligations in the area of human rights by way of its own compliance management system and supports Südzucker Group's executive board in fulfilling its overall responsibility.

The duties of the group human rights committee encompass monitoring human rights-related risk management, evaluating regular human rights-related risk analyses, further developing human rights-related risk management by reviewing violations and deriving suitable measures, along with providing advice. The group human rights committee is composed of the leadership roles of Corporate Human Resources, Corporate Sustainability, Corporate Procurement and Südzucker AG's Compliance Officer. It is chaired by the compliance officer. The group human rights committee convened four times in fiscal 2024/25.

We use established management processes to identify and assess potential negative impacts or risks concerning human rights or human rights violations early on and to counteract them effectively. In doing so, we incorporate insights from various sources and exchange formats. The identification relies, among other aspects, on the analysis and evaluation of selected internationally recognized indices specific to countries and industries.

The findings from our human rights risk analysis are a key element in the formulation of appropriate measures. The Südzucker Group's human rights-related risk analysis is carried out regularly once a year or on an ad hoc basis and covers, among other areas, the supply chains.

The group human rights committee evaluates and monitors the steps and results of the risk analysis. The findings are important input for the materiality assessment in accordance with ESRS 1 and are used, among other purposes, to further adapt and create guidelines, processes and training.

S2-2 – Processes for engaging with value chain workers about impacts

As part of our annual human rights-related risk analysis and for the further development of our management approach, we assess various sources on the situation of workers in our value chain and incorporate new findings. We consider, for instance, the "Business and Human Rights Guide" of the UN Global Compact. A meeting with the internal representatives of the stakeholder group "Workers in the Value Chain" took place in the financial year 2024/25 as part of the materiality assessment in accordance with ESRS 1. The workers are also directly involved at irregular intervals, e.g., as part of audits or specific, project-related measures. Notices and complaints, for instance, those channeled through the whistleblower system, contribute to the management framework. Workers are currently not systematically or directly integrated into the value chain.

S2-3 – Processes to remediate negative impacts and channels for value chain workers to raise concerns

To promptly and effectively address indications of human rights violations, they can be reported directly to the respective contacts within the company. Südzucker Group's whistleblower system and its channels for reporting cases are fully described in the ESRS G1 – Governance chapter in the section on whistleblower systems. The listed channels enable affected parties or observers to confidentially report potential cases within our supply chains.

Südzucker Group's grievance mechanism and a detailed description of how to handle information are published on our company website and accessible to everyone. We also refer to the various reporting channels in the code of conduct and in the policy statement on respect for human rights. The reporting channel, Südzucker compliance line, is accessible in seven languages: German, English, French, Dutch, Polish, Romanian and Spanish. Further specific measures to support the availability of the grievance mechanism directly at the workplace of workers in the supply chain have not yet been implemented. We will assess and, if necessary, implement further promotion of our grievance mechanism as part of our ongoing management approach development.

All submitted information will be carefully checked and processed as part of the whistleblower procedure. The processing generally proceeds as follows: In cases where the whistleblower offers a contact option, they will get an acknowledgment of receipt within seven days of submitting their report. For all reports that are not submitted anonymously, a factual discussion takes place between the Südzucker Group and the whistleblower.

In cases where the whistleblower has provided a contact option, they will receive information on the progress of the processing of the report following the confirmation of receipt. In the case of human rights-related notices, they receive information about the result of the investigation and any remedial and preventive measures initiated within three months at the latest. Information will only be given if it does not interfere with internal investigations or inquiries, or compromise the rights of the individuals involved in a report.

When the examination of the situation reveals that the notice concerning workers in the value chain is justified, the Südzucker Group takes appropriate prevention and / or remedial measures.

Remedial measures are defined and established specifically for each individual case with the involvement of the relevant department and, if necessary, with external experts to incorporate the perspective of the affected group. The definition includes an assessment of the extent to which we, as the Südzucker Group, cause, contribute to or are associated with the negative impacts. Initially, all available information is assessed, any gaps are identified, and a strategy is created to address these gaps and to define and implement suitable actions. Our approach is driven by the aim to achieve a beneficial outcome for both the impacted groups and our company. Possible indicators for measuring effectiveness are identified and the review is planned as early as the definition of measures.

The process for dealing with complaints, including those related to employee matters, is outlined in → chapter ESRS G1 – Business conduct, together with an indication of how the effectiveness of the system is evaluated.

The → chapter ESRS G1 – Business conduct, in the section on whistleblower protection, clearly describes the system's basic principles and refers to the corresponding directives.

It has not yet been studied to what extent the workers in the supply chain are familiar with and have confidence in the whistleblower protection process. The policy for protecting individuals against retaliation is outlined in → chapter ESRS G1 – Business conduct.

S2-4 – Actions related to material impacts, approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions

As part of the risk analysis required by the Supply Chain Due Diligence Act, we take appropriate actions for relevant suppliers or supplier groups depending on the results. Based on the results of the gross consideration of the materiality analysis according to ESRS 1, we conducted further research to align our human rights-related management approach accordingly and to deploy the available resources more effectively. We are currently evaluating potential actions by expanding our specific knowledge and exchanging ideas with the UN Global Compact and other companies, for example. We are also currently working on a policy for further integrating human rights-related criteria into our supplier selection process. This is why we already take various certifications into account when procuring selected agricultural raw materials, which include human rights aspects, such as RedCert[2].

In fiscal 2024/25, we established and developed the Corporate Human Rights Team within the sustainability sector to centrally consolidate human rights-related resources and activities. The team formulates and oversees the necessary processes and actions for the companies within the Südzucker Group (excluding AGRANA). The scope of the centralized approach to managing human rights includes the company's own business area, the value chain and customer requirements. For this purpose, four new full-time positions were created in the fiscal year 2024/25. Furthermore, other corporate departments are involved in the implementation of actions as needed. With our risk-based approach, we strategically allocate existing resources to further develop our management approach for implementing our due diligence obligations concerning human rights. Indicators that can be used to assess effectiveness are incorporated wherever possible during the measure determination process. This is based on a compiled summary of different qualitative and quantitative indicators.

A certified compliance management system has been established at AGRANA, which includes human rights and is operated and monitored by the compliance office.

Actions related to negative impacts

By implementing our human rights due diligence obligations, we strive to reduce our negative impacts (1-S2, 2-S2, 5-S2, 6-S2, 7-S2) and also to prevent the risk of reputational damage to our company (4-S2). The actions taken and planned are described below. No material opportunities in relation to human rights were identified in the materiality assessment in accordance with ESRS 1.

During fiscal 2023/24, we have already drawn up a set of actions, enabling us to determine initial actions for our direct suppliers depending on the assessed risk.

By further developing our approach to human rights risk analysis in the 2024/25 financial year, we gained a deeper understanding of potential human rights risks, including those located further down our supply chains. These findings are also reflected in the materiality assessment and form the basis for further targeted actions.

Currently, it primarily comprises actions for our direct suppliers, but is continually under review and adaptation. Since our material impacts, in particular, are found in our deeper supply chains, we aim to enhance the set of actions with appropriate actions in the 2025/26 financial year.

Aside from the actions to avoid negative impacts of our own practices (→section "Actions to avoid negative impacts of our own practices"), the following actions were taken in the financial year 2024/25 to avoid or mitigate adverse impacts of our actions on human rights:

- We have set up the central Corporate Human Rights Team in the sustainability section to implement our human rights due diligence in the Südzucker Group – with the exception of AGRANA – in order to systematically develop the topic.
- We implemented the training program on human rights at Südzucker for all members of the sustainability organization and for the members of the cross-divisional working group on responsible procurement with purchasing experts from various procurement departments in the Südzucker Group.
- We have also raised awareness of human rights among Südzucker Group employees by implementing further communication measures.
- We communicate our expectations in our supplier code of conduct and urge our suppliers to address and implement the principles contained therein with their own suppliers. This applies particularly to suppliers with agricultural supply chains. The supplier code of conduct is attached to the purchasing terms and conditions and addresses topics such as workplace health and safety precautions, decent pay, diversity and equal opportunities, and a ban on child labor. It thus refers to the potential negative impacts of the Südzucker Group on workers in the value chain. As a publicly listed company, AGRANA has its own code of conduct.

For the fiscal year 2025/26, we are planning the following actions in particular:

- Further optimization and integration of our human rights management approach into relevant business processes, such as the implementation of the further integration of human rights requirements into our supplier contracts.
- The enhancement of our current actions catalog for preventive initiatives, focusing specifically on the identified critical IROs related to human rights.
- Setting up initiatives to continue improving our grievance mechanisms.

We will incorporate the outcomes of the risk analysis through all our actions and take a risk-based to push forward the realization of our strategy. In choosing specific actions, we also take into account the geography of the upstream and/or downstream value chain and any relevant stakeholders.

The aforementioned preventive actions are designed to be continuous and ongoing and do not constitute a comprehensive action plan.

No significant investments were needed for the execution of the action plan devised within the framework of continuous development, neither in the past fiscal year nor in the fiscal year 2025/26.

Remedial measures have been taken regarding the actual significant impact in the form of child labor due to violations of the minimum age (7-S2). In AGRANA's specific instance, the supplier was promptly asked to stop using child labor and to comply with the code of conduct. Further training on the code of conduct was provided and, in addition, this supplier is being closely audited. Intensive monitoring is intended to ensure that child labor is not used again. The effectiveness of the actions was verified in subsequent audits, and no employment of minors was detected.

The Südzucker Group is committed to the UN Global Compact to promote positive impacts for the workforce by sharing our experiences and exchanging ideas with other companies. The Südzucker Group is also participating in the "Sustainable Agriculture Initiative", specifically in the regenerative agriculture working group. The objective of this group is to collect and share findings based on results-oriented key performance indicators in order to drive forward the scaling of regenerative processes, including the social aspects, together with all partners in the value chain.

The actions described do not address the risk of higher purchase prices due to potential supplier changes or higher expenses as a result of qualification measures for products that were not previously covered (3-S2). Nevertheless, we aim to minimize costs by using appropriate actions in accordance with our risk-based management approach, taking into account external developments, and to employ the aforementioned resources as efficiently as possible to keep the risk minimal. The risks identified as material are embedded within Südzucker Group's existing risk management.

The effectiveness of these actions is assessed, among other things, by the findings of external audits, such as those conducted as part of certification for RedCert[2], ratings or incoming information.

Indicators that can be used to assess effectiveness are incorporated wherever possible during the measure determination process. Going forward, a summary will be provided that outlines the different qualitative and quantitative indicators; the expected result for the actions will be described in detail as well. No targets have been set at the moment.

Actions to avoid negative impacts from own practices

Südzucker Group's code of conduct supports employees in their daily work, particularly in critical situations, in acting responsibly, appropriately and in compliance with the law. It forms the fundamental understanding, in line with applicable law, for the Südzucker Group on how to collaborate and succeed in the market. It is a vital part of the company's image as a credible and trustworthy partner.

The supplier code of conduct is derived from the Südzucker Group's own code of conduct. The guidelines for suppliers to the Südzucker Group are specified, defined and regulated in order to ensure sustainable purchasing. These principles and values form the basis of Südzucker Group's business relationships with its suppliers. In cases where we identify violations by suppliers, we initially work closely with them to achieve improvements. As a last resort, if progress is not made, we consider terminating the business relationship, while developing plans to minimize any negative impact on the affected workers.

Südzucker AG has been a member of the global Sustainable Agriculture Initiative Platform (SAI) since 2015. By actively participating in SAI, we document our adherence to comprehensive environmental and social sustainability criteria in compliance with the Farm Sustainability Assessment (FSA) in the sugar, special products, starch and fruit segments. We source a significant portion of our raw materials in these segments with consideration of compliance with these criteria or standards recognized as equivalent by SAI (e.g., RedCert[2]). Every year, more than 200 external audits are carried out at the growers' premises as part of the certification process. In fiscal 2024/25, FSA Gold status – the highest FSA rating for sustainability – was achieved once more in Germany, Belgium, France and Poland. The chicory growers in Belgium, who produce for the BENEO division, also hold FSA Gold status. Within AGRANA, all farmer groups, with a few exceptions, achieved FSA Silver status or higher. In the SAI's FSA, information on working conditions and social standards, health and safety, child and forced labor, as well as diversity and equal treatment is queried and evaluated, among other things.

Experts from various purchasing departments within the Südzucker Group are working together on the key area of "responsible purchasing" as part of our "Growing in Balance" sustainability strategy. The aim is to further advance sustainability in purchasing throughout the entire Südzucker Group and to avoid any potential negative impacts of our actions. During the 2024/25 financial year, we initiated the development of a company-wide procurement purchasing strategy that emphasizes sustainable and long-term relationships with suppliers of goods and services. The purchasing experts involved were assigned human rights training in the 2024/25 financial year.

In fiscal 2024/25, there was one reported incident of a human rights violation in Südzucker Group's value chain.

Targets and metrics

S2-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

We are currently not aiming for any group-wide targets in the area of human rights. The foundation for crafting possible objectives is currently underway; we expect to determine suitable objectives in fiscal 2025/26.

Social information
ESRS S4 – Consumers and end-users

Being an integrated group of companies with plant-based solutions for nutrition, energy and other applications, Südzucker Group seeks to contribute to an enjoyable, healthy and sustainable world. Approximately 20,000 employees are dedicated across our five segments to providing high-quality and safe plant-based solutions for our customers, including consumers and end-users.

Südzucker Group focuses on the business-to-business sector with the marketing of intermediate products. End products for consumers and end-users are only manufactured in the sugar, special products (Freiberger division) and starch segments, which are likewise sold on a business-to-business basis. Südzucker Group does not directly distribute its products to end customers.

ESRS 2 SBM-3 – Material impacts, risks and opportunities

Südzucker Group has performed a double materiality assessment in accordance with ESRS 1 to identify material impacts, risks and opportunities (IROs).

Material impacts, risks and opportunities (IROs) related to consumers and end-users

Material sub-topics	IRO	Short description	Category	Actual / potential	Value chain	Origin	Time-horizon
Personal safety of consumers and / or end-users	1-S4	Contribution to food security by providing high-standard, safe and diverse food	Positive impact	Actual	Downstream value chain	Südzucker Group	Short-term Medium-term Long-term
	2-S4	Cases of deviations in product safety	Negative impact	Potential	Downstream value chain	Südzucker Group	Short-term
	3-S4	Negative effects on consumer health as a result of their consumption behavior	Negative impact	Potential	Downstream value chain	Sugar division (Südzucker)	Long-term
	4-S4	Health benefits for consumers through functional ingredients and vegetable proteins	Positive impact	Actual	Downstream value chain	BENEO	Medium-term Long-term
	5-S4	Liability claims and reputational damage due to deviations in the safety of a product	Risk	–	Own operations	Südzucker Group	Short-term Medium-term Long-term

TABLE 074

Our materiality assessment for consumers and end-users (hereafter referred to as “end consumers”) revealed a material sub-topic: personal safety of consumers and / or end-users The following is a more detailed description of the IROs identified as material to end consumers for the Südzucker Group, along with an explanation of their connection to the corporate strategy and business model. They refer to the areas of product safety and nutrition. The identified impacts in the area of product safety essentially apply equally to our industrial customers and end consumers. Within the nutrition area, their focus is entirely on end consumers.

Three of the five Südzucker Group segments (sugar, special products [Freiberger division] and starch) produce end products for individual end consumers. The products are offered to all end consumers. Südzucker Group companies do not actively target individual end consumer groups that are particularly vulnerable to health impacts or the impacts of marketing and sales strategies; the marketing impacts of our industrial customers are not under our responsibility. In the materiality assessment according to ESRS 1, we identified our impacts on children and infants as a separate, particularly vulnerable consumer group; the identified material IROs pertain to all end users.

Being part of the food industry, Südzucker Group aims to deliver high-quality, safe and diverse food to our customers and end consumers and thus contribute to food security (1-S4). Our product portfolio in the food sector includes sugar, sugar specialties and glucose syrups, functional ingredients, frozen and chilled pizzas, portion pack articles as well as fruit preparations and fruit juice concentrates. This material positive impact results from Südzucker Group's food production activities and applies to all end consumer groups, due to the fact that the products are generally available to everyone.

As Europe's largest sugar producer, we consider our purpose to be contributing to a world that is both enjoyable and sustainable. Sugar plays several roles in food products: It serves as a flavor booster, enhances texture and volume positively, acts naturally as a preservative, and sweetens in a natural way. Alongside this, sugar is an energy supplier as part of a balanced diet; the frequency and amount of consumption, as well as the overall calorie balance of the diet, are important. When foods that contain sugar along with other calorific ingredients are consumed excessively over a long period, this could result in negative health impacts for end consumers. Such factors include the progression from overweight to obesity and the consequent diseases, which might potentially exhibit a systemic character (3-S4).

Südzucker Group cannot directly influence the consumption patterns of the end consumers of our products or the production and marketing strategies of our industrial clients in the downstream value chain.

The functional ingredients of the BENEO division provide health benefits to the end consumers. Nutritional claims are indispensable for the marketing of these ingredients. For this reason, we are advancing our intensive research in nutritional science. The studies focus on topics such as improved blood glucose management, metabolic regulation, gut health and protein quality information. The EU authorities and member states strictly regulate the communication of health benefits of food to European end consumers. Food manufacturers that use BENEO products can use nutrition and health claims depending on the ingredient to communicate health and nutrition benefits to end consumers (4-S4). Consumer groups benefiting from the advantages include athletes, sports enthusiasts, and infants. BENEO does not directly involve or address the end consumer.

The introduction and maintenance of a consistent quality management system and compliance with legal standards do not exclude the risk of products failing to meet the applicable safety requirements, which could lead to adverse effects on end consumers (2-S4). This involves individual incidents, e.g., in the context of product recalls. This impact results in a risk of liability claims and reputational damage due to deviations in the safety of a product (5-S4). In principle, this will affect all end consumers. There is no dependency on end consumers or connection to external developments.

The material impacts we have on end consumers result from our business model that involves food manufacturing. Our business model is associated with a reliance on end consumers who are ready to either consume our products or those made with food ingredients from Südzucker Group, or to avoid them. Meanwhile, consumer habits and new nutritional trends are influencing our business and may lead to adjustments to our corporate strategy. We are, for instance, planning to further expand the technology- and market-driven value creation from plant-based raw materials, taking into account our business model, as one of the five strategic action fields of our corporate strategy. In particular, our strategic alignment envisions an expansion of activities in the sector of plant-based proteins. Furthermore, as part of the focus area of "conscious consumption" in our "Growing in Balance" sustainability strategy, we strive to enable our customers and consumers to make informed decisions by providing an extensive variety of products – from indulgent options to ingredients for a balanced diet.

Impact, risk and opportunity management

Product safety is governed because of the variations in product portfolios across the divisions of Südzucker Group. Currently, there is no cross-divisional management of product safety or quality management at the corporate level.

The divisions are also responsible for the topic of nutrition. The focus area of "conscious consumption", one of the eight focus areas of our group-wide "Growing in Balance" sustainability strategy, serves as a unifying framework for Südzucker Group. Due to the group's significant diversification and the resulting differences in product portfolios, customer structures, and consumer interactions, the implemented actions are specific to each division.

S4-1 – Policies related to consumers and end-users

Südzucker Group has policies and guidelines in place to prevent, mitigate or improve the negative impacts associated with consumers, enhance the positive impacts and minimize the risks.

The topic of product safety is embedded in our code of conduct, which encourages our employees to comply with all relevant national, European and international provisions on quality and hygiene, as well as our self-imposed product safety requirements (→ ESRS S1 – chapter Own workforce). This covers the material IROs 1-S4, 2-S4 and 5-S4 and meets the needs of all consumers of our end products.

Additionally, each division of Südzucker Group has its own quality guidelines in their specific domains. These guidelines define the respective Group division's commitment to product safety and outline the systems and processes that ensure the commitment is met and customer and consumer needs are addressed. A key aspect is the advancement of food and product safety culture, achieved by increasing awareness, improving knowledge and encouraging proper employee conduct.

The quality guidelines are based on the international HACCP (Hazard Analysis Critical Control Point) approach from the FAO/WHO Codex Alimentarius, which forms the key element of our food safety system. The system is used to systematically analyze product hazards and critical control points associated with raw material properties and end products, production steps, as well as transportation and storage factors. Based on this analysis, relevant steps are implemented as required to ensure that no threats arise for end consumers. The divisional quality departments are tasked with executing the quality guidelines, while their implementation is supervised by the respective management or executive board. The guidelines address the material IROs 1-S4, 2-S4 and 5-S4 and cover the concerns of all consumers of our end products.

The policies related to nutrition are aimed, among other things, at promoting our products responsibly. As an example, the sugar division (Südzucker) pledges responsible marketing practices and transparent communication towards end consumers, business partners, and society in its "responsible marketing strategy" guideline. The aim is to enable our customers to make informed and well-founded consumption decisions based on the information we provide. The guideline formulates principles that must be adhered to in all marketing activities by both our own experts and partners such as media and marketing agencies, as well as influencers. There is a particular emphasis on ensuring that all marketing materials, including product packaging, accurately depict the products and avoid any misleading advertising statements, like those regarding health benefits. It also stipulates that children must not be targeted by our marketing activities. The responsibility for implementing this guideline lies with the marketing and communication department of the sugar division (Südzucker); the management of this division is responsible for monitoring. The directive addresses IRO 3-S4 and covers the interests of all consumers of our end products.

The impacts we have identified as material relate to the sub-topic "Personal safety of consumers and/or end-users" and do not relate to human rights. In fiscal 2024/25, no cases of non-compliance with the United Nations Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work or the OECD Guidelines for Multinational Enterprises involving end consumers were disclosed in Südzucker Group's downstream value chain. No severe human rights issues or incidents in relation to end consumers of our products have been reported in fiscal year 2024/25.

S4-2 – Processes for engaging with consumers and end-users about impacts

In terms of marketing effort, Südzucker Group focuses on the business-to-business sector. In this context, end consumers are only included in the sugar, special products (Freiberger division) and starch segments. Freiberger, as a private label producer for retailers, is only identified as the manufacturer and contact point for complaints on certain products. End consumers can get involved by providing their contact details on product packaging, or by using the company's websites, email, telephone, mail or social media. This enables us to receive direct feedback and suggestions on how we can further improve our products, as well as requests, for example, for recipes and complaints. Contact is initiated by end-users, which means it can happen at any time and is unpredictable. We also involve end consumers directly in market research studies and consumer surveys, for example to ask for their opinion on product changes or to obtain specific information. The sugar division (Südzucker), for instance, utilizes an online tool to conduct a consumer survey several times a year. In addition, the sugar division (Südzucker) prepares and publishes the study "consumer study – processed food & beverages" once a year. This is intended to provide insights into the end consumers' perceptions (e.g., purchasing criteria, importance of sustainability and naturalness) and to recognize changes in purchasing behavior over the years in order to obtain information for the further development of our own products and those of our customers.

The respective quality (complaints) and marketing (feedback) departments in the companies concerned are responsible for involving the end consumers. The effectiveness of incorporation is assessed in the event of complaints as part of the quality management systems; when it comes to feedback, this is done partially – for instance, by looking at the participation rate in surveys.

In the materiality assessment according to ESRS 1, we incorporated the perspectives of end consumers who may be particularly vulnerable to impacts. Given that the identified material IROs affect all end consumers, there is no further need to gain insights into the perspectives of individual end consumer groups.

S4-3 – Processes to remediate negative impacts and channels for consumers and end-users to raise concerns

Complaint, incident and crisis management is a key element in addressing the concerns of end customers as part of the quality management of the respective corporate sector. Specific teams are in charge of processing each particular case. This includes a root cause analysis and subsequent corrective actions aimed at continually improving processes and products. In the event that actual negative effects on end-users are detected, quality management will define remedies, such as financial compensation or replacement supplies. These processes are consistently practiced and reviewed in internal and external audits to ensure reliable functioning. In instances of product recalls, we closely examined the root causes, reviewed our processes and made adjustments as required.

End consumers can communicate their concerns directly to Südzucker Group and its associated companies, including complaints, via the contact details provided on product packaging, company websites, email, telephone, mail and social media. We established these channels. Additionally, our confidential whistleblower system, which can also be used anonymously, is available. Südzucker Group's reporting channel, the Südzucker compliance line, is operated by an external provider. Südzucker Group does not currently support and/or request any channels from its business partners.

The primary principle of our whistleblower system is the protection of the whistleblower in accordance with the applicable law transposing Directive (EU) 2019/1937 and in line with local whistleblower protection laws. Whistleblowers who report in good faith will not be subjected to any kind of disadvantage (for more information on the complaint procedure, see → Chapter ESRS G1 – Corporate Governance/Whistleblower System and Protection). To date, there has been no research into the extent to which end consumers know and trust the procedures and structures.

S4-4 – Actions related to material impacts, approaches to managing material risks and pursuing material opportunities and effectiveness of those actions

Actions concerning product safety

For Südzucker Group, the safety of their entire product portfolio is of utmost priority. Quality management systems are implemented in all areas of Südzucker Group to ensure that our products comply with legal requirements and meet the needs of customers and end consumers. These processes encompass every area from management responsibility, product development, procurement and production to marketing and sales. Quality management systems are crucial for the management of product safety-related IROs 1-S4 and 2-S4. The following examples of core actions are part of the existing quality management systems, which are thus usually designed to be continuous and regularly renewed or repeated.

The review of our processes and products by external certification organizations is key for both Südzucker Group and its customers. Accordingly, our food quality management systems are geared toward internationally recognized standards with extensive specifications and standardized assessment processes. The normative framework is provided by the Global Food Safety Initiative (GFSI) benchmarking and validation system. Certifications recognized by GFSI and used within Südzucker Group include FSSC 22000, IFS Food, BRC Global Standard Food Safety and SQF. All Südzucker Group food production facilities have at least one such certificate; several production facilities have multiple certifications. The feed production facilities have certificates of internationally recognized feed safety standards GMP+International, QS Quality and Safety and FEMAS. Certifications are renewed upon expiry to meet customer requirements.

It would not be possible to produce safe, high-quality products without skilled employees who identify with corporate objectives. This is why further certifying and qualifying employees through regular training and instruction plays such an integral part in the quality management systems specific to each division. The employees are also regularly informed about food safety through a magazine, newsletters and other internal communication channels, including the intranet, to heighten awareness of the topic. Location-based operations pertaining to food safety are also carried out. In fiscal 2024/25, for example, activities were conducted to commemorate World Food Safety Day, including workshops and seminars on safety culture, as well as safety days.

The effectiveness of the actions is assessed by appropriate key figures within the scope of quality management (e.g., the development of the number of product recalls in recent years).

The material risk of liability claims and reputational damage due to safety deviations (5-S4) is linked to the potential material impact of our business activities on end consumers (2-S4). In this context, the policies and core actions mentioned in the previous sections, which we use to address the material impact, also help to mitigate the material risk. Südzucker Group's existing risk management procedure includes the risk 5-S4.

Actions related to conscious consumption

In connection with the topic of nutrition, we have identified a material negative impact (3-S4) and a material positive impact (4-S4). To address these impacts, we are implementing the following core actions:

As part of our focus area of conscious consumption, we have launched a pilot project to assess the sustainability performance of our products and to increase transparency about the features of our products. A scorecard is being designed for specific products to evaluate them across four dimensions: Quality, sustainability, nutrition and innovation. The nutrition dimension impacts the IROs 3-S4 and 4-S4. A binding key figure should be defined for each category for all products to be evaluated. Simultaneously, additional division-specific indicators will be developed for each dimension to reflect the product diversity of Südzucker Group during assessment. In the area of nutrition, both the nutrient profile and claims related to health and nutrition are considered. A working group is currently developing the criteria for the scorecard. The initiative is initially planned to last until 2030 and includes the sugar (Südzucker), BENEO, Freiberger and PortionPack divisions, as well as AGRANA.

The main target is to market sugar and sugar specialties. Regarding the product portfolio, we also collaborate with our customers in the sugar division (Südzucker) on concepts for innovative sweetening solutions in products. The goal is to replace part of the sugar with other products according to customer preferences, without compromising the positive taste experience of the final product. During the 2024/25 business year, sugar-reduced fondants were developed to reduce the sugar content in the final product and improve its nutritional profile, thereby promoting conscious consumption. In fiscal 2024/25, work also continued on the development and use of dietary fiber to reduce sugar. We aim to expand our portfolio of liquid sugar substitutes with a dry-form product to broaden the range of applications.

The BENEO division is continuously working to maintain and expand the approved health and nutrition claims for its products. In fiscal year 2024/25, BENEO provided its customers with 14 approved health claims and 16 nutrition claims that they can choose to convey health and nutritional benefits to consumers. BENEO commissions and carries out scientific work and documentation in order to pass the strict approval process for these claims. This is to prevent consumers from being misled by claims regarding the health benefits of a product that are inaccurate, overly vague or insufficiently substantiated. To achieve these goals, the BENEO institute employs experts in nutrition and food law to support BENEO's customers in the development of new products and to facilitate product innovations based on scientific findings. The approved health and nutrition claims are renewed after expiration to meet customer requirements.

Other divisions of Südzucker Group also offer customers technical advice and support in product development, for example to improve the nutritional profile of products. The corporate department of research, development and services, with three development centers in Germany, Belgium and Austria is particularly active in the food sector. The aim is to promote innovations in the nutrition sector and to bring them to market together with customers and additional external partners. The projects vary in duration.

Another crucial step is the ongoing search for and collaboration with food industry start-ups, exemplified by the EIT Food Accelerator Network and MassChallenge Switzerland. Additionally, Südzucker Group operates its own open innovation platform, "theBarn", where startups can directly submit their ideas. In addition to their operational business, Südzucker Group companies are focusing on "functional proteins" and "new sweetening solutions" as key areas for collaborations with start-ups. Furthermore, "Mission KickStart!" is an internal training and coaching program designed to identify promising projects and speed up collaboration between the various divisions of Südzucker Group and start-ups. In the 2024/25 financial year, the program entered its third round.

In fiscal year 2024/25, Südzucker Group companies also supported programs that promote a healthy lifestyle and physical activity. For example, a charity bike tour across Europe and a project to promote physical activity for people with disabilities received support. We promoted a large number of projects across all divisions to support sports clubs and aid organizations near our locations.

The effectiveness of nutritional measures is not systematically assessed. No other actions are in place that primarily serve to make a positive contribution to better social outcomes for end consumers.

Process for identifying actions

The management reviews, conducted on a regular basis, assess the effectiveness of the quality management systems. This includes identifying potential vulnerabilities and their impacts. This is how complaints, among other matters, are evaluated. If a negative impact on customers or end consumers is identified, an internal assessment of the severity and the extent of the impact on the customers or end consumers is carried out. Based on the investigation results, an action plan will be created if necessary, which includes specific prevention or remedies. Subsequently, the implementation is monitored and its effectiveness is evaluated. Product recalls confirm the effectiveness of the actions taken.

The management review also includes an evaluation of the quality processes, which may also result in improvement measures. The scope includes conducting internal and external audits, customer satisfaction status, recall and crisis testing, HACCP and food defense effectiveness and supplier monitoring. Customer satisfaction surveys are also conducted within the scope of quality management and the appropriate steps are taken based on this information.

We also regularly monitor industry, market and nutrition trends at the divisional and group levels, which could affect our customers and consumers. Another approach we take to implementing the necessary actions is to work with our customers on product innovations and product customizations. Employees are encouraged to make suggestions for improvements to help optimize existing processes as part of the company's ideas management system.

We deploy human resources, such as experts in food safety and food law, to implement the actions.

Targets and metrics

S4-5 – Targets related to managing material negative impacts, advancing positive impacts and managing material risks and opportunities

Currently, Südzucker Group lacks any measurable group-wide objectives concerning product safety. The topic is managed at the divisional level.

In the context of the topic of nutrition, appropriate key figures to assess our progress are currently being developed as part of the focus area of "conscious consumption". Based on a pilot project initiated in the 2024/25 financial year, a corresponding target will be set at a later date.

In fiscal 2024/25, two recalls of products manufactured by the Südzucker Group affecting end consumers had to be carried out.

Governance information ESRS G1 – Business conduct policies and corporate culture

Good business conduct and compliance with laws and internal policies is an integral part of Südzucker Group's successful and sustainable business activities.

Our company's guiding principles, encompassing our "Purpose", "Mission" and "Vision", serve as a compass and are the foundation for Südzucker Group's 2026 PLUS corporate strategy. Our Vision is to become the leading integrated corporate group for plant-based products and solutions – locally, regionally and globally.

Our actions and conduct are guided by our guiding principles and other corporate principles. Part of this includes our corporate values of "responsibility, creativity, respect and cooperation", which were developed in close collaboration with our employees and are are part of our corporate culture. Moreover, we have established the leadership principles "Respect, Responsibility, Participation, Development and Goal Orientation" for Südzucker Group. Compliance violations are not tolerated by the executive board and can lead to consequences up to and including employment-related repercussions. The executive board and managers also have an important role to play as role models and multipliers.

ESRS 2 SBM-3 – Material impacts, risks and opportunities

Südzucker Group has performed a double materiality assessment in accordance with ESRS 1 to identify material impacts, risks and opportunities (IROs).

Material impacts, risks and opportunities (IROs) related to business conduct

Material sub-topics	IRO	Short description	Category	Actual/ potential	Value chain	Origin	Time-horizon
Corporate culture	1-G1	Promoting a positive corporate culture to achieve common goals	Positive impact	Actual	Own operations	Südzucker Group	Medium-term Long-term
	2-G1	Damage to reputation, fines and penalties due to violations of legal requirements	Risk	–	Own operations	Südzucker Group	Short-term Medium-term Long-term
	3-G1	Increasing competitiveness by improving sustainability performance	Opportunity	–	Own operations	Südzucker Group	Medium-term Long-term
	4-G1	Increasing attractiveness as an employer through a positive corporate culture	Opportunity	–	Own operations	Südzucker Group	Medium-term Long-term
Protection of whistleblowers	5-G1	Insufficient protection of whistleblowers	Negative impact	Potential	Upstream value chain Own operations Downstream value chain	Südzucker Group	Short-term Medium-term
Animal welfare	6-G1	Adverse effects on the health and well-being of farm animals	Negative impact	Potential	Upstream value chain	Freiberger	Short-term Medium-term
	7-G1	Adverse effects on the health and well-being of laboratory animals	Negative impact	Potential	Own operations	Südzucker Group	Short-term Medium-term
	8-G1	Health benefits for animals through our products	Positive impact	Actual	Downstream value chain	BENEO	Medium-term Long-term
Political infuence and lobbying activities	9-G1	Negative impact of political decisions on business activities	Risk	–	Own operations	Südzucker Group	Medium-term Long-term
Management of relationships with suppliers	10-G1	Partnership-based collaboration with beet growers as part of contract farming	Positive impact	Actual	Upstream value chain	Sugar segment	Short-term Medium-term Long-term
Corruption and bribery	11-G1	Damage to reputation in the event of violations of legal regulations regarding corruption and bribery	Risk	–	Own operations	Südzucker Group	Short-term Medium-term Long-term

TABLE 075

Our materiality assessment in the area of corporate governance revealed the following material sub-topics: Corporate culture, protection of whistleblowers, animal welfare, political influence and lobbying activities, management of relationships with suppliers, including with anti-corruption and anti-bribery. The following is a more detailed description of the IROs identified as material in the area of business conduct for Südzucker Group together with an explanation of their connection to the corporate strategy and business model.

Our positive corporate culture, rooted in common values and open communication, helps us to achieve our overarching goal: of harnessing more power from the group. Employees are empowered to make informed and ethical decisions. This happens through the development of awareness, training, and the leadership example set by the executive board and management (1-G1). The positive corporate culture also contributes to Südzucker Group's attractiveness as an employer. Younger staff members, especially, place significant emphasis on values and principles in leadership (4-G1).

As a responsible and ethical business partner, we are consistently improving our sustainability performance, which is evident in the enhanced sustainability ratings. These efforts have strengthened the company's competitiveness, as investors, banks and customers are increasingly emphasizing the importance of sustainability and ethical behavior. A solid sustainability rating, for instance, can enhance capital access (3-G1).

Even with all the measures in place, however, there is still a risk that Südzucker Group employees may violate legal requirements, resulting in penalties or fines that could have a negative impact on the company's financial results. In addition, damage to reputation may occur (2-G1). There is also a risk of corruption within the group's own operations in certain instances, which cannot be entirely eliminated even with an effective compliance management system and may lead to reputational damage (11-G1).

Südzucker Group maintains a robust whistleblower system that is constantly evolving. Yet, within our global business environment, the possibility that some whistleblowers may not be adequately protected cannot be entirely ruled out (5-G1).

The BENEO division develops and produces specialty plant-based ingredients such as prebiotic dietary fiber, digestible carbohydrates and vegetable proteins that help improve the health of humans and animals, including pets (8-G1). Nutritional claims are indispensable for the marketing of these products. For this reason, we are proceeding with thorough scientific studies on Palatinose™, inulin and oligofructose, among other subjects. The focus is on topics such as improved blood glucose management, metabolic regulation, intestinal health and protein value information.

We commission research studies to examine the nutritional properties of some of our products and to prove the health benefits. Animal testing is mandatory in numerous countries for food ingredients and new food additives to guarantee product safety. This may also matter to BENEO. Other necessities for animal testing may arise for us, for example, from REACH[1]-approvals. We cannot completely rule out the possibility of adverse effects on the health of the laboratory animals used for the studies (7-G1).

Freiberger is the only division of Südzucker Group that uses products of animal origin. For this purpose, Freiberger sources beef, pork, and poultry, fish (especially tuna), eggs, and dairy products (especially cheese) from traders and processors. These products are not acquired directly from farmers. In the deeper supply chain, animal husbandry that is not species-appropriate and fails to meet the specific needs of the animals in terms of feeding, space and care can result in adverse effects on the health and well-being of the animals. Violations of the Animal Protection Act cannot be completely ruled out either. Moreover, our suppliers outside the EU are generally subject to less stringent legal requirements regarding animal welfare (6-G1).

Negative impacts of political decisions on the business activities of Südzucker Group can arise from changes in the legal and political environment, particularly at the national and European level (9-G1). The introduction of sugar taxes, for example, could lead to a decline in the total consumption of foods containing full-calorie sweeteners.

The origins of Südzucker Group can be traced back to 1837, with the construction of the former Waghäusel sugar factory. The processing of sugar beets has been tightly tied to the company since that time. We have a partnership-based collaboration with our beet growers as part of contract farming (10-G1). This applies particularly to beet growers in southern Germany, who hold a majority stake in the company through the Süddeutsche Zuckerrübenverwertungs-Genossenschaft (SZVG). Today, around 27,000 beet growers in Europe supply sugar beet to Südzucker Group. We are in close cooperation to guarantee the supply of sugar factories and collectively create tools and recommendations for a more efficient and sustainable beet production. Serving as the link between farmers and our customers, our objective is to provide greater recognition and fair remuneration for our farmers, thereby creating a solid basis for meeting the rising demand for sustainably produced food.

[1] REACH: Registration, Evaluation, Authorisation and Restriction of Chemicals.

Impact, risk and opportunity management

G1-1 – Corporate culture and business conduct policies and corporate culture

Compliance management system

Compliance with laws and internal policies is the foundation of good business conduct. The aim is to establish a strong compliance culture that helps to promote a positive corporate culture (1-G1) and effectively prevent and minimize misconduct by employees and company bodies – as well as the associated potential economic, legal and reputational negative impacts or risks (2-G1, 5-G1 and 11-G1). This also contributes to seizing the material opportunities in the area of corporate culture (3-G1 and 4-G1).

The executive board and management at Südzucker Group should exemplify behavior and communication that establish a setting that clearly underscores the significance of compliance within the organization. The executive board of Südzucker AG is tasked with ensuring legal compliance and thus oversees compliance, with the CEO of Südzucker AG being in charge of the compliance division.

Südzucker Group encompasses three stock companies, each overseeing its own compliance management system (CMS): The Südzucker CMS includes Südzucker AG and all subsidiaries except for CropEnergies AG and AGRANA Beteiligungs-AG with their associated companies. The CropEnergies CMS comprises CropEnergies AG along with its associated companies. The AGRANA CMS consists of AGRANA Beteiligungs-AG and its associated companies. Internal CMS policies provide the basis for the above-mentioned CMS.

Each CMS listed is managed by its own compliance officer within the respective parent company. This also includes, for example, responsibility for the creation of internal company policies as part of the respective CMS, as well as policies on whistleblower protection and compliance training, including their implementation. Internal directives and policies on whistleblower protection are being continuously updated. The education plans, training materials, languages available and the target user group are regulary reviewed and further developed.

Furthermore, each of the specified CMS appoints additional compliance officers at the division or subsidiary level. The specified compliance officers or compliance representatives mainly perform preventive compliance functions as part of their work. They are also responsible for ensuring compliance with national and international laws, Südzucker Group’s internal policies and international standards within their area of responsibility. The compliance representatives are required to report both annually and immediately in case of group-relevant compliance incidents to the designated compliance officers. An ongoing exchange takes place throughout the year between the compliance officers, during which, among other things, the implementation of internal training policies is monitored.

Moreover, a compliance commitee has been set up at the Südzucker CMS and a compliance board at AGRANA CMS, which provides advice to the respective compliance officer on compliance issues and meets on a regular basis. There are separate rules of procedure for both committees.

The following policies and core topics exist in all three CMS:

- **CMS policies**
  According to the existing policies, the respective executive boards of Südzucker AG, CropEnergies AG and AGRANA Beteiligungs-AG provide a regulatory framework for the respective CMS, set out its structural and procedural organization and specify responsibilities and tasks. The focus of the CMS is on preventing compliance risks that may arise from misconduct by the board, management, executives, employees or external partners. The objective is to effectively prevent potentially adverse economic, legal, and reputational impacts (2-G1 and 11-G1) and to foster a robust compliance culture.

- **Policies on whistleblower systems**
  The policies for existing whistleblower systems serve to summarize the whistleblower protection system and to provide clear and comprehensible information about accessibility, responsibility and procedure implementation. This contributes to avoiding potential negative effects in whistleblower protection (5-G1) and mitigating the risk of potential fines and damage to reputation (e. g., 11-G1).

- **Policies for handling donations and conflicts of interest**
  These policies include binding regulations for dealing with invitations and gifts (including those related to public officials) as well as conflicts of interest and define an approval process. They help mitigate risks within corporate culture such as damage to reputation, fines and penalties due to violations of legal requirementsr (2-G1) and issues relating to corruption and bribery (11-G1).

- **Antitrust compliance policies**
  The existing antitrust compliance policies are intended to ensure that employees and company bodies are familiar with and adhere to the fundamental rules of competition and antitrust law, as well as being sensitized to recognize antitrust-relevant issues. The purpose of these directives is to protect employees from legal violations in antitrust law and to provide practical support in applying the relevant regulations. They help mitigate risks within corporate culture such as damage to reputation, fines and penalties due to violations of legal requirements (2-G1).

- **Data protection policies**
  The data protection policies of Südzucker AG, CropEnergies and AGRANA Group are the mandatory basis for legally compliant and sustainable protection of personal data. These policies take precautions to safeguard the fundamental rights and freedoms of individuals, in particular the right to protect personal data. By being an integral part of corporate culture, they help to reduce risks within corporate culture such as damage to reputation, fines and penalties due to violations of legal requirements (2-G1) and to protect the company from liability risks and reputational damage.

- **Sanction list checks with regard to business partner master data**
  Business partner screening is a crucial tool for preventing financial crimes. System-supported sanctions list checks of master data of business partners and financial institutions against a standardized database take place in all three CMS. A corresponding policy was issued as a foundational measure, which, among other things, regulates the details of the sanctions list check and helps to reduce risks within corporate culture such as damage to reputation, fines and penalties due to violations of legal requirements (2-G1) and to protect the company from liability risks and reputational damage.

Due to the stock exchange listing of Südzucker AG and AGRANA Beteiligungs-AG, the following policy also exists in their CMS:

- **Capital market compliance policies**
  Südzucker AG and AGRANA Beteiligungs-AG, as publicly listed companies, have issued capital market compliance policies to implement stock exchange and capital market regulations. They govern the principles for the disclosure of information and set out organizational actions to ensure confidentiality and prevent the misuse or disclosure of insider information, among other things. They contribute to minimizing risks in corporate culture, such as violations of legal requirements (2-G1). The required insider lists and documentation are each managed and maintained under the responsibility of the compliance officer at Südzucker or AGRANA.

Code of conduct

The code of conduct also serves as the foundation for Südzucker Group's interaction with employees and for the employees' behavior towards each other and towards external persons. It applies to the entire group – excluding AGRANA – and combines applicable laws with international standards, operational regulations, corporate policies, as well as duties from the employment relationship towards Südzucker. As a publicly listed company, AGRANA has its own code of conduct, which considers and applies the content of Südzucker Group's code of conduct. Compliance can only be successful if all employees align their actions with the core principles of the code of conduct. Therefore, everyone shares the responsibility of observing and implementing these values in their daily work.

In fiscal 2024/25, we updated Südzucker Group's code of conduct and communicated the new version to our employees across various channels. Compliance training sessions raise employee awareness about the code of conduct and its crucial compliance topics. The code of conduct is available to our employees on the intranet and publicly on our website in various languages. Compliance with our code of conduct is supported by the whistleblower system. Parts of the code of conduct are included in both planned and incident-related reviews by internal auditing.

Our code of conduct has been drawn up to help us act responsibly, appropriately and in compliance with the law in our daily work. It contributes to promoting a positive corporate culture (1-G1) and to preventing possible violations of legal requirements (2-G1 and 11-G1). Compliance with our code of conduct, as well as legal regulations and internal corporate policies, is an essential part of the company's image as a credible and reliable partner.

Südzucker Group's code of conduct sets out clear directives on the following principles in the corresponding subsections:

- We are committed: with each other and with our contacts.
- We treat our employees fairly and with respect.
- We act responsibly towards our environment.
- We maintain integrity in our business transactions.
- We stand for product quality and safety.
- We protect our information.
- We communicate transparently and correctly.

For more information on the code of conduct, refer to → ESRS S1 Own Workforce / Policies related to own workforce.

Whistleblower system

Südzucker Group has mechanisms in place for reporting, identifying, documenting and investigating concerns about illegal behavior or conduct that conflicts with our code of conduct.

Employees, subcontracted workers and our business partners can report potential misconduct using the existing reporting channels. The whistleblower system was implemented specifically in accordance with the requirements of the EU Whistleblower Directive 2019/1937, the Whistleblower Protection Act (HinSchG) and the Supply Chain Due Diligence Act (LkSG) and is continually being expanded. The policies for the whistleblower system in Südzucker AG's and CropEnergies AG's CMS, for example, are currently being revised, and the new versions will come into force in fiscal 2025/26. Südzucker Group and AGRANA codes of conduct include a reference to contact persons for potential misconduct and information on existing reporting channels. Employees can transparently access the contact details of the designated compliance officers, information on the whistleblower system, as well as links to the electronic reporting channels via the Südzucker or AGRANA intranet.

Whistleblower reporting is addressed in specific compliance e-learning sessions (→ section compliance training) and is also included in onboarding programs for new employees at Südzucker's headquarters in Mannheim and AGRANA's offices in Vienna.

It is possible to report misconduct in person, by telephone, through email, or by mail. However, whistleblowers can also submit reports via electronic reporting channels (compliance lines) that can be used anonymously and ensure the encrypted transmission of confidential information. Our system-supported whistleblower channels maintain anonymity through encryption and security measures certified by an independent body.

Currently, compliance lines are available for Südzucker Group, (https://www.bkms-system.com/suedzucker), the CropEnergies Group (https://www.bkms-system.com/cropenergies) and the AGRANA Group (https://www.bkms-system.com/agrana). The information can also be found on the respective company websites and is therefore also available to external third parties or, for example, employees without intranet access. Further compliance lines for divisions or affiliated companies, where legally relevant, are currently being set up. Compliance lines are regularly monitored. As part of the ongoing revision of the policy on the whistleblower system in the CMS of Südzucker Group, it is now being formally established that, in the future, if no reports are received through the whistleblower system for two months, test cases will be created to verify the system's functionality. This has already been common practice.

Recipients of whistleblower reports via the compliance lines are the compliance officers with expertise in the area of whistleblower protection, as defined in the existing Südzucker Group CMS systems. In fiscal year 2024/25, there was a change of compliance officer at both Südzucker AG and CropEnergies AG. The new officers have taken part in further training for compliance officers and on the Whistleblower Protection Act in fiscal 2024/25. All appointed compliance officers within the CMS of Südzucker and CropEnergies are required to regularly participate in further training in compliance, including the protection of whistleblowers. The compliance officers appointed at AGRANA participate in regular training sessions as well. Moreover, the compliance officers within Südzucker Group regularly exchange information on compliance topics and local legislative changes.

All potential whistleblowers are free to report incidents in their own business area and in the Südzucker Group value chain through the available reporting channels. This includes violations of national and international laws, directives and other provisions. Reports can be submitted particularly in the following areas:

- Violations of internal policies, in particular, the code of conduct
- Financial crime (e. g., corruption, bribery, money laundering, terrorism financing, fraud, breach of trust, theft, embezzlement)
- Violations of competition law and antitrust law
- Violations of securities law including insider trading
- Violations of data protection regulations
- Violations of human rights (e. g., slavery, forced labor, child labor)
- Violations of environmental protection regulations
- Violations of labor law regulations including occupational health and safety, inequality in employment, e. g., due to age, gender, religion or other personal characteristics, harassment and bullying
- Incorrect accounting or financial reporting
- Violations of tax law regulations
- Other violations within the material scope of the locally applicable whistleblower protection law
- Other violations of national laws and EU regulations, e. g., consumer protection, food safety, animal welfare

Reports that fall outside the personal or material scope of the whistleblower system will also be pursued with equal effectiveness and confidentiality.

Whistleblowers are encouraged to create a secure mailbox as part of compliance line reporting. This mailbox is intended solely for communication between the whistleblower and the respective responsible compliance officer or the local compliance officers of the affected divisions / subsidiaries. The entire communication process is strictly confidential and is based solely on the whistleblower's willingness to log into the system and answer further questions to clarify the facts of the case.

Südzucker ensures security and confidentiality with regard to the identity of the whistleblower when processing whistleblower cases. In cases where the report is submitted anonymously, personal details will not be sought at any stage of the procedure. The compliance officers in Südzucker Group's existing CMS are bound to secrecy.

If contact with the whistleblower is possible, they will receive confirmation of the receipt of their reports within the legal time limit.

Upon receipt of a report, an initial review is promptly conducted in an independent, objective and confidential manner. If an initial review reveals a sufficient and circumstance-based initial suspicion related to the company, a further case-specific investigation, if necessary, will be conducted anonymously. For anonymous reports, this might be especially thorough to effectively mitigate the heightened risk of possible misuse of Südzucker Group's compliance lines, for example.

The processing of the case is conducted confidentially and in accordance with data protection laws. Employees involved in case processing are reminded of their duty of confidentiality and are instructed not to request personal information in anonymous tips or to attempt to directly or indirectly deduce the whistleblower's identity. Once the legally required retention period has passed, the person in charge of a whistleblower channel anonymizes the personal data.

If the matter is found to be justified during the discussion, appropriate follow-up actions will be taken on a case-by-case basis, and these will be tracked by the responsible compliance officer if necessary.

Feedback to the whistleblower is provided within the legally applicable timeframe. Such action is taken only to the extent that it does not interfere with ongoing internal investigations and does not infringe upon the rights of individuals who are the subject of a report or mentioned in the report. If a personal mailbox was set up in the respective compliance line when the report was submitted, the feedback can be retrieved there. If this is not the case or the whistleblower has not disclosed any other contact address, this may result in no feedback being provided to the whistleblower.

Reports from whistleblowers concerning compliance issues, including allegations of corruption or bribery, are immediately forwarded to the CEO of Südzucker AG in Südzucker's CMS and, if necessary, to the relevant management board responsible for the division or company at Südzucker AG. The informed board members are continuously updated on the status of the respective suspected cases, and if necessary, any actions to be taken are coordinated with them as well. Biannual reports are submitted to Südzucker AG's executive board regarding whistleblower cases within Südzucker Group during the previous half-year, including those suspected of corruption or bribery.

The board member responsible for compliance at Südzucker AG, CropEnergies AG and AGRANA Beteiligungs-AG reports annually on compliance to the respective audit committee and supervisory board. This also includes a report on whistleblower cases from the past fiscal year, including those suspected of corruption or bribery.

The whistleblower system and the whistleblower protection described below help to avoid the potential negative effects of protection of whistleblowers (5-G1) and mitigate the risks of potential fines and damage to reputation (e. g.: 11-G1).

Details on Südzucker Group's whistleblower system and the management of complaints are available in → ESRS S2 – workers in the value chain.

Südzucker Group has policies in place for combating corruption and bribery in the form of the procedures and directives described (CMS, whistleblower system, code of conduct, training, etc.), supplemented by internal group policies for dealing with donations, public officials and conflicts of interest. This also includes policies that align with the United Nations Convention against Corruption (UNCAC).

Whistleblower protection

The primary principle of our whistleblower system is the protection of the whistleblower in accordance with the applicable law transposing Directive (EU) 2019/1937 and in line with local whistleblower protection laws. This is also integrated into our internal policy for the whistleblower system. Südzucker Group's whistleblower system is to be used responsibly. It must not be misused to defame others or make false claims. Therefore, only information that the whistleblower is convinced is correct to the best of their knowledge and belief should be disclosed. Whistleblowers submitting reports in good faith will face no disadvantages, provided they adhere to the local legal requirements for effective whistleblower protection within their reports.

Südzucker Group will not tolerate any reprisals, sanctions or other retaliatory measures, or the threat or attempt thereof, by Südzucker employees against a whistleblower who has reason to believe that a violation existed at the time of reporting. No employee should experience drawbacks as a result of a report. Südzucker clearly states that reports made accordingly will not affect the employment, career opportunities, professional future or tasks of whistleblowers employed by Südzucker.

Protection against reprisals for whistleblowers employed at Südzucker also extends to persons associated with the whistleblower, who may face retaliation due to a possibly close connection, such as familial or similarly close ties. Individuals who assist the whistleblower in a professional context when reporting are also protected. In addition, the whistleblower is granted immunity from liability for breaching any confidentiality obligations that may exist between the whistleblower and Südzucker in connection with a report to Südzucker. The whistleblower cannot be held legally responsible for the procurement of or access to information that has been reported, unless the procurement or access itself is a criminal offense. However, Südzucker's legal influence is limited, and so the whistleblower's protection can only be guaranteed within those limits.

Our whistleblower system is not intended to capture deliberately false or malicious accusations. If the whistleblower has intentionally or through gross negligence provided untruthful or inaccurate information, Südzucker will not provide protection against reprisals. In this case, Südzucker reserves the option to proceed with disciplinary and / or criminal or civil legal action. Specific local legislation may give rise to additional scenarios where whistleblowers might not have protection under the law. In the Czech Republic, for instance (where subsidiaries of the AGRANA Group and the PortionPack division are located), local legislation stipulates that whistleblowers have no legal protection if their report does not include the whistleblower's first name, last name and date of birth or other data which could disclose their identity.

Initiatives regarding animal welfare

We established a company-wide guideline in 2023 to manage animal testing, focusing on addressing our potential negative effects in this area (7-G1). A key area is products whose health benefits must be scientifically proven in order to enable a corresponding claim (8-G1). The ongoing focus of BENEO's business activity is the development and expansion of the portfolio to incorporate more ingredients that offer additional health benefits for animals. There is no implemented policy for this. To this end, two studies on dog feeding and one on bee feeding were commissioned in fiscal 2024/25. Our studies aim to examine the nutritional properties of our products that offer health benefits.

We are committed, through our policy on animal testing, to upholding regulatory minimization strategies for animal testing and ensuring a high level of protection for laboratory animals. This encompasses the 3-R principle, which centers on the actions: Replace, Reduce, Refine.

Südzucker Group avoids animal testing wherever it is permissible from a regulatory perspective. Requirements can, for instance, stem from REACH approvals and the CLP regulation regarding the classification, labeling, and packaging of substances and mixtures, or from the investigation of the physiological characteristics of animal feed. Animal testing is mandated in numerous countries for food ingredients and new food additives to guarantee product safety. Südzucker Group ensures that the necessary animal testing and research are performed following the international ISO 23662:2021 standard for vegetarian and vegan food items. Animal testing of (new) food ingredients and food additives is a crucial aspect of the regulatory requirements in many countries to ensure the required food safety.

There is currently no group-wide process in place to implement the guideline for dealing with animal testing and monitoring it. The guideline was shared with the relevant company functions.

Sustainability is increasingly emphasized in the supply chain of the Freiberger division, the only division within Südzucker Group utilizing animal products, to address potential negative effects (6-G1). For example, Freiberger intends to use only dolphin-safe tuna and / or tuna with the Marine Stewardship Council (MSC) seal. Freiberger also has organic certification and produces organic pizzas with animal products from ecological farming.

Freiberger is working on a purchasing policy that will establish principles for sustainable procurement, including that of animal products. The policy is to be adopted and rolled out in the 2025/26 fiscal year.

Compliance training

Every year, employees in Südzucker Group are required to complete e-learning courses on compliance. This training is currently defined as being for active employees, including board and management[1], with IT access and who work in functions within our organization that are most at risk in terms of corruption and bribery. Functions in the executive board and management, procurement, sales, mergers and acquisitions, and public relations are especially at risk for corruption and bribery.

There are currently five compliance e-learning modules available in both the Südzucker CMS and the CropEnergies CMS. Fair competition, capital market compliance, fraud by identity theft, protection against corruption and compliance principles (including all of the above topics). Completion of these modules is mandatory, and they change annually. The AGRANA training program consists of a yearly compliance e-learning module, which covers the topics outlined above. Our e-learning modules encompass interactive practice cases and scenarios, with references to internal policies and contacts. The e-learning compliance essentials and the AGRANA e-learning modules, for example, also include details of the whistleblower system. Employees are also given control questions to help them assess potentially problematic or risky situations more easily. Employees need to pass a test at the end of the compliance e-learning to finish the training successfully.

In fiscal 2024/25 approximately 7,087 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.

[1] Employees on parental leave, partial retirement or long-term sickness are not included in the defined group of persons.

During the training schedule for the 2024/25 business year, 90 % of the functions deemed risky regarding corruption and bribery successfully completed our compliance training sessions.

Board members and management team members are required to complete our compliance e-learnings annually. Members of the supervisory board at AGRANA undergo annual training. Südzucker Group's supervisory board employee representatives also participate in annual compliance e-learning sessions, whereas the other board members have not received such training so far. We aim to provide in-person training on compliance and corruption to the board and the entire supervisory board at least once every two years. The respective compliance officer is responsible for implementing the compliance training programs.

Furthermore, onboarding programs for new employees at the headquarters of Südzucker and CropEnergies in Mannheim and AGRANA in Vienna include in-person training on compliance. These sessions address the topics mentioned above and aim to increase compliance awareness. AGRANA also offers specialized training for employees in the risk areas of sales, mergers and acquisitions, and procurement.

The implemented compliance training courses help mitigate potential negative impacts or risks related to corporate culture (2-G1), whistleblower protection (5-G1), and corruption and bribery (11-G1), while also strengthening the positive impacts (1-G1).

G1-2 – Management of relationships with suppliers

We maintain a long-term, trust-based partnership with beet growers as part of our contract farming (10-G1) arrangement. About 27,000 beet growers in Europe supply sugar beets directly to Südzucker Group and its subsidiaries. Current and former beet growers from Germany own shares in our company through the Süddeutsche Zuckerrüben-Verwertungsgenossenschaft (SZVG).

Europe's leading sugar producer, Südzucker Group, acquired more than 29 million tonnes of sugar beets in fiscal 2024/25, sourced entirely from European production.

The procurement of beets takes place within the framework of contract farming directly from farmers within a radius of about 80 km around our sugar factories. Annual sugar beet supply contracts are concluded, which establish the conditions for beet deliveries as well as the rights and obligations of both contracting parties, including the beet prices for the respective sugar campaign. The price paid for the sugar beets is derived from the revenue of the final product, sugar. Our goal is to ensure that farmers benefit from the company's economic achievements. The timing of payments by Südzucker or AGRANA is also explicitly outlined in the supply contract. The central treasury teams at Südzucker and AGRANA plan and coordinate payments before the respective payment deadlines. Payment dates are stored within the system, and the finalized payment run is communicated to the respective banks one day before the due date with the specific execution date.

The contracts for supply require beet producers to follow cultivation procedures in line with good professional practice, among other obligations. Accordingly, for example, plant protection measures should be carried out in accordance with the guidelines of integrated plant protection, only genetically unmodified seeds may be used, and growers must maintain field documentation. Furthermore, the growers commit in the supply contracts to cultivate sugar beets on a field no earlier than every third year to maintain soil health. Considering that cultivation is carried out exclusively in the European Union, except in the case of Moldova, it adheres to the cross-compliance standards required for agricultural production in the EU.

Südzucker also sources organic sugar beet. The cultivation is carried out in accordance with the EU Organic Farming Directive and the directives of the organic farming associations Bioland, Naturland, Biokreis, Gäa and Demeter.

We source a predominant portion of our sugar beets while adhering to ecological and social sustainability criteria according to the so-called Farm Sustainability Assessment (FSA) of the Sustainable Agriculture Initiative Platform (SAI). Südzucker and its sugar beet growers were again able to demonstrate adherence to the SAI sustainability criteria in 2024 by receiving the RedCert[2] certificate. In fiscal 2024/25, FSA Gold status – the highest FSA rating for sustainability – was achieved once more in Germany, Belgium, France and Poland. Within AGRANA, all farmer groups, with a few exceptions, achieved FSA Silver status or higher. Currently, only sugar beet cultivation in Moldova is not covered by SAI. We are currently working on an approach to change that.

Contract farming allows us to directly and jointly improve sustainability aspects in the supply chain with our beet suppliers. We are researching modern and sustainable cultivation methods, for example, in the Board of Trustees for Sugar Beet Trials and Advice, supported by Südzucker and the growers' associations, and are conducting joint experimental projects.

A further example of partnership-based cooperation is the SBR task force, which was established by Südzucker and the growers' associations. It coordinates research and trial topics for combating the beet diseases SBR (Syndrome Basses Richesses) and Stolbur, which are spreading in Germany and other regions, detrimentally affecting beet quality and yields.

We also launched an initiative in fiscal 2024/25 called "The Connected Collective" to promote regenerative agricultural practices in sugar beet cultivation through collective efforts along the entire value chain. As part of the initiative, we aim to collaborate with our beet growers and customers to make beet cultivation more sustainable. A project embodying the new approach was initiated in Belgium in 2024. We incorporate the expertise of farmers to develop feasible solutions for reducing CO_2 emissions in agriculture.

G1-3 – Prevention and detection of corruption and bribery

Prevention is a fundamental part of a compliance management system. Südzucker Group regularly conducts training programs to promote legally compliant and ethically appropriate behavior among its employees and minimize the risk of corruption and bribery. These programs are designed to heighten awareness and understanding of corruption and bribery risks and refer to applicable internal policies. Our compliance e-learning modules cover a wide range of topics: Explanations are given on the meaning of corruption, the understanding of advantages and benefits, what is appropriate or inappropriate, and the particular approach to dealing with public officials is discussed. Further details on training measures, including the percentage of functions at risk covered by training programs and the extent to which training is provided to members of the administrative, management and supervisory bodies, are set out in the → section "Compliance training".

As part of the roll-out of the updated Südzucker Group code of conduct, "corruption and bribery" is a core topic that we intend to address on an ongoing basis via the available communication channels even after the roll-out.

Supervisors of employees in "at-risk functions" are also required to regularly educate their employees on the issue of corruption, for instance during yearly evaluations.

The Südzucker intranet offers employees concrete advice on actions to take, including policies on the acceptance and provision of gifts and invitations, and on managing conflicts of interest. Specific provisions regarding the points mentioned above are also set out in Südzucker and CropEnergies' policies for dealing with donations and conflicts of interest (courtesy directive). The mentioned points are reflected in AGRANA's country-specific anti-corruption policies and conflict of interest policies.

We are consistently striving to make sure our policies are communicated, understood and executed following their release. We disseminate our policies, including those for the prevention and detection of corruption, through various channels such as internal newsletters, internal circulars, training sessions and our intranet pages. Our executives are expected to function as multipliers, ensuring their staff are informed about and have access to the policies pertinent to them. Policies are generally available in multiple languages. The Südzucker and AGRANA codes of conduct also refer to existing internal policies. During the pre-Christmas period, the main compliance officers of the Südzucker, CropEnergies and AGRANA groups regularly send out reminders to adhere to the applicable courtesy policies. We regularly review our communication approaches and modify them as needed to guarantee their effectiveness and to satisfy the needs of our stakeholders.

Our whistleblower system also allows for the reporting of suspected cases of corruption or bribery. Südzucker Group's compliance officers are not subject to policies in their roles as compliance officers and investigators of reports from whistleblowers and have extensive rights to information. This is set out in writing in an additional agreement for the "compliance officer" role as part of the employment relationship.

The executive board, audit committee and supervisory board are regularly informed about reports from whistleblowers with compliance relevance, including those involving suspected corruption or bribery. For more information, refer to the → section "Whistleblower system".

Metrics

G1-4 – Incidents of corruption or bribery

Incidents of corruption and bribery in Südzucker Group

	2024/25
Number of convictions for violation of anti-corruption and anti-bribery laws	0
Amount of fines for violation of anti-corruption and anti-bribery laws	0

TABLE 076

No further action was taken as there were no convictions or confirmed cases related to corruption or bribery in the 2024/25 financial year. We have implemented and continue to develop preventive procedures such as whistleblower channels, compliance training and communication activities on internal guidelines.

G1-5 – Political influence and lobbying activities

The CEO of Südzucker Group is resonsible for and oversees activities in the domain of public affairs.

The objective of our donation policy is to act as a basis for Südzucker Group companies to independently offer assistance. Supportive measures are to be provided transparently and according to specific guidelines, and must be documented. This includes donations, memberships, and hospitality services. The donation policy applies to Südzucker Group with the exception of AGRANA. The donation policy at AGRANA is outlined in the anti-corruption policies.

In fiscal year 2024/25, monetary payments amounting to € 117,000 were made directly on behalf of Südzucker Group. These donations typically occur exclusively in the run-up to the German Bundestag elections. The evidence is provided within the accountability reports of the respective political parties.

Donations in kind were made to a negligible extent. Contributions in the form of cash or, for instance, vouchers, as well as regular contributions, are not allowed. Specific provisions are set out in Südzucker and CropEnergies' policies for dealing with donations and conflicts of interest (courtesy directive). The aforementioned points are reflected in AGRANA's country-specific anti-corruption policies.

Südzucker AG is listed in the Transparency Register of the European Union (Reg. No.: 740592710611-76) and in the Lobby Register of the German Bundestag (Reg. No.: R001956).

No new member of Südzucker AG's executive board was appointed in fiscal year 2024/25. During this period, there was an instance in the supervisory board where an alternate member took over a position, having been elected as a substitute candidate to the supervisory board during the 2022 election of employee representatives. The new supervisory board member has not held a comparable position in public administration (including regulatory authorities) in the last two years.

Changes in the legal and political environment, particularly in the European Union, could potentially have a negative impact on our business activities (9-G1). We are engaged in a dialogue with politicians, institutions and non-governmental organizations in order to minimize this risk. Content positions are communicated through policy discussions, parliamentary breakfasts or the dissemination of position papers. Political talks are commenced either through active outreach by Südzucker AG or upon request from external decision-makers. The position papers are subject-specific content documents from Südzucker AG or an association whose position is substantively shared by Südzucker AG. The company oversees regulatory changes through in-house research, associations, and external consultants. We are not only a member of relevant industry associations but also committed to supporting their work through active participation. Here, too, our aim is to find practical solutions to regulatory issues.

The following is an overview of Südzucker Group's lobby positions associated with the material impacts, risks and opportunities identified in the materiality assessment in accordance with ESRS 1:

- Südzucker Group is seriously concerned about the potential negative health effects on consumers caused by the overconsumption of sugary foods. As a result, we fully endorse the goal of addressing overweight and obesity, along with the related health issues, in consumers. Still, the onset of obesity and overweight is complex, and the causes are varied. From the perspective of Südzucker Group, no single food is responsible for overweight. Key to the onset of overweight and obesity is an imbalance in the caloric equation. There is no evidence that the draft law announced by the BMEL for advertising regulation contributes to reducing the prevalence of overweight. Südzucker Group therefore considers the draft law to be disproportionate and rejects it. We also reject a sugar tax, actions to regulate advertising, and nutrition labeling models that focus on individual nutrients rather than calorie density.

- We are committed to ensuring that high-quality, safe and diverse food and staple foods are provided in our own business division for the downstream value chain. To this end, we are calling for the retention of the applicable regulations on processing aids in accordance with Regulation (EU) No. 2021/1165, the preservation of the use of pesticides for sugar beet cultivation and a practice-oriented design of, among other things, the "Standards for Good Agricultural and Environmental Conditions" (GAEC) and voluntary funding instruments such as the eco-regulations. For the stated objective, we advocate the use of new genomic techniques in plant breeding.

- Südzucker Group is calling for the national implementation of the Renewable Energy Directive (EU) 2023/2413 in order to achieve almost complete energy utilization of the agricultural raw materials used in its own business segments. Moreover, Südzucker Group supports upholding the definition of "renewable energy sources" (including biomass and sewage treatment gas) in the Electricity Tax Act to secure the utilization of renewable energy sources in its business segments.

Annex to the sustainability statement

IRO-2 – Disclosure requirements in ESRS covered by the undertaking's sustainability statement

List of disclosure requirements presented in the sustainability statement

Disclosure Requirement	Full name	Page
ESRS S1 – Own workforce		
S1-1	Policies related to own workforce	132-135
S1-2	Processes for engaging with own workers and workers' representatives about impacts	135-136
S1-3	Processes to remediate negative impacts and channels for own workers to raise concerns	136-137
S1-4	Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	137-142
S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	142
S1-6	Characteristics of the undertaking's employees	142-143
S1-8	Collective bargaining coverage and social dialogue	143
S1-9	Diversity metrics	143
S1-10	Adequate wages	144
S1-14	Health and safety metrics	144
S1-16	Compensation metrics (pay gap and total compensation)	144
S1-17	Incidents, complaints and severe human rights impacts	144
MDR-P	Policies adopted to manage material sustainability matters	132-135
MDR-A	Actions and resources in relation to material sustainability matters	137-141
MDR-M	Metrics in relation to material sustainability matters	142-144
MDR-T	Tracking effectiveness of policies and actions through targets	142
ESRS S2 – Workers in the value chain		
S2-1	Policies related to value chain workers	147-148
S2-2	Processes for engaging with value chain workers about impacts	148
S2-3	Processes to remediate negative impacts and channels for value chain workers to raise concerns	148-149
S2-4	Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those action	149-151
S2-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	152

Disclosure Requirement	Full name	Page
MDR-P	Policies adopted to manage material sustainability matters	147-148
MDR-A	Actions and resources in relation to material sustainability matters	149-151
MDR-M	Metrics in relation to material sustainability matters	–
MDR-T	Tracking effectiveness of policies and actions through targets	152
ESRS S4 – Consumers and end-users		
S4-1	Policies related to consumers and end-users	154-155
S4-2	Processes for engaging with consumers and end-users about impacts	154-155
S4-3	Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	155
S4-4	Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions	155-157
S4-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	157
MDR-P	Policies adopted to manage material sustainability matters	154-155
MDR-A	Actions and resources in relation to material sustainability matters	155-157
MDR-M	Metrics in relation to material sustainability matters	–
MDR-T	Tracking effectiveness of policies and actions through targets	157
ESRS G1 – Business conduct		
G1-1	Corporate culture and business conduct policies and corporate culture	160-165
G1-2	Management of relationships with suppliers	165-166
G1-3	Prevention and detection of corruption and bribery	166-167
G1-4	Confirmed incidents of corruption or bribery	167
G1-5	Political influence and lobbying activities	167-168
MDR-P	Policies adopted to manage material sustainability matters	160-165
MDR-A	Actions and resources in relation to material sustainability matters	167
MDR-M	Metrics in relation to material sustainability matters	167
MDR-T	Tracking effectiveness of policies and actions through targets	–

TABLE 077

List of data points presented in the sustainability statement in connection with other EU legislation

Disclosure requirement and associated data point	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Page
ESRS 2 GOV-1 paragraph 21 (d)	Indicator number 13 of Table #1 of Annex 1		Commission Delegated Regulation (EU) 2020/1816, Annex II		83
ESRS 2 GOV-1 paragraph 21 (e)			Delegated Regulation (EU) 2020/1816, Annex II		83
ESRS 2 GOV-4 paragraph 30	Indicator number 10 Table #3 of Annex 1				87
ESRS 2 SBM-1 paragraph 40 (d) i	Indicators number 4 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Table 1 and Table 2	Delegated Regulation (EU) 2020/1816, Annex II		–
ESRS 2 SBM-1 paragraph 40 (d) ii	Indicator number 9 Table #2 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II		–
ESRS 2 SBM-1 paragraph 40 (d) iii	Indicator number 14 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		–
ESRS 2 SBM-1 paragraph 40 (d) iv			Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		–
ESRS E1-1 paragraph 14				Regulation (EU) 2021/1119, Article 2(1)	–
ESRS E1-1 paragraph 16 (g)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1	Delegated Regulation (EU) 2020/1818, Article12.1 (d) to (g), and Article 12.2		112
ESRS E1-4 paragraph 34	Indicator number 4 Table #2 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3	Delegated Regulation (EU) 2020/1818, Article 6		112-113
ESRS E1-5 paragraph 38	Indicator number 5 Table #1 and Indicator number 5 Table #2 of Annex 1				117
ESRS E1-5 paragraph 37	Indicator number 5 Table #1 of Annex 1				117
ESRS E1-5 paragraphs 40 to 43	Indicator number 6 Table #1 of Annex 1				118
ESRS E1-6 paragraph 44	Indicators number 1 and 2 Table #1 of Annex 1	Article 449a; Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1	Delegated Regulation (EU) 2020/1818, Article 5(1), 6 and 8(1)		118
ESRS E1-6 paragraphs 53 to 55	Indicators number 3 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3	Delegated Regulation (EU) 2020/1818, Article 8(1)		118
ESRS E1-7 paragraph 56				Regulation (EU) 2021/1119, Article 2(1)	119

Disclosure requirement and associated data point	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Page
ESRS E1-9 paragraph 66			Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II		gradual introduction
ESRS E1-9 paragraph 66 (a) ESRS E1-9 paragraph 66 (c)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraphs 46 and 47; Template 5			gradual introduction
ESRS E1-9 paragraph 67 (c)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraph 34; Template 2			gradual introduction
ESRS E1-9 paragraph 69			Delegated Regulation (EU) 2020/1818, Annex II		gradual introduction
ESRS E2-4 paragraph 28	Indicator number 8 Table #1 of Annex 1 Indicator number 2 Table #2 of Annex 1 Indicator number 1 Table #2 of Annex 1 Indicator number 3 Table #2 of Annex 1				not material
ESRS E3-1 paragraph 9	Indicator number 7 Table #2 of Annex 1				121
ESRS E3-1 paragraph 13	Indicator number 8 Table #2 of Annex 1				–
ESRS E3-1 paragraph 14	Indicator number 12 Table #2 of Annex 1				121
ESRS E3-4 paragraph 28 (c)	Indicator number 6.2 Table #2 of Annex 1				121
ESRS E3-4 paragraph 29	Indicator number 6.1 Table #2 of Annex 1				122
ESRS 2 – SBM-3 – E4 paragraph 16 (a) i	Indicator number 7 Table #1 of Annex 1				not material
ESRS 2 – SBM-3 – E4 paragraph 16 (b)	Indicator number 10 Table #2 of Annex 1				not material
ESRS 2 – SBM-3 – E4 paragraph 16 (c)	Indicator number 14 Table #2 of Annex 1				not material
ESRS E4-2 paragraph 24 (b)	Indicator number 11 Table #2 of Annex 1				not material
ESRS E4-2 paragraph 24 (c)	Indicator number 12 Table #2 of Annex 1				not material
ESRS E4-2 paragraph 24 (d)	Indicator number 15 Table #2 of Annex 1				not material
ESRS E5-5 paragraph 37 (d)	Indicator number 13 Table #2 of Annex 1				129
ESRS E5-5 paragraph 39	Indicator number 9 Table #1 of Annex 1				129
ESRS 2 SBM3 – S1 paragraph 14 (f)	Indicator number 13 Table #3 of Annex I				132
ESRS 2 SBM3 – S1 paragraph 14 (g)	Indicator number 12 Table #3 of Annex I				132
ESRS S1-1 paragraph 20	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex I				132-133

Disclosure requirement and associated data point	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Page
ESRS S1-1 paragraph 21			Delegated Regulation (EU) 2020/1816, Annex II		132
ESRS S1-1 paragraph 22	Indicator number 11 Table #3 of Annex I				133
ESRS S1-1 paragraph 23	Indicator number 1 Table #3 of Annex I				134
ESRS S1-3 paragraph 32 (c)	Indicator number 5 Table #3 of Annex I				136
ESRS S1-14 paragraph 88 (b) and (c)	Indicator number 2 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		144
ESRS S1-14 paragraph 88 (e)	Indicator number 3 Table #3 of Annex I				gradual introduction
ESRS S1-16 paragraph 97 (a)	Indicator number 12 Table #1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		144
ESRS S1-16 paragraph 97 (b)	Indicator number 8 Table #3 of Annex I				144
ESRS S1-17 paragraph 103 (a)	Indicator number 7 Table #3 of Annex I				144
ESRS S1-17 paragraph 104 (a)	Indicator number 10 Table #1 and Indicator number 14 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Art 12 (1)		144
ESRS 2 SBM3 – S2 paragraph 11 (b)	Indicators number 12 and number 13 Table #3 of Annex I				146
ESRS S2-1 paragraph 17	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex 1				147
ESRS S2-1 paragraph 18	Indicator number 11 and number 4 Table #3 of Annex 1				147
ESRS S2-1 paragraph 19	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		147
ESRS S2-1 paragraph 19			Delegated Regulation (EU) 2020/1816, Annex II		147
ESRS S2-4 paragraph 36	Indicator number 14 Table #3 of Annex 1				150, 154
ESRS S3-1 paragraph 16	Indicator number 9 Table #3 of Annex 1 and Indicator number 11 Table #1 of Annex 1				not material
ESRS S3-1 paragraph 17	Indicator number 10 Table #1 Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		not material
ESRS S3-4 paragraph 36	Indicator number 14 Table #3 of Annex 1				not material
ESRS S4-1 paragraph 16	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex 1				154

Disclosure requirement and associated data point	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Page
ESRS S4-1 paragraph 17	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		154
ESRS S4-4 paragraph 35	Indicator number 14 Table #3 of Annex 1				154
ESRS G1-1 paragraph 10 (b)	Indicator number 15 Table #3 of Annex 1				164
ESRS G1-1 paragraph 10 (d)	Indicator number 6 Table #3 of Annex 1				–
ESRS G1-4 paragraph 24 (a)	Indicator number 17 Table #3 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II)		167
ESRS G1-4 paragraph 24 (b)	Indicator number 16 Table #3 of Annex 1				167

TABLE 078

CONSOLIDATED FINANCIAL STATEMENTS

03

INCOME STATEMENT

1 March 2024 to 28 February 2025

€ million	Notes	2024/25	2023/24	+/– in %
Revenues	(06)	**9,694**	**10,289**	**–5.8**
Change in work in progress and finished goods inventories and internal costs capitalized	(07)	–636	533	–
Other operating income	(08)	253	169	49.7
Cost of materials	(09)	–6,203	–7,337	–15.5
Personnel expenses	(10)	–1,246	–1,192	4.5
Depreciation	(11)	–498	–393	26.7
Goodwill impairment	(11)	–108	0	–
Other operating expenses	(12)	–1,167	–1,157	0.9
Result from companies consolidated at equity	(13)	7	2	> 100
Result from operations	(14)	**96**	**914**	**–89.5**
Financial income	(15)	67	82	–18.3
Financial expense	(15)	–171	–215	–20.5
Earnings before tax		**–8**	**781**	**–**
Taxes on income	(16)	–78	–133	–41.4
Earnings after tax	(18)	**–86**	**648**	**–**
of which attributable to Südzucker AG shareholders		–78	589	–
of which attributable to other non-controlling interests		–8	59	–
Earnings per share (€) – undiluted	(18)	**–0.54**	**2.72**	**–**
Earnings per share (€) – diluted	(18)	**–0.54**	**2.72**	**–**

TABLE 079

Further disclosures regarding the income statement are outlined in notes (06) to (18) of the notes to the group consolidated financial statements.

STATEMENT OF COMPREHENSIVE INCOME

1 March 2024 to 28 February 2025

€ million	Notes	2024/25	2023/24	+/– in %
Earnings after tax		**–86**	**648**	**–**
Market value of hedging instruments (cash flow hedge) after deferred taxes		21	–71	–
Revaluation not affecting income		16	–168	–
Reclassification of realized gains / losses recognized in the income statement		10	73	–86.3
Deferred taxes		–5	24	–
Market value of debt instruments (securities) after deferred taxes		3	5	–40.0
Revaluation not affecting income		4	7	–42.9
Deferred taxes		–1	–2	–50.0
Exchange differences on net investments in foreign operations after deferred taxes		5	–5	–
Revaluation not affecting income		7	–7	–
Deferred taxes		–2	2	–
Foreign currency translation differences / hyperinflation		49	–6	–
Share from companies consolidated at equity		4	1	> 100
Income and expenses to be recognized in the income statement in the future	(19)	**82**	**–76**	**–**
Market value of equity instruments (securities) after deferred taxes		1	0	–
Revaluation not affecting income		1	0	–
Deferred taxes		0	0	–
Remeasurement of defined benefit pension plans and similar obligations after deferred taxes	(27)	–15	–64	–76.6
Revaluation not affecting income		–21	–89	–76.4
Deferred taxes		6	25	–76.0
Share from companies consolidated at equity		0	0	–
Income and expenses not to be recognized in the income statement in the future	(19)	**–14**	**–64**	**–78.1**
Other comprehensive result	(19)	**68**	**–140**	**–**
Comprehensive income		**–18**	**508**	**–**
of which attributable to Südzucker AG shareholders		–31	477	–
of which attributable to other non-controlling interests		13	31	–58.1

TABLE 080

Further disclosures regarding the statement of comprehensive income are outlined in notes (19) and (27) of the notes to the group consolidated financial statements.

CASH FLOW STATEMENT

1 March 2024 to 28 February 2025

€ million	Notes	2024/25	2023/24	+/– in %
Earnings after tax		–86	648	–
Goodwill impairment (+)		108	0	–
Depreciation and amortization of intangible assets, fixed assets and other investments (+)		498	393	26.7
Decrease (–) / Increase (+) in non-current provisions and (deferred) tax liabilities and increase (–) / decrease (+) in deferred tax assets		–24	–37	–35.1
Other income (–) / expenses (+) not affecting cash		17	42	–59.5
Cash flow		**513**	**1,046**	**–51.0**
Decrease (–) / Increase (+) in current provisions		–13	1	–
Increase (–) / Decrease (+) in inventories, receivables and other assets		1,129	–427	–
Decrease (–) / Increase (+) in liabilities (excluding financial liabilities)		–690	464	–
Increase (–) / Decrease (+) in working capital		**426**	**38**	**> 100**
Gain (–) / Loss (+) on disposal of items included in non-current assets and of securities		–33	–11	> 100
I. Cash flow from operating activities		**906**	**1,073**	**–15.6**
Investments in fixed assets and intangible assets (–)		–574	–546	5.1
Investments in financial assets / acquisitions (–)		–5	–1	> 100
Total investments		**–579**	**–547**	**5.9**
Cash received on disinvestments (+)		69	0	–
Cash received on disposal of non-current assets (+)		28	29	–3.4
Cash paid (–) / received (+) for the purchase / sale of other securities		9	63	–85.7
II. Cash flow from investing activities		**–473**	**–455**	**4.0**

€ million	Notes	2024/25	2023/24	+/– in %
Issuance of bond 2025/2032 (+)		496	0	–
Repayment of bond 2016/2023 (–)		0	–300	–100.0
Repayment (–)/Issuance (+) of commercial papers		0	0	–
Repayment (–)/Issuance (+) of promissory note loans		–85	100	–
Repayment (–) of lease liabilities		–32	–35	–8.6
Other repayment (–)/Refund (+) of financial liabilities		–229	171	–
Repayment (–)/Refund (+) of financial liabilities		**150**	**–64**	**–**
Increases in stakes held in subsidiaries/capital buyback (–)		–2	–259	–99.2
Decrease in stakes held in subsidiaries/capital increase (+) 0		0	0	–
Dividends paid (–)		–266	–237	12.2
III. Cash flow from financing activities		**–118**	**–560**	**–78.9**
Change in cash and cash equivalents (total of I., II. und III.)		**315**	**58**	**> 100**
Change in cash and cash equivalents				
due to exchange rate changes		4	0	–
due to changes in entities included in consolidation/other		2	0	–
Decrease (–)/Increase (+) in cash and cash equivalents		**321**	**58**	**> 100**
Cash and cash equivalents at the beginning of the period		305	247	23.5
Cash and cash equivalents at the end of the period		**626**	**305**	**> 100**
Dividends received from companies consolidated at equity/other participations	(20)	10	4	> 100
Interest receipts	(20)	20	22	–9.1
Interest payments	(20)	–90	–83	8.4
Income taxes paid	(20)	–149	–99	50.5

TABLE 081

Further disclosures on the cash flow statement are included in note (20) of the notes to the group consolidated financial statements.

BALANCE SHEET

28 February 2025

€ million	Notes	28 February 2025	29 February 2024	+/– in %
Assets				
Intangible assets	(21)	774	917	–15.6
Fixed assets	(22)	3,397	3,257	4.3
Shares in companies consolidated at equity	(23)	80	80	–
Other investments	(23)	7	10	–30.0
Securities	(30)	20	18	11.1
Other assets	(25)	107	45	> 100
Deferred tax assets	(16)	84	118	–28.8
Non-current assets		**4,469**	**4,445**	**0.5**
Inventories	(24)	2,843	3,511	–19.0
Trade receivables	(25)	1,022	1,456	–29.8
Other assets	(25)	371	409	–9.3
Current tax receivables	(16)	67	50	34.0
Securities	(30)	98	102	–3.9
Cash and cash equivalents	(30)	626	305	> 100
Current assets		**5,027**	**5,833**	**–13.8**
Total assets		**9,496**	**10,278**	**–7.6**

€ million	Notes	28 February 2025	29 February 2024	+/– in %
Liabilities and equity				
Equity attributable to shareholders of Südzucker AG		2,617	2,846	–8.0
Hybrid equity		654	654	–
Other non-controlling interests		755	773	–2.3
Total equity	(26)	**4,026**	**4,273**	**–5.8**
Provisions for pensions and similar obligations	(27)	799	769	3.9
Other provisions	(28)	175	184	–4.9
Financial liabilities	(30)	1,496	1,707	–12.4
Other liabilities	(29)	79	6	> 100
Tax liabilities	(16)	5	4	25.0
Deferred tax liabilities	(16)	139	183	–24.0
Non-current liabilities		**2,693**	**2,853**	**–5.6**
Other provisions	(28)	64	77	–16.9
Financial liabilities	(30)	902	513	75.8
Trade payables	(29)	1,339	1,970	–32.0
Other liabilities	(29)	409	485	–15.7
Current tax liabilities	(16)	63	107	–41.1
Current liabilities		**2,777**	**3,152**	**–11.9**
Total liabilities and equity		**9,496**	**10,278**	**–7.6**
Net financial debt		1,654	1,795	–7.9
Equity ratio in %		42.4	41.6	

TABLE 082

Further disclosures regarding the balance sheet are outlined in notes (16) and (21) to (30) of the notes to the group consolidated financial statements.

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

1 March 2024 to 28 February 2025

€ million	Issued subscribed capital	Nominal value own shares	Capital reserve	Other reserves	Other equity accounts: Market value of hedging instruments (cash flow hedge)	Market value of debt instruments (securities)	Exchange differences on net investments in foreign operations	Accumulated exchange differences/ hyperinflation	Share from companies consolidated at equity	Equity of Südzucker shareholders	Hybrid equity	Other non-controlling interests	Total equity
1 March 2023	**204**	**0**	**1,615**	**880**	**0**	**−10**	**7**	**−105**	**−19**	**2,572**	**654**	**973**	**4,199**
Earnings after tax				589						589		59	648
Other comprehensive result				−63	−52	6	−4	0	1	−112		−28	−140
Comprehensive income				**526**	**−52**	**6**	**−4**	**0**	**1**	**477**		**31**	**508**
Distributions				−143						−143	−44	−52	−239
Claim hybrid investors				−44						−44	44		0
Increase in stakes held in subsidiaries	0		0	−55	−6	0	0	0	0	−61	0	−196	−257
Basis adjustment[1]					35					35		14	49
Other changes	0	0	0	10						10	0	3	13
29 February 2024	**204**	**0**	**1,615**	**1,174**	**−23**	**−4**	**3**	**−105**	**−18**	**2,846**	**654**	**773**	**4,273**
1 March 2024	**204**	**0**	**1,615**	**1,174**	**−23**	**−4**	**3**	**−105**	**−18**	**2,846**	**654**	**773**	**4,273**
Earnings after tax				−78						−78		−8	−86
Other comprehensive result				−19	14	3	5	42	2	47		21	68
Comprehensive income				**−97**	**14**	**3**	**5**	**42**	**2**	**−31**		**13**	**−18**
Distributions				−184						−184	−44	−37	−265
Claim hybrid investors				−44						−44	44		0
Increase in stakes held in subsidiaries	0		0	−1	0	0	0	0	0	−1	0	3	2
Basis adjustment[1]					20					20		4	24
Other changes	0	0	0	11						11	0	−1	10
28 February 2025	**204**	**0**	**1,615**	**859**	**11**	**−1**	**8**	**−63**	**−16**	**2,617**	**654**	**755**	**4,026**

[1] Gains and losses on cash flow hedges, eliminated from other comprehensive income not affecting profit and loss.

TABLE 083

Further disclosures on shareholders' equity are included in note (26) of the notes to the group consolidated financial statements.

SEGMENT REPORT

€ million	2024/25	2023/24	+/– in %
Südzucker Group			
Gross revenues	**10,138**	**10,811**	**–6.2**
Consolidation	–444	–522	–14.9
Revenues	**9,694**	**10,289**	**–5.8**
EBITDA	**723**	**1,318**	**–45.1**
EBITDA margin	7.5 %	12.8 %	
Depreciation	–373	–371	0.5
Operating result	**350**	**947**	**–63.0**
Operating margin	3.6 %	9.2 %	
Result from restructuring / special items	–261	–35	> 100
Result from companies consolidated at equity	7	2	> 100
Result from operations	**96**	**914**	**–89.5**
Investments in fixed assets including intangible assets	574	546	5.1
Investments in financial assets / acquisitions	5	1	> 100
Total investments	**579**	**547**	**5.9**
Shares in companies consolidated at equity	80	80	–
Capital employed	6,701	7,187	–6.8
Return on capital employed	5.2 %	13.2 %	
Working capital	2,485	2,967	–16.2
Employees	**19,284**	**19,204**	**0.4**

€ million	2024/25	2023/24	+/– in %
Sugar segment			
Gross revenues	**4,134**	**4,435**	**–6.8**
Consolidation	–258	–273	–5.5
Revenues	**3,876**	**4,162**	**–6.9**
EBITDA	**146**	**714**	**–79.6**
EBITDA margin	3.8 %	17.2 %	
Depreciation	–159	–156	1.9
Operating result	**–13**	**558**	**–**
Operating margin	–0.3 %	13.4 %	
Result from restructuring / special items	–159	–6	> 100
Result from companies consolidated at equity	0	0	–
Result from operations	**–172**	**552**	**–**
Investments in fixed assets including intangible assets	282	257	9.7
Investments in financial assets / acquisitions	0	0	–
Total investments	**282**	**257**	**9.7**
Shares in companies consolidated at equity	30	30	–
Capital employed	3,056	3,347	–8.7
Return on capital employed	–0.4 %	16.7 %	
Working capital	1,441	1,727	–16.6
Employees	**6,457**	**6,458**	**–0.0**

€ million	2024/25	2023/24	+/– in %
Special products segment			
Gross revenues	**2,292**	**2,430**	**–5.7**
Consolidation	–17	–16	6.3
Revenues	**2,275**	**2,414**	**–5.8**
EBITDA	**288**	**279**	**3.2**
EBITDA margin	12.7 %	11.6 %	
Depreciation	–85	–83	2.4
Operating result	**203**	**196**	**3.6**
Operating margin	8.9 %	8.1 %	
Result from restructuring / special items	11	–3	–
Result from companies consolidated at equity	0	0	–
Result from operations	**214**	**193**	**10.9**
Investments in fixed assets including intangible assets	126	128	–1.6
Investments in financial assets / acquisitions	0	0	–
Total investments	**126**	**128**	**–1.6**
Shares in companies consolidated at equity	0	0	–
Capital employed	2,001	2,013	–0.6
Return on capital employed	10.1 %	9.7 %	
Working capital	490	536	–8.6
Employees	**5,541**	**5,422**	**2.2**

€ million	2024/25	2023/24	+/– in %
CropEnergies segment			
Gross revenues	**1,054**	**1,214**	**–13.2**
Consolidation	–95	–123	–22.8
Revenues	**959**	**1,091**	**–12.1**
EBITDA	**65**	**105**	**–38.1**
EBITDA margin	6.8 %	9.6 %	
Depreciation	–43	–45	–4.4
Operating result	**22**	**60**	**–63.3**
Operating margin	2.3 %	5.5 %	
Result from restructuring / special items	–105	–1	> 100
Result from companies consolidated at equity	0	0	–
Result from operations	**–83**	**59**	**–**
Investments in fixed assets including intangible assets	84	72	16.7
Investments in financial assets / acquisitions	5	1	> 100
Total investments	**89**	**73**	**21.9**
Shares in companies consolidated at equity	0	3	–100.0
Capital employed	479	540	–11.3
Return on capital employed	4.6 %	11.1 %	
Working capital	113	135	–16.3
Employees	**537**	**515**	**4.3**

€ million	2024/25	2023/24	+/– in %
Starch segment			
Gross revenues	**1,027**	**1,164**	**–11.8**
Consolidation	–72	–108	–33.3
Revenues	**955**	**1,056**	**–9.6**
EBITDA	**83**	**94**	**–11.7**
EBITDA margin	8.7 %	8.9 %	
Depreciation	–47	–46	2.2
Operating result	**36**	**48**	**–25.0**
Operating margin	3.8 %	4.5 %	
Result from restructuring / special items	–6	0	–
Result from companies consolidated at equity	7	2	> 100
Result from operations	**37**	**50**	**–26.0**
Investments in fixed assets including intangible assets	33	41	–19.5
Investments in financial assets / acquisitions	0	0	–
Total investments	**33**	**41**	**–19.5**
Shares in companies consolidated at equity	50	47	6.4
Capital employed	411	505	–18.6
Return on capital employed	8.8 %	9.5 %	
Working capital	91	171	–46.8
Employees	**1,164**	**1,167**	**–0.3**

€ million	2024/25	2023/24	+/– in %
Fruit segment			
Gross revenues	**1,631**	**1,568**	**4.0**
Consolidation	–2	–2	–
Revenues	**1,629**	**1,566**	**4.0**
EBITDA	**141**	**126**	**11.9**
EBITDA margin	8.7 %	8.0 %	
Depreciation	–39	–41	–4.9
Operating result	**102**	**85**	**20.0**
Operating margin	6.3 %	5.4 %	
Result from restructuring / special items	–2	–25	–92.0
Result from companies consolidated at equity	0	0	–
Result from operations	**100**	**60**	**66.7**
Investments in fixed assets including intangible assets	49	48	2.1
Investments in financial assets / acquisitions	0	0	–
Total investments	**49**	**48**	**2.1**
Shares in companies consolidated at equity	0	0	–
Capital employed	754	782	–3.6
Return on capital employed	13.5 %	10.9 %	
Working capital	350	398	–12.1
Employees	**5,585**	**5,642**	**–1.0**

TABLE 084

Südzucker reports on the five segments sugar, special products, CropEnergies, starch and fruit. As outlined in IFRS 8 (Operating Segments), the reporting segments of Südzucker Group are aligned with the internal reporting structure in direction to the group executive board. For further details, please refer to the section on group management in the management report.

Sugar segment

The sugar segment produces and markets sugar, sugar specialties, starch-based products such as glucose syrup, and animal feed. The segment comprises the sugar division activities (Südzucker) including the five production locations in Belgium (Raffinerie Tirlemontoise S.A., Tienen), Germany (Südzucker AG, Mannheim), France (Saint Louis Sucre S.A.S., Roye), Moldova (Südzucker Moldova S.R.L., Chişinău) and Poland (Südzucker Polska S.A., Wrocław), the wheat starch plant of Südzucker AG in Zeitz, Germany as well as distributors in Greece, Italy, Spain and UK. The sugar division activities (AGRANA) comprise sugar production in Austria, Romania, Slovakia, Czech Republic and Hungary as well as the Austrian sales company. Furthermore, the agricultural division consists of Südzucker AG's agricultural business unit, Loberaue Agrar GmbH, Rackwitz, with its subsidiaries, and Terra Sömmerda GmbH, based in Sömmerda. AGRANA Studen Group (including sugar production in Bosnia), betaine producing Austrian joint venture Beta Pura GmbH based in Tulln, Austria and the Italian joint venture Maxi S.r.l. based in Bozen are consolidated at equity.

Special products segment

The special products segment includes the three divisions BENEO, Freiberger and PortionPack. BENEO produces and sells ingredients made from various raw materials for food products and animal feed with nutritional and technological benefits. Freiberger Group is a producer of chilled and frozen pizzas, frozen pasta dishes and snacks with a clear focus on private label business in Europe and the USA. PortionPack Group specializes in developing, packaging and marketing portion packs.

CropEnergies segment

The CropEnergies segment bundles the ethanol activities of Südzucker Group at the five production sites in Germany, Belgium, France and the United Kingdom. CropEnergies is a leading manufacturer of sustainably produced ethanol for the European fuel sector and a producer of food and animal feed. CropEnergies also operates a plant for the production of food-grade liquid CO_2 in Zeitz through CT Biocarbonic GmbH.

Starch segment

The Starch segment includes the AGRANA Group's starch and ethanol business with the Austrian potato, corn and wheat starch production, the corn starch factory in Romania and the ethanol production in Austria. The starch and ethanol activities of Hungrana Group in Hungary are consolidated at equity.

Fruit segment

The fruit segment comprises the fruit preparations (AGRANA Fruit) and fruit juice concentrates divisions (AUSTRIA JUICE). Companies in the fruit segment are active across the globe and serve international food companies from the dairy, baked goods, ice cream and beverage industry.

Result from operations

The result from operations reported in the income statement breaks down into the operating result, the result from restructuring and special items and the result from companies consolidated at equity. Result from operations is a key ratio that represents a benchmark for entities with different financial structures and tax systems by which the earnings after tax are adjusted for the financial result and the tax expense.

Operating result

Operating result is the result from operations adjusted for special items and effects from at equity consolidation. The operating result serves as a basis for internal corporate management. Special items are non-recurring or not regularly recurring as well as aperiodic influences on earnings in ongoing business operations, which are further defined below.

Result of restructuring and special items

Income and expenses incurred within a specific period due to operational activities materially deviating from the planned or customary business use, or arising from unplanned one-time or not regularly recurring events with a material impact on the financial position and performance, are classified under the result from restructuring and special items. Accordingly, effects resulting from efficiency programs that are carried out as part of ongoing and unchanged business operations or are conducted on a regular, recurring basis must be reported in the operating result. Typical examples of the result from restructuring and special items include:

- Profit and loss from the disposal of significant asset groups / business units
- Material impairment of assets following unusual operating events (e. g. following the closure of plants) and income from the pro rata reversal of previously recognized impairment losses
- Losses or gains from legal claims that are outside the normal course of business
- Expenses and income from staff reduction and restructuring measures (e. g. as part of plant closures)
- Material expenses incurred during construction and thus before a new plant or system is ready for operation.

The table below shows the items in the income statement reporting the result from restructuring and special items.

Breakdown of the result from restructuring and special items

€ million	2024/25	2023/24
Operating result	**350**	**947**
Revenues	0	0
Change in work in progress and finished goods inventories and internal costs capitalized	0	0
Other operating income	18	2
Cost of materials	–3	1
Personnel expenses	–11	–6
Depreciation (including impairment and reversals)	–125	–22
Goodwill impairment	–108	0
Other operating expenses	–32	–10
Restructuring result	**–261**	**–35**
Result from companies consolidated at equity	7	2
Result from operations	**96**	**914**

TABLE 085

The material facts are described in the notes to the income statement under items (06) to (12), where relevant.

EBITDA

EBITDA is the operating result adjusted for depreciation and amortization.

Capital employed

Capital employed reflects operating capital tied up in the segments and in the group. It consists of fixed assets, including intangible assets, and working capital (inventories, trade receivables and other assets less trade accounts payable, other liabilities and current provisions). In order to uniformly present the actual capital employed from a group perspective, the carrying amounts of goodwill items from the fruit segment are fully disclosed as at the level of the immediate parent company, AGRANA Beteiligungs-AG.

Working capital includes only inherently non-interest bearing receivables and payables.

Transactions between segments – with revenues of € 444 (522) million – were conducted at market conditions.

ROCE – Return on capital employed

ROCE (return on capital employed) represents the ratio of operating result to capital employed.

Capital employed

€ million	2024/25	2023/24
Operating result	**350**	**947**
Goodwill	623	739
Customer lists, trademarks, industrial property rights and similar rights	196	224
Fixed assets	3,397	3,257
Non-interest bearing receivables	1,435	1,839
Inventories	2,843	3,511
./. Current provisions	−64	−77
./. Non-interest bearing liabilities	−1,729	−2,306
Working capital	2,485	2,967
Capital employed	**6,701**	**7,187**
Return on capital employed	**5.2 %**	**13.2 %**

TABLE 086

Segmentation by country and region

Information about the segmentation by country or region is provided below:

Carrying amount fixed and intangible assets by region (excluding goodwill)

€ million	2024/25	2023/24
Germany	**1,207**	**1,090**
Belgium	583	570
France	263	258
Austria	429	470
Poland	236	160
Remaining EU	178	184
Other EU	**1,689**	**1,642**
UK	126	164
USA	245	278
Remaining countries	325	308
Other countries	**696**	**750**
Total	**3,592**	**3,482**

TABLE 087

The carrying amount on fixed and intangible assets (excluding goodwill) is allocated by country and the carrying amount of employees by region in which the subsidiaries of Südzucker Group are head-quartered. As a general rule, information on the number of employees in the group by segment is presented under note (10) “Personnel expenses”. The breakdown of third-party revenues by segment and delivery destination is reported under note (06) “Revenues”.

Employees by region (Full-time equivalents)

	28 February 2025	29 February 2024
Germany	4,666	4,516
Other EU	7,538	7,668
Other countries	7,080	7,020
Total	**19,284**	**19,204**

TABLE 088

GENERAL EXPLANATORY NOTES

(01) Principles of preparation of the consolidated financial statements

Südzucker AG is headquartered at Maximilianstrasse 10 in 68165 Mannheim, Germany. The company, which has the legal form of a stock corporation under German stock corporation law, is registered as a corporation in the commercial register under HRB No. 42 at the district court of Mannheim. According to article 2 of the Articles of Incorporation of the company dated 18 July 2024, the corporate purpose of the company is the production of sugar, its sales, the utilization of its by-products and conducting agricultural operations. The company is also authorized to participate in other undertakings in any permissible form, to acquire such undertakings and to enter into any transactions that appear directly or indirectly beneficial to achieving or promoting the corporate purpose.

The consolidated financial statements present the operations of Südzucker AG and its subsidiaries. Südzucker has prepared the consolidated financial statements in accordance with International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB), London, United Kingdom, based on the interpretations of the IFRS Interpretations Committee (IFRS IC) as to be applied in the EU. The statutory commercial requirements as set out in section 315e, paragraph 1 of the German Commercial Code (HGB) have also been considered. All IFRSs issued by the IASB that were effective and applied by Südzucker AG at the time these consolidated financial statements were prepared have been adopted by the European Commission for application in the EU.

The consolidated financial statements for the period ended 28 February 2025 were prepared on 25 April 2025 by the executive board. The audit committee will audit the consolidated financial statements on 6 May 2025, which are subsequently audited and approved by the supervisory board on 14 May 2025. The publication date of the consolidated financial statements including the combined management report (annual report) is 15 May 2025.

Südzucker prepares and presents the consolidated financial statements in euros; unless otherwise indicated, all amounts are disclosed in millions of euros (€ million). The previous year's numbers are generally shown in parentheses. Numbers and percentages may be subject to differences due to rounding; where necessary, figures in the sugar segment are rounded to reconcile the segment figures with the group figures.

The consolidated financial statements include the income statement, the statement of comprehensive income, the cash flow statement, the balance sheet and the statement of changes in shareholders' equity. The disclosures in the notes to the consolidated financial statements also include segment reporting.

Certain items on the balance sheet and in the statement of comprehensive income have been combined and subtotals included in order to improve the clarity of presentation. These items are shown separately and described in the notes to the financial statements. The income statement is part of the statement of comprehensive income and has been prepared using the nature of expense method.

The consolidated financial statements are prepared based on historical cost, provided no other method is reported under note (05) Accounting policies.

First-time adoption of IFRSs and IFRIC

The following standards were mandatory for the first time in the 2024/25 financial year:

Accounting standards applied for the first time

Standard		Passed by IASB	Adopted by the EU
IAS 1	Presentation of Financial Statements (amendment)	1/23/2020 respectively 7/15/2020	12/19/2023
IAS 1	Presentation of Financial Statements (amendment)	10/31/2022	12/19/2023
IAS 7	Statement of Cash Flows (amendment)	3/25/2023	5/15/2024
IFRS 7	Financial Instruments: Disclosures (amendment)	3/25/2023	5/15/2024
IFRS 16	Leasing (amendment)	9/22/2022	11/20/2023

TABLE 089

The new or amended standards listed above that were applicable for the first time were not relevant in the 2024/25 fiscal year or had no effect on the presentation of the financial position and performance.

Future application of IFRSs and IFRIC

The following is a summary of the standards and interpretations that must be applied as of the 2025/26 financial year or later, because they have already been accepted by the EU or that were published by the IASB, but have yet to be recognized by the EU. The expected effective date is provided for standards that have not yet been recognized by the EU. Südzucker has not opted for the early adoption of any of the new or amended requirements below. The information on the content is based on whether and in what form the provisions are relevant to Südzucker; if future requirements do not apply to Südzucker, no information on content is provided.

Future application standards

Standard / Interpretation	Passed by IASB	Adopted by the EU	Mandatory application for Südzucker as of financial year	Content and, if relevant, expected impact on Südzucker
IAS 21 The Effects of Changes in Foreign Exchange Rates (amendment)	8/15/2023	12/11/2024	2025/26	The amendment relates to the rules in the event that a currency cannot be exchanged and the associated determination of the exchange rate. Südzucker currently does not expect any or any material impact on the presentation of the net assets, financial position and results of operations.
IFRS 7 Financial Instruments (amendment) **IFRS 9** Financial Instruments (amendment)	5/30/2024	No	2026/27	The focus of the amendments is on the classification and measurement of financial instruments. The regulations relate to the derecognition of financial liabilities settled through electronic transfer – for which there is now an option regarding the derecognition date – and the application of the cash flow criterion for the purposes of categorizing financial instruments where these are subject to ESG conditions, financial instruments with non-recourse features and contractually-linked instruments (CLIs). In addition, further disclosure requirements are stipulated for equity instruments designated at FV-OCI and financial instruments with cash flows that depend on the amount or timing of the (non-)occurrence of contingent events. Südzucker is assessing the effects of these amendments.
IFRS 7 Financial Instruments: Disclosures (amendment) **IFRS 9** Financial Instruments (amendment)	12/18/2024	No	2026/27	The amendments to the standards relate to contracts referencing nature-dependent electricity. Nature-dependent electricity contracts relate, among other things, to the power supply from solar and wind farms. The amount of electricity generated under these contracts may, however, fluctuate due to uncontrollable factors such as weather conditions. Unlike conventional power supply agreements, where only the required amount of energy is purchased, the electricity must be regularly purchased in full. The amendments clarify how the own-use criteria are to be applied to these types of contracts and determine the eligibility of hedge accounting and additional disclosures in the notes. Südzucker essentially expects additional disclosure requirements.
IFRS 18 Presentation and Disclosure in Financial Statements	4/9/2024	No	2027/28	The standard requires additional, defined subtotals in the income statement, disclosures about management-defined performance measures, adds new principles to improve aggregation and disaggregation, and makes limited amendments to IAS 7, Statement of Cash Flows. IFRS 18 replaces IAS 1, Presentation of Financial Statements. Early adoption is permitted. The first-time adoption is to be applied retrospectively. Südzucker is currently evaluating the impact of the first-time adoption of IFRS 18 on the company's consolidated financial statements.
IFRS 19 Subsidies without Public Accountability: Disclosures	5/9/2024	No	2027/28	The standard permits certain companies – in particular those that are not financial institutions and are not publicly traded – to apply IFRS accounting standards with reduced disclosures in their separate financial statements or subgroup financial statements. The application of the new standard requires that the company is a subsidiary as defined by IFRS 10 at the end of the reporting period, is not subject to public accountability and has an ultimate or intermediate parent company that produces consolidated financial statements available for public use that comply with IFRS Accounting Standards. The regulation does not apply to subsidiaries of the Südzucker Group.
Diverse Annual Improvements to IFRS Accounting Standards – Volume 11	7/18/2024	No	2026/27	No material impacts on the presentation of the financial position and performance are expected.

TABLE 090

(02) Scope of consolidation

Fully consolidated subsidiaries

In addition to Südzucker AG, all material domestic and foreign subsidiaries in which Südzucker AG has direct or indirect control are fully consolidated in the consolidated financial statements. 133 (138) companies in addition to Südzucker AG were included in the consolidated financial statements at the balance sheet date.

Company acquisitions

No subsidiaries were acquired in the 2024/25 financial year. The business activities of EthaTec GmbH, Weselberg, Germany, were taken over by CE Advanced Bioenergies GmbH, Weselberg, as part of an asset deal, effective 1 March 2024. The business operation has a production facility for ethanol and biogas from waste and residual materials of the food industry. In addition, in December 2024, following antitrust approval, CropEnergies increased its stake in CT Biocarbonic GmbH, Zeitz, from 50.0 % to 50.2 %. The CT Biocarbonic GmbH operates a recovery plant for the purification and liquefaction of biogenic CO_2 generated during ethanol production at the Zeitz location. The joint venture, which was previously consolidated at equity, was fully consolidated as of 1 January 2025. Both acquisitions were financially immaterial.

Companies consolidated at equity

14 (15) companies were accounted for using the equity method. This applies to the joint ventures of the Hungrana and AGRANA-Studen groups, Beta Pura GmbH, Maxi S.r.l. and CT Biocarbonic GmbH until it is fully consolidated as of 1 January 2025. For the at-equity method, the prorated earnings are recognized in profit or loss; the effects of market value measurements and exchange rate differences attributable to Südzucker are shown in equity under other comprehensive income.

Changes in the scope of consolidation

	2024/25	2023/24
1 March	**138**	**142**
First-time consolidations		
Investments previously carried at cost	1	0
Acquisitions	0	0
Companies established	0	1
Total	**1**	**1**
Deconsolidations		
Mergers	−3	−3
Liquidations	−1	−2
Divestments / Other	−2	0
Total	**−6**	**−5**
28/29 February	**133**	**138**

TABLE 091

(03) Consolidation methods

Consolidation based on the purchase method

Under IFRS all business combinations are to be accounted for using the purchase method. The purchase price for the acquired subsidiary is allocated to the assets acquired and liabilities and contingent liabilities assumed. The value ratios at the date the possibility of control of the subsidiary is obtained are considered to be significant. Assets and assumed liabilities and contingent liabilities that qualify for recognition are recognized – independent of the investment amount – in full at their fair value. Intangible assets are recognized separately from goodwill if they are separable from the entity or if they result from contractual or other legal rights. Remaining differences are capitalized as goodwill and tested for impairment at least annually. Negative goodwill arising from initial consolidation is recognized directly in profit or loss. Costs related to an acquisition are recognized as an expense when they are incurred.

Transactions involving non-controlling interests are treated the same as transactions with shareholders. The difference between the amount paid for a non-controlling interest and the corresponding share of the carrying amount of the net assets of the subsidiary is recognized in equity. Costs arising from reductions in non-controlling interests without loss of control are also recognized in equity.

Equity method measurement

Investments in important joint ventures and associates are included in the consolidated financial statements using the equity method as from their date of acquisition or when the application requirements of IFRS 11 (Joint Arrangements) or IAS 28 (Investments in Associates) have been met. Associates are companies over which significant influence over management can be exercised and that are not subsidiaries, joint ventures or joint operations. This is typically demonstrated by a share of voting rights between 20 and 50 %.

Business combinations achieved in stages

In the case of business combinations achieved in stages, the shares of the entity being sold are purchased in stages. In other words, the control of the entity is gained in several steps. IFRS 3 is to be applied to the combination as soon as the acquirer gains control. Before control is gained, the interest is reported as investments in associates, as joint arrangements or as financial instruments – depending on which rules are relevant. The fair value of assets and liabilities including the purchased entity's goodwill is remeasured until the point at which control is gained with the fundamental option in the case of business combinations of recognizing either the entire goodwill (full goodwill method) or only the goodwill inferred based on the proportionate revalued net assets and corresponding effects on the minority interest in equity (purchased goodwill method). Obtaining control triggers a complete revaluation of all assets and liabilities. Any adjustments to a previously held equity interest are recognized in profit or loss once control is obtained.

Elimination of intragroup transactions

Intragroup revenues, expenses and income and all receivables, liabilities and provisions between consolidated entities are eliminated. Intercompany results included in non-current assets and inventories and arising from intragroup deliveries are eliminated.

(04) Foreign currency translation

Transactions in foreign currencies are translated into the functional currency using the exchange rates on the date of the transaction.

The annual financial statements are prepared in the functional currency of the respective entity. With the exception of the distributor BENEO Asia Pacific Pte. Ltd. in Singapore, which uses euros, the subsidiaries' functional currency corresponds to the country currency in which the respective subsidiary has its headquarters.

When the financial statements of foreign group companies are prepared in a functional currency other than euros – Südzucker's reporting currency – translation of assets and liabilities takes place at ECB reference rates or other published reference rates at the balance sheet date (closing rate). As a general rule, the overall result is translated at the average annual rates. However, if the application of the average annual rates leads to incorrect results, translation of the affected items takes place at an adjusted average rate. The remaining income and expense items have been translated unchanged at the average annual rate. In the case of subsidiaries in hyperinflationary economies, all expenses and income are translated at the closing rate.

Intragroup loans for long-term financing of subsidiaries primarily represent a part of the net investment in these foreign operations; exchange rate fluctuations resulting from the year-end valuation are recognized directly in equity and reported in comprehensive income as a component of income and expense recognized directly in equity in the item "Exchange differences on net investments in foreign operations".

Movements in exchange rates of the significant currencies

1 € = Local Currency

Country	Currency code	Year-end rate 28 February 2025	Average rate 2024/25	Year-end rate 02/29/2024	Average rate 2023/24	Year-end rate 02/28/2023
Argentina	ARS	1,106.81	–	909.49	–	209.10
Chile	CLP	992.53	1,020.76	1,047.53	928.79	879.86
Mexico	MXN	21.22	20.29	18.50	18.91	19.45
Poland	PLN	4.16	4.28	4.32	4.48	4.72
UK	GBP	0.83	0.84	0.86	0.87	0.88
USA	USD	1.04	1.07	1.08	1.08	1.06

TABLE 092

Hyperinflationary countries Argentina and Turkey

Argentina has been considered hyperinflationary since 2018 and Turkey since 2022; the financial statements of subsidiaries located in Argentina and Turkey have been adjusted accordingly as outlined in IAS 29 (Financial Reporting in Hyperinflationary Economies).

The financial statements of subsidiaries in hyperinflationary economies were prepared based on the concept of historical cost. They are adjusted to reflect changes in the general purchasing power of the functional currency (Argentine peso or Turkish lira) and were therefore disclosed in the measuring unit current at the balance sheet date. For this purpose, consumer prices published by the Instituto Nacional de Estadistica y Censos (National Institute of Statistics and Censuses) in Argentina and by the Türkiye istatistik Kurumu in Turkey were used as a basis.

The application of IAS 29 negatively impacted the currency translation result as a component of the other financial result of € 1 (2) million and thus is immaterial.

(05) Accounting policies

The relevant accounting policies under IFRS are to be applied uniformly for similar transactions and other events in similar circumstances when preparing the consolidated financial statements of group companies. An explanation of the accounting policies is given only if the relevant standards provide accounting and measurement options or when the principles are specified in greater detail. In particular, the text of the respective standards is not repeated nor are the basic rules restated.

Intangible assets

Acquired goodwill is recognized on the balance sheet as part of intangible assets. Goodwill and intangible assets with indefinite useful lives are not amortized, but are subject to an impairment test (impairment-only approach) at least annually or when there is an indication of impairment (triggering events). The procedure adopted in carrying out this impairment test is described more fully in the notes on balance sheet items below. Acquired intangible assets (without goodwill) with finite useful lives are generally stated at acquisition cost less straight-line depreciation. The respective useful life is determined based on the term of the underlying contract or the estimated consumption of the intangible asset's utilization potential. Intangible assets with indefinite useful lives include mainly the brand name of US pizza manufacturer Richelieu Foods Inc. purchased as part of the acquisition. They are measured at acquisition cost; an impairment test is carried out annually or when there is an indication of impairment. Lease accounting is not applied to intangible assets.

Fixed assets

Fixed assets are stated at acquisition or production cost less straight-line or campaign related depreciation and impairment. Items of fixed assets are depreciated pro rata temporis in the year of their acquisition. Government subsidies and grants are deducted from acquisition cost.

Depreciation of fixed assets and of intangible assets with limited useful lives is charged based on the following useful lives:

Useful lives

	Years
Intangible Assets	2 to 15
Buildings	10 to 50
Technical equipment and machinery	5 to 25
Other equipment, factory and office equipment	3 to 15

TABLE 093

Leasing of fixed assets

In accordance with IFRS 16, the lessee capitalizes all leases by recognizing the present value of the lease payments and showing them as lease assets (right-of-use assets) on the balance sheet. The present value is determined based on the current incremental borrowing rate of interest with appropriate terms unless the underlying interest rate for the lease payments is available. The right of use is regularly depreciated over the term of the lease. Unaccrued interest is added to the lease liability using the effective interest method and paid off through lease payments; the resulting interest expense is reported in the financial result. The right of use is subject to the impairment test in accordance with IAS 36 (Impairment of Assets).

Südzucker avails itself of the non-capitalization option for low-value assets and short-term leases. Intra-group leasing transactions are presented as operating leasing in the segment reporting.

Securities

Initial measurement of securities takes place at market value plus transaction costs at the settlement date. Debt instruments are primarily assigned to the measurement category "At fair value through equity in comprehensive income (including recycling)," but also to the measurement category "at amortized cost". Shares in investment funds and loan-stock rights (cooperative shares) in the balance sheet item securities are allocated to the category "at fair value through profit or loss" and are recognized at fair value upon initial recognition. Equity instruments intended to be held on a long-term basis are allocated to the category "at fair value through other comprehensive income (excluding recycling)". Securities are generally classified as current assets since these also serve as a liquidity reserve and are thus sold when required.

Other investments

Due to lack of materiality, other investments comprise non-consolidated affiliated companies or associates and joint ventures not accounted for using the equity method. These fall within the scope of IFRS 10 (Consolidated Financial Statements) or IAS 28 (Investments in Associates and Joint Ventures). The remaining other investments are classified as "recognized at fair value through profit or loss in the income statement" ("held for trading").

Inventories

Inventories are stated at acquisition or production cost. The FIFO (first in – first out) method is used for the production companies. Production cost includes all production related costs determined assuming normal levels of production capacity. In detail, it includes directly attributable costs, fixed and variable production overheads as well as depreciation of production machinery. Finance charges are not considered here. Where necessary, the lower net realizable value less costs to complete is used. Sugar is primarily produced from September to January. This is why depreciation on systems used for the campaign is predominantly applied in the third and fourth quarter of the Südzucker financial year. Any material, personnel and other operating expenses incurred in preparation for production prior to the next sugar campaign are capitalized during the financial year via changes in inventories and recognized on the balance sheet under inventories as work in progress. In the subsequent sugar production, these are then taken into account when determining production costs of the sugar produced and thus recognized under inventories as part of finished goods.

Trade receivables and other financial assets

The recognized trade receivables are measured at their transaction price at the time of initial recognition and other financial assets are recognized at the market price plus transaction costs at the time of initial recognition; subsequent measurement takes place at amortized cost using the effective interest method. However, if the receivables are available for sale as part of a factoring agreement and are therefore not held solely for the purpose of settling the cash flows expected over the respective term, they are recognized at fair value through profit or loss. Südzucker has applied a simplified impairment model. Adequate individual allowances are made in separate accounts for bad debts and other risks in receivables; portfolio-based allowances are also made in separate accounts for bad debts based on historical loss rates depending on how overdue the receivables are in the division concerned. The expected future loss development is also factored in. The nominal value less any necessary impairment corresponds to the fair value. In the case of receivables more than 90 days overdue, retention of the valuation approach is always based on a case-by-case analysis excluding portfolio-based value adjustments. Südzucker assumes that a receivable is in default if it is more than 90 days overdue or if there are objective indications of illiquidity, such as the opening of insolvency proceedings. Attention is also directed to the individual case when writing off bad debts.

CO_2 emissions rights

The accounting of CO_2 emission rights includes the emission rights issued in the EU trading system (EU Allowances – EUA) as well as emission certificates issued by individual EU countries and traded locally, such as Green Certificates in Belgium.

EUA are recognized in accordance with IAS 38 (Intangible Assets), IAS 20 (Government Grants) and IAS 37 (Provisions). EUA issued or granted at no charge for each calendar year are intangible assets, which are classified as other current assets. They are measured at cost, which, in the case of emissions rights issued at no charge, is zero.

If actual emissions exceed the EUA allocated, a provision for CO_2 emissions is recognized in the cost of materials as a component of energy costs. The provision is measured reflecting the acquisition cost of additional certificates or the market value of emissions certificates at the balance sheet date.

"Green Certificates" issued by the government based on real-world energy generation from renewable raw materials are recognized according to IAS 20.29 in the amount of their recovery proceeds as a reduction in the cost of materials. This applies to energy generation for ethanol production at the Belgian location in Wanze, for instance.

Cash and cash equivalents

Cash and cash equivalents include cash on hand and cash balances with financial institutions that have a remaining term of one to three months. Cash and cash equivalents in foreign currencies are assessed using closing rates at the balance sheet date.

Hybrid capital

Pursuant to IAS 32 (Financial Instruments: Presentation) the terms and conditions of the hybrid capital issued in summer 2005 call for the reporting of this as shareholders' equity of Südzucker Group. Nevertheless, the payments to the hybrid capital providers do not constitute a profit distribution; they are not allocated a share of the earnings after tax. In the statement of changes in shareholders' equity, the claim of the hybrid capital providers is recognized on a separate line. The associated payments are reported gross under "Distributions" and the corresponding tax effect under "Other changes". Interest payment is dependent on the capital markets. The tax-deductible interest is not reported as interest expense but rather is treated the same as dividend payments to Südzucker AG shareholders.

Provisions for pensions and similar obligations

Provisions for pensions and similar obligations for defined benefit plans are determined as set out in IAS 19 (Employee Benefits) using the projected unit credit method. With the projected unit credit method, not only the pensions known at the effective date and acquired benefits are considered but also future adjustments to salaries and pensions. The calculation relies on actuarial reports taking into account biometric data.

Payments for defined contribution plans are recognized as an expense when due and reported under personnel expenses. Payments to state benefit plans are treated in the same way as payments to defined contribution plans. The group does not have any other obligations beyond the payment contributions.

Other provisions

Other provisions cover risks arising from legal disputes and proceedings (litigation), provided there is a more than 50 % likelihood of occurrence and a reliable estimate can be made. Assessment and estimation of the provision amount takes place through factual assessment of the situation, by considering the level of the claims – including the results of comparable procedures – and by getting independent legal opinions.

Income tax

Reported income tax comprises taxes on taxable income plus changes to deferred tax assets and liabilities as applicable in the individual countries.

Current income tax

Current income tax is reported as the amount of tax expected to be payable based on the applicable or enacted legislation as of the balance sheet date. Südzucker is also within the scope of the second pillar ("Pillar 2") of the OECD model rules, which will be applied for the first time in the 2024/25 financial year.

Tax assets and liabilities

Income tax liabilities from the fiscal year just ended are reported on the balance sheet under current tax liabilities, and receivables from prepayments under current tax assets. Non-current tax liabilities primarily comprise income tax for prior year periods that have not yet been conclusively audited and the corresponding tax risks. Tax liabilities are also recognized in the event that amounts recognized in the tax returns are unlikely to be realized (uncertain tax positions). The amount is determined from the best possible estimate of the expected tax payment (expected value or most probable value of the tax uncertainty). Tax assets from uncertain tax positions are recognized if it is probable that they will be realized. Tax liabilities or tax assets for these uncertain tax positions are not recognized in the presence of a tax loss carryforward or an unused tax credit. Deferred tax assets for unused tax loss carryforwards and tax credits are adjusted instead.

Deferred tax

Deferred tax is recognized on temporary differences between the values of assets and liabilities in the IFRS balance sheet and the tax balance sheet, as well as on tax loss carryforwards, to the extent they can be offset against future taxable income. Deferred tax assets and deferred tax liabilities are recognized separately on the face of the balance sheet. Deferred tax assets have been offset against deferred tax liabilities to the extent the related taxes on income are imposed by the same tax authorities and there is a legally enforceable right to set-off. A resulting excess of deferred tax assets is only recognized to the extent that it is likely that taxable income will be available against which deferred taxes can be offset. Individual companies forecast the recoverability of deferred tax assets, among other things, based on the future earnings situation at the respective group company.

Deferred tax liabilities that arise as a result of temporary differences in connection with investments in subsidiaries and companies consolidated at equity are recognized unless the timing of the reversal of the temporary differences can be controlled by the group and it is likely that the temporary differences will not reverse as a result of this controlling influence within the near future.

Deferred tax is calculated according to IAS 12 (Income Taxes), taking into consideration the respective applicable national income tax rates or those that have been substantively enacted as of the balance sheet date and that are expected to apply when the related deferred income tax asset is recognized or the deferred tax liability is settled. Deferred tax assets and liabilities associated with earnings and expenses directly recognized in shareholders' equity are treated identically.

Trade payables and other financial liabilities

Non-current and current financial liabilities are initially measured at market value less transaction costs and subsequently measured at amortized cost.

Financial liabilities

Financial liabilities comprising especially bonds issued are shown net of their issue discount and transaction costs. Interest is compounded according to the effective interest-rate method.

Derivative financial instruments

Derivative financial instruments are recognized as assets or liabilities and measured – independent of their purpose – at fair value. Changes to this value are recognized in profit or loss unless the derivatives are in a hedging relationship with a hedged item. In this case, recognition of the changes in fair value is based on the nature of the hedge. Initial recognition is on the trading day.

Fair value hedges are used to hedge the exposure of recognized assets or liabilities to changes in the fair value. Here, changes in the fair values of both the hedges and the associated hedged items are recognized in the income statement. If the hedged items and hedges are already measured as primary instruments at their fair values, the application of the special rules for fair value hedge accounting can be waived to achieve the fair value hedge.

In fiscal 2024/25, Südzucker AG concluded a climate protection agreement with the German Federal Ministry of Economic Affairs and Climate Protection as part of the Carbon Contracts for Difference funding program. The sugar production location in Zeitz will receive government subsidies to energetically reorganize the sugar house structure with high-temperature heat pumps and use biogas – produced by fermenting beet pulp – as a sustainable energy source. Funding is available for the extra costs that may arise from climate-friendly production as opposed to conventional reference technology. Thus, it is a contract with an embedded derivative measured at fair value through profit or loss. These effects on earnings from the measurement of the contract are initially recognized directly in equity; thereafter, the deferred subsidy is recognized in profit or loss according to the utilization of the subsidy.

Cash flow hedges are used to hedge the exposure to variability in future cash flows that is either attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction. When there is a cash flow hedge, the unrealized gains and losses of the hedge transaction – if effective – are initially recognized in other comprehensive income. They are not transferred to the income statement until the hedged item is recognized in profit or loss. If, at a balance sheet date, the transactions lead to the recognition of non-financial assets or liabilities, e.g. for the acquisition of inventories, the amounts recognized directly in equity are offset with the initial recognition of the carrying amount of the asset or liability (base adjustment).

Revenues

Revenues are recognized in the amount of the consideration expected to be received for the sale of goods in the ordinary course of business. Revenues are reported less discounts and price reductions, without sales tax, and after eliminating intragroup sales. Revenues are recognized when control over the products and goods has been transferred to the customer. The timing of this transfer is usually determined in accordance with INCOTERMS (International Commercial Terms). Accordingly, revenues are generally recognized on a time basis, which takes place promptly after dispatch of the products and goods due to the short delivery times. The costs of sales initiation are largely short-term with regard to their relation to sales and are recognized immediately as an expense. The payment term is usually 60 days or less and therefore revenue recognition does not include any financing components. In addition to contracts for spot sales there are also customer agreements, particularly as annual and campaign contracts, which also means that the disclosure of performance obligations remaining only for the short term can be omitted.

Estimations, discretionary scope and assumptions

The preparation of financial statements in accordance with IFRS requires discretionary decisions and assumptions as well as estimates to be made. These management assessments can impact the valuation of the assets and liabilities recognized, the income and expenses, and the disclosure of contingent liabilities. Significant matters affected by such estimates and discretionary decisions are outlined below.

Further explanatory notes on the underlying assumptions and estimates made for these consolidated financial statements are given in the disclosures on individual items in the financial statements.

The determination of the useful life of the depreciable fixed asset, the net selling price of the inventories and the fair value of intangible assets, fixed assets and liabilities acquired in business combinations is also based on estimates.

Certain contracts require an assessment whether they should be treated as derivatives or as so-called own-use contracts and be accounted for as executory contracts. For sales contracts with variable price agreements, an estimate of the expected final prices for revenue recognition must also be made for each individual contract.

There are no discretionary decisions with a significant influence on amounts in the financial statements. The following matters are of particular importance for estimates.

Goodwill (intangible assets)

The recoverability of goodwill is assessed based on forecasts for the cash flows of cash generating units for the next five years using a discount rate adjusted for the business risks and – where necessary due to the existing uncertainties – on the basis of various occurrence scenarios. Further details on this are reported under note (21) "Intangible assets"

Deferred tax assets, income tax (taxes on income)

Deferred tax assets are recognized to the extent that the recoverability of future tax benefits is probable. The actual tax result situation of subsequent periods and therefore the actual utility of deferred tax assets can vary from the assessment at the time of recognition of the deferred taxes. Income tax can be subject to uncertainties with regard to the probability and amount of the expected tax payment or refund. This requires the company to make an estimate. Additional information on this is available in note (16) „Taxes on income".

Provisions for pensions and similar obligations

With regard to provisions for pensions and similar obligations, the discount rate is one of the key factors that can lead to a significant adjustment to the recognized value within a financial year. The discount rate for pension obligations is determined by reference to market yields observable at the balance sheet date on high-quality, fixed-rate corporate bonds, making analytically derived assumptions about the age at entry into the pension benefits, life expectancy, staff turnover rates and future wage and pension trends. Please see the sensitivity analysis disclosures under note (27) "Provisions for pensions and similar obligations" for information on the impact of changes to individual actuarial assumptions on the amount of the defined benefit pension obligations. Assumptions and estimates also relate to the accounting and valuation of other provisions.

Other provisions, (provisions for litigation risks and risk precautions)

Uncertainties may arise in the accounting of other provisions or the disclosure of contingent liabilities because it is necessary – especially in connection with pending or potential legal disputes – to make estimates and assumptions, e. g. about the probability of the outcome of proceedings as well as the use of provisions and thus the determination of maturity. Please refer to note (28) "Other provisions" for further information.

Circumstances and assessments at the balance sheet date, differences between the actual amounts

All assumptions and estimates are based on the circumstances and assessments at the balance sheet date. In assessing the expected business development, the future economic environments in which the group will operate, and which are assumed to be realistic at the balance sheet date were also considered. The actual amounts may vary from the estimates should the conditions develop counter to our assumptions. If this is the case, the assumptions are adjusted and, where necessary, the carrying amounts of the affected assets and liabilities as well.

Climate-related effects

Südzucker Group aims to operate in a carbon-neutral manner by 2050 at the latest in line with the EU Green Deal. Our measures toward achieving our climate targets include ensuring carbon-neutral production, minimizing greenhouse gas emissions (GHG2) in our supply chains and preparing climate-friendly biomass-based products for the non-food sector. To reach these targets, we are working on solutions to reduce GHG emissions in the value chain. Specifically with regard to our more energy-intensive divisions, measures are being developed to increase energy efficiency, reduce GHG emissions and work on electrification and further, gradual conversion to renewable fuels.

At the same time, Südzucker Group is conducting studies to assess climate-related risks. Initially, the impacts of climate change on our approximately 100 locations worldwide were considered. Following the subsequent detailed analysis, only two sites with a high risk rating remained, for which adaptation measures are now being prepared. Moreover, climate risks are analyzed along the agricultural value chain. In the first step, this was implemented in a pilot project for sugar beet and is now being extended to other agricultural raw materials that are essential for us.

On the basis of the assumptions and estimates as well as the analyses conducted – in light of the circumstances and assessments at the balance sheet date – no indications of a significant need for impairment or adjustment of the remaining useful lives of non-current assets were identified. The assumptions made are subject to ongoing review and are revised as needed, including but not limited to modifications to the legal framework in relation to climate change.

NOTES TO THE INCOME STATEMENT

(06) Revenues

Südzucker's revenues are generated from contracts with customers for the sale of goods. Revenues are recognized at the time when our customers gain control over the goods.

Revenues according to segments and delivery destinations

€ million	Sugar	Special products	CropEnergies	Starch	Fruit	Group
2024/25						
Germany	1,191	391	296	221	155	2,254
Belgium	291	71	95	6	80	543
France	436	110	111	23	124	804
Austria	344	27	1	241	54	667
Poland	228	75	12	15	56	386
Other EU	957	304	177	334	178	1,950
EU	**3,447**	**978**	**692**	**840**	**647**	**6,604**
UK	76	487	228	17	53	861
USA	4	482	0	37	321	844
Other countries	349	328	39	61	608	1,385
Total	**3,876**	**2,275**	**959**	**955**	**1,629**	**9,694**
2023/24						
Germany	1,315	409	281	269	161	2,435
Belgium	303	77	103	6	51	540
France	506	119	105	24	135	889
Austria	408	29	1	291	56	785
Poland	231	73	29	11	51	395
Other EU	1,129	315	199	338	169	2,150
EU	**3,892**	**1,022**	**718**	**939**	**623**	**7,194**
UK	48	514	312	17	47	938
USA	1	544	0	31	305	881
Other countries	221	334	61	69	591	1,276
Total	**4,162**	**2,414**	**1,091**	**1,056**	**1,566**	**10,289**

TABLE 094

(07) Change in work in progress and finished goods inventories and internal costs capitalized

€ million	2024/25	2023/24
Change in work in progress and finished goods inventories		
Sugar segment	−658	552
Special products segment	17	15
CropEnergies segment	−13	−22
Starch segment	−1	−22
Fruit segment	11	−1
Total segments	**−644**	**522**
Internal costs capitalized	8	11
Total	**−636**	**533**

TABLE 095

Change in work in progress and finished goods also includes write-downs of inventories to net disposal proceeds and reversals of impairment losses; see note (24) “Inventories” for explanations.

(08) Other operating income

€ million	2024/25	2023/24
Foreign exchange gains	61	45
Gain on sales of current and non-current assets	80	19
Income from derivatives	17	8
Income from special items	18	2
Other income	77	95
Total	**253**	**169**

TABLE 096

The increase in income from the disposal of non-current and current assets to € 80 (19) million related to the disposal of non-operating real estate assets and, in particular, the sale of CO_2 emission certificates totaling € 64 million that had been allocated free of charge in the past and were no longer needed in the short term due to ongoing and planned restructuring and optimization measures. They include the planned conversion of the Zeitz sugar factory to climate-neutral production. Last year’s income was primarily due to the disposal of non-operating real estate assets in Poland and France.

Within the sugar segment, certain hedging relationships were ended because of the loss of the underlying business, amid the extremely high volatility in the sugar market. In this case, the derivative result was reclassified from the hedge reserve to income from derivatives within other operating income.

Income from special items totaled € 18 (2) million and in fiscal 2024/25 mainly resulted from the sale of the dressing and sauce business of the US pizza manufacturer Richelieu, which was not part of the core activities; Richelieu is a subsidiary of Freiberger. The divestment included operating assets consisting of machinery, inventories and shares in a customer list in the total carrying amount of € 35 million. Including the goodwill of the Freiberger CGU of € 13 million allocated to this transaction, the gain on disposal before taxes amounted to € 17 million on the basis of a net sales price of € 65 million already received.

Other income amounting to € 77 (95) million includes, among others, insurance settlements and other compensation, agricultural compensation payments and grants, income from services performed and from rents and leases, income from prior periods (excl. income taxes and interest) including income from the reversal of provisions.

(09) Cost of materials

€ million	2024/25	2023/24
Cost of raw materials, consumables and supplies and of purchased merchandise	5,792	6,911
Cost of purchased services	411	426
Total	**6,203**	**7,337**

TABLE 097

In the CropEnergies segment, the biomass boilers installed in Wanze produce green electricity. In line with the regulations currently in force in Wallonia until 2039 to promote sustainably generated energy, it is sold on the Belgian electricity market or consumed by the company itself. The green certificates issued by the government for the generation of this green electricity are recognized in the amount of their recovery proceeds as a reduction in the item „Cost of raw materials, consumables and supplies, purchased goods and services“ within material expenditure.

Comparable provisions involving the credit of Green Certificates apply to other production facilities that generate their own energy in Belgium, Poland and Romania. During the reporting period the corresponding recovery of proceeds from Green Certificates was € 26 (21) million in total; the majority of these were for the Belgian location in Wanze.

(10) Personnel expenses

€ million	2024/25	2023/24
Wages and salaries	983	953
Contributions to statutory old-age insurance	62	59
Social security, pension and welfare expenses	201	180
Total	**1,246**	**1,192**

TABLE 098

Of the total personnel expenses of € 1,246 (1,192) million, € 11 million are allocated to the result from restructuring and special items and in the reporting year related primarily to reorganization measures at the AGRANA sugar and starch segments. Last year's restructuring expenses and special items of € 6 million were mainly attributable to personnel changes on the executive board of AGRANA Beteiligungs-AG and restructuring measures in the fruit segment.

Number of employees at balance sheet date and quarterly average (full-time equivalents)

	28 February 2025	2024/25 quarterly average	28 February 2024	2023/24 quarterly average
Sugar segment	6,457	6,718	6,458	6,617
Special products segment	5,541	5,471	5,422	5,319
CropEnergies segment	537	535	515	496
Starch segment	1,164	1,180	1,167	1,171
Fruit segment	5,585	5,699	5,642	5,730
Group	**19,284**	**19,603**	**19,204**	**19,333**

TABLE 099

The number of employees in the group as of 28 February 2025 was on a par with the previous year at 19,284 (19,204) full-time equivalents. The higher average number of employees throughout the quarterly reporting dates of the financial year (31 May, 31 August, 30 November and 28/29 February) was mainly due to the seasonal increase in employment as part of the individual harvesting and processing campaigns.

(11) Amortization (including impairment losses and reversal of impairment losses)

€ million	2024/25	2023/24
Intangible assets	26	27
Fixed assets	348	343
Depreciation and amortization	**374**	**370**
Intangible assets	108	2
Fixed assets	125	21
Impairment losses	**233**	**23**
Income from reversal of impairment losses	**−1**	**0**
Net depreciation	**606**	**393**
thereof operating result	373	371
thereof result from restructuring / special items	233	22
Impairment according to segments		
Sugar	138	1
Special products	2	0
CropEnergies	93	0
Starch	0	0
Fruit	0	22
Total	**233**	**23**

TABLE 100

A complete goodwill impairment of € 108 million was required for the sugar CGU in fiscal 2024/25, which is recognized in the impairment of intangible assets. Please refer to note (21) „Intangible assets“ for further explanations.

Impairments on fixed assets totaled € 125 million. The CropEnergies segment accounted for € 93 million. The suspension of the ongoing investment activities for the construction of a plant for the manufacturing of the protein animal feed EnPro® at the production location of the British subsidiary Ensus UK Limited resulted in an extraordinary expense due to the impairment of the capital expenditures already incurred, and in addition, a full impairment of the fixed assets already in place had to be recognized as a result of the reduced earnings expectations for this location. A number of other strategic options for the location are currently being reviewed.

Impairments in fixed assets have also been recorded especially in the sugar segment. At AGRANA, this included – in addition to the temporary shutdown of the raw sugar refinery at the Buzău site in Romania earlier in the financial year – the impairment of production facilities affected by the pending closure at the Leopoldsdorf site in Austria and the Hrušovany site in the Czech Republic, amounting to € 15 million. Insufficient profitability of the AGRANA sugar CGU was the reason for this, which required the concentration of AGRANA's sugar production in Austria at the Tulln site and in the Czech Republic at the Opava site. The Leopoldsdorf site is set to remain solely a logistics hub. Based on this, the recoverability of the assets tied up in the CGU after the impairment was assessed on the basis of the fair value less costs to sell, and no impairment loss must be recognized. In connection with this restructuring, which was also communicated to the affected employees on 12 March 2025, a social plan is currently being developed. We do not expect any material impact on earnings from the provision to be recognized in non-recurring items in the first quarter of 2025/26.

In addition to the effects listed, an impairment of fixed assets totaling € 12 million was also recognized for the sugar CGU, to which goodwill was assigned and corresponds to the entire sugar segment, due to a shortfall in capital employed remaining after the full impairment of goodwill was recognized. Total impairments on fixed assets, including goodwill, in the sugar segment amounted to € 138 million.

Impairment losses on intangible assets of € 2 million and on fixed assets of € 21 million in the previous year were mainly attributable to the fruit segment's Asian production facilities in Japan and China.

These impairment losses were recognized in result from restructuring and special items in the reporting year and in the previous year.

(12) Other operating expenses

€ million	2024/25	2023/24
Selling and advertising expenses	526	504
Operating and administrative expenses	388	405
Advertising expenses	36	42
Expenses due to restructuring / special items	32	10
Expenses from lease and service agreements	57	52
Losses on disposals of current and non-current assets	6	4
Bad debt allowances	6	3
Foreign exchange and currency translation losses	55	48
Expense from derivatives	–	13
Other taxes	28	22
Other expenses	33	54
Total	**1,167**	**1,157**

TABLE 101

Selling and logistics costs of € 526 (504) million mainly comprise freight and external storage expenses and were slightly higher than in the previous year.

Operating and administrative expenses of € 388 (405) million comprise items such as office, communication and travel expenses, consulting fees, fees and contributions, insurance premiums, employee training, employee benefits and outsourced maintenance and repair services.

Expenses from restructuring and special items amounting to € 32 (10) million were partly attributable to the CropEnergies segment. The suspension of the ongoing investing activities for the construction of a plant for the production of the protein animal feed EnPro® at the production location of the British subsidiary Ensus UK Limited and also resulted in extraordinary expenses due the provisions for contractual obligations already entered into for this investment. The sugar segment also had to make value adjustments to items other than fixed assets. In the previous year, expenses were incurred mainly for dismantling obligations at sites in the sugar segment that were closed in previous years as well as for start-up costs related to the construction of new production facilities in the special products and CropEnergies segments.

Other taxes totaled € 28 (22) million and comprise taxes on income and property, excise tax and transport taxes.

Other operating expenses in the amount of € 33 (54) million include items such as research and development costs, market research fees, license fees and other services.

(13) Result from companies consolidated at equity

The result from companies consolidated at equity of € 7 (2) million includes the share of earnings from the joint ventures of the Hungrana Group, the AGRANA Studen Group, Beta Pura GmbH, Maxi S.r.l. and CT Biocarbonic GmbH until its full consolidation as of 1 January 2025. Further information on the development of income from companies consolidated at equity is found under note (23) “Shares in companies consolidated at equity, other investments”.

(14) Result from operations

€ million	2024/25	2023/24
Result from operations	**96**	**914**
thereof operating result	350	947
thereof result from restructuring / special items	−261	−35
thereof result from companies consolidated at equity	7	2

TABLE 102

The breakdown of the result from operations and its components is found in the chart segment reporting.

(15) Financial income and expense

€ million	2024/25	2023/24
Interest income	19	22
Interest expense	−116	−111
Interest income and expense, net	**−97**	**−89**
Other financial income	49	60
Other financial expense	−56	−104
Other financial income and expense, net	**−7**	**−44**
Financial expense, net	**−104**	**−133**
thereof financial income	67	82
thereof financial expense	−171	−215

TABLE 103

Net interest expense totaled € –97 (–89) million and was due to a nearly unchanged increase in net average debt compared to the previous year to around € 1,923 (1,935) million and a simultaneous rise in average interest rates to 3.5 (3.0) %. The net interest expense also contains the net expense from compounding the provisions for pensions and similar obligations of € 27 (28) million, the expense from compounding other non-current provisions and liabilities of € 1 (1) million as well as the expense from the accrual of interest on leasing liabilities of € 4 (4) million. In addition, other interest expense of € 5 (2) million resulted primarily from the factoring program set up in the 2024/25 financial year.

The other financial result significantly improved to € –7 (–44) million. This was mainly attributable to the higher net foreign-exchange result of € –6 (–38) million due to significantly lower exchange rate losses on foreign-currency loans from non-euro companies. Argentina has been considered hyperinflationary since 2018, the Turkey since 2022 and thus requirements of IAS 29 (Financial Reporting in Hyperinflationary Economies) have applied accordingly. This had a negative impact on the above-mentioned foreign exchange loss of € 1 (2) million. Moreover, the remaining other financial result included income from the disposal of the interest in East Energy GmbH, Rostock, Germany, as well as adjustments to participation values by the CropEnergies segment. In contrast, the previous year's remaining other financial result was impacted by the complete sale of a minority company in the special products segment.

(16) Taxes on income

€ million	2024/25	2023/24
Current taxes	101	148
Deferred taxes	–23	–15
Taxes in income	**78**	**133**

TABLE 104

The overall German tax rate for Südzucker AG remained unchanged at 29.1 % for fiscal year 2024/25. The rate includes corporate income tax of 15 %, a 5.5 % solidarity surcharge on corporate income tax and an average trade tax rate of 13.3 %.

Deferred tax

€ million	2024/25	2023/24
Deferred tax expense (+) / gain (–)	**–23**	**–15**
thereof change in temporary differences	–60	25
thereof change in tax loss carryforwards	37	–40

TABLE 105

The following table shows the reconciliation of the expected tax expense to the actual tax expense.

Tax rate reconciliation

€ million	2024/25	2023/24
Earnings before taxes on income	**–8**	**781**
Theoretical tax rate	29.1 %	29.1 %
Theoretical tax expense (+)	**–2**	**227**
Change in theoretical tax expense as a result of:		
Different tax rates	4	–30
Tax reduction for tax-free income	–7	–17
Tax increase for non-deductible expenses	48	15
Tax effects from prior periods	–7	–7
Tax effects from the recognition and measurement of capitalized losses carried forward and temporary differences	40	–63
Other	2	6
Taxes on income (+)	**78**	**133**
Effective tax rate	–	17.0 %

TABLE 106

The item "tax increase for non-deductible expenses" includes mainly effects from the impairment of goodwill in the sugar segment that are non-deductible.

The significant impact of the item "tax effects from the recognition and measurement of capitalized losses carried forward and temporary differences" resulted mainly from losses and temporary differences at the British subsidiary Ensus UK Limited, where no tax claims were recognized. In the previous year, the relief related to the subsequent recognition of loss carryforwards in the sugar segment. The use of previously unrecognized tax losses resulted in a tax reduction of € 7 (12) million in current income tax. A further € 2 (69) million in deferred tax assets were recognized on previously unrecognized tax loss carryforwards.

Deferred tax is the result from temporary differences between tax accounting measures and the assets and liabilities recognized as set out in IFRS as well as from tax loss carryforwards. Active deferred taxes are being recognized in cases where realization of respective tax benefits is probable. This value assessment is based on internal company forecasts relating to the future earnings development of the respective entity. Deferred tax assets of € 84 (121) million were recognized for tax loss carryforwards that are expected to be used against future taxable income. This applies primarily to cases in which the capitalization is offset by sufficient deferred tax liabilities. No deferred taxes were recognized for tax loss carryforwards in the amount of € 803 (677) million, as it is unlikely that the tax assets will be realizable in the near future. Of these unrecognized tax loss carryforwards € 775 (662) million do not expire; of the remaining amount totaling € 28 (15) million, a large share will expire within a period of up to ten years. An impairment loss of € 11 (13) million was recognized on deferred tax assets for tax loss carryforwards and deductible temporary differences recognized in previous years. In addition, no deferred tax assets were recognized on deductible temporary differences of € 43 (11) million, as their utilization upon reversal is insufficiently certain.

The total amount of unrecognized taxable temporary differences in connection with shares in subsidiaries is € 92 (88) million, since these gains are intended to be reinvested indefinitely and a reversal of these differences is thus not foreseeable.

Deferred tax assets and liabilities by balance sheet items and tax loss carryforwards

€ million	Deferred tax assets		Deferred tax liabilities	
28/29 February	2025	2024	2025	2024
Fixed assets and intangible assets (incl. special tax items)	25	22	239	252
Inventories	19	22	46	101
Other assets	14	9	41	29
Provisions	102	98	10	4
Liabilities	61	59	24	8
Tax loss carry forwards	84	121	0	0
Total	**305**	**330**	**360**	**395**
Offsets	−221	−212	−221	−212
Balance sheet	**84**	**118**	**139**	**183**

TABLE 107

The differences in the deferred tax assets and liabilities in the balance sheet results from the effects described below.

Change in deferred tax assets

€ million	2024/25	2023/24
Increase (+) / decrease (–) in deferred tax assets according to the consolidated balance sheet	−34	67
Increase (–) / decrease (+) in deferred tax liabilities according to the consolidated balance sheet	44	−19
Total change from deferred taxes	**10**	**48**
of which changes recognized in profit or loss	23	15
of which recognized in other comprehensive income	−2	48
of which recognized directly in equity	−6	−17
of which from currency translation / high inflation / other	−5	2

TABLE 108

Changes recognized in other comprehensive income relate primarily to remeasurements of defined benefit pension plans, as reflected in provisions, and to hedge accounting, recognized in other assets and liabilities. The deferred taxes recognized directly in shareholders' equity apply to the basis adjustment included in inventories.

In addition, current income taxes of € 11 (11) million were recognized directly in equity.

The current tax assets of € 67 (50) million reported include, in particular, tax prepayments made.

Non-current tax liabilities in the amount of € 5 (4) million primarily comprise income taxes for prior year periods that have not yet been conclusively audited.

Current tax liabilities of € 63 (107) million relate to income tax liabilities from the financial year just ended and back payments still expected from previous years.

Südzucker AG will not experience any significant negative effects as a result of the introduction of the global minimum tax ("Pillar 2").

Südzucker Group is applying the temporary, mandatory exemption with regard to the recognition of deferred taxes resulting from the introduction of the global minimum tax. The global minimum tax is recognized as actual income tax at the time of occurrence.

(17) Research and development costs

Research and development activities are carried out by 550 (541) employees. Research and development costs amounted to € 62 (62) million and were fully recognized as an expense.

(18) Earnings per share

€ million	2024/25	2023/24
Earnings after tax	**−86**	**648**
of which attributable to shareholders of Südzucker AG	−78	589
claim hybrid capital investors after tax	−33	−33
Earnings of shareholders of Südzucker AG after adjustment of hybrid capital investors	**−111**	**556**
Time-weighted average number of shares outstanding	204,126,600	204,107,259
Earnings in € per share[1]	**−0.54**	**2.72**

[1] Undiluted/diluted.

TABLE 109

The earnings per share calculation (IAS 33) was based on the time-weighted average shares outstanding. This includes a pro rata temporis reduction of the 51,642 (76,033) shares reacquired as of the current fiscal year for share-based executive board compensation. There was no dilution of earnings per share.

NOTES TO THE STATEMENT OF COMPREHENSIVE INCOME

(19) Other comprehensive income

Other comprehensive income totaling € 68 (–140) million includes income and expenses recognized directly in equity of Südzucker shareholders and other non-controlling interests.

The income and expenses of € 82 (–76) million to be recognized in the income statement in the future include the market value measurement of securities (cash flow hedge) and the market value measurement of debt instruments as well as foreign currency translation from net investments in foreign subsidiaries, effects of consolidation-related foreign currency translation and the share from companies consolidated at equity.

Foreign currency differences due to consolidation of € 49 (–6) million were largely attributable to the strengthening of the US dollar and the Polish zloty, which was offset by the weakening of the Mexican peso. In the previous year, the currency differences were mainly the result of the strengthening of the Polish zloty, which was offset by the weakening of the Russian ruble.

The amounts not to be recognized in the income statement in the future primarily relate to the remeasurement of defined benefit pension plans and similar obligations after tax in the amount of € –15 (–64) million. In the reporting year, the reduction of the discount rate led to 3.50 (3.80) % as of 28 February 2025, while the simultaneous decrease in salary and pension trends resulted in an overall burden. Last year, equity was primarily impacted by the lowering of the discount rate.

In the minority interest the other comprehensive income in the current year relates in particular to the market value measurement of securities and the foreign currency differences from consolidation.

NOTES TO THE CASH FLOW STATEMENT

(20) Cash flow statement

Increase (+) / Decrease (–) in operating activities

The cash inflow (+) / outflow (–) from operating activities is divided into two key blocks for reasons of transparency. The main purpose of this is to ensure sustainable cash flow from operating activities for the medium term and to isolate the strong seasonal fluctuations of working capital throughout the quarters. The latter is a special feature of the Südzucker business model with seasonal campaign operations existing in different segments (e. g. sugar).

Cash flow

Cash flow reached € 513 million after € 1,046 million in the previous year, in line with the decline in operating result.

The recognized cash flow comprises earnings after tax, depreciation of non-current assets, the change in accounting for non-current provisions including financial assets, (deferred) tax liabilities and deferred tax assets as well as other non-cash income and expenses. Cash flow is used to determine the key ratio "debt factor" (ratio of net financial debt to cash flow). The conditions of the hybrid bond stipulate that a coupon suspension is triggered if consolidated cash flow falls below 5 % of the group's consolidated revenues. Cash flow in the 2024/25 financial year corresponded to 5.3 (10.2) % of the group's consolidated revenues.

Change in working capital

The cash inflow from the decrease in working capital totaled € 426 million and was thus significantly higher than the previous year's cash inflow of € 38 million from the decrease in working capital. In addition to the decline in sugar inventories in the current financial year due to volume and price factors – which was partially offset by the simultaneous reduction in liabilities to beet growers – this is mainly due to cash inflows from the factoring program set up in fiscal 2024/25.

The change in working capital consists of the change in current provisions, inventories, (trade) receivables and other assets and liabilities; the latter also comprise long-term positions of minor importance. Items affected primarily by seasonal fluctuations are recognized separately as a result.

Decrease (–) / Increase (+) in investment activities

Investments in fixed assets

Investments in fixed assets (including intangible assets) totaled € 574 (546) million. Further details can be found within the business report in the management report as part of the explanatory notes on business development for the respective segments.

Investments in financial assets and acquisitions

Acquisitions and investments in financial assets amounting to € 5 (1) million were mainly attributable to the CropEnergies segment and related to the acquisition of the business activities of EthaTec GmbH, Weselberg, Germany, and the expansion of the participating interest in CT Biocarbonic GmbH, Zeitz, Germany, from 50.0 % to 50.2 %. Last year's financial investments were mainly attributable to the increase in the shares in Syclus B.V., Maastricht, Netherlands, by the CropEnergies segment.

Cash received on disinvestments

Cash received from disinvestments of € 69 million in fiscal year 2024/25 was attributable, in addition to payments for short-term financial assets, primarily to the net cash inflow of € 65 million from the sale of the dressing and sauce business of Richelieu Foods Inc., Braintree, USA, in the special products segment.

Decrease (–) / Increase (+) from financing activities

Increases/decreases in stakes and capital increase/redemption

Increases in stakes held in subsidiaries totaling € 2 (259) million related to CropEnergies AG in the 2024/25 financial year and in the previous year. On 19 December 2023, Südzucker AG resolved to make a public delisting purchase offer in the form of a cash offer to the shareholders of CropEnergies AG to acquire all CropEnergies shares not already held by Südzucker AG. Both companies signed a delisting agreement to this effect on 19 December 2023. As part of the delisting of CropEnergies AG, Südzucker AG's stake increased to 94.2 % by 29 February 2024; as of 28 February 2025, Südzucker AG's stake was 94.3 %.

Dividend distributions

Südzucker AG's annual general meeting on 18 July 2024 approved the distribution of a dividend of € 0.90 (0.70) per share or € 184 (143) million. Together with the dividend to shareholders of the hybrid equity capital and the non-controlling shareholders of AGRANA Beteiligungs-AG and CropEnergies AG, dividends paid totaled € 266 (237) million.

Financing and repayment of financing

In the financial year, the 2025/2032 bond with a nominal volume of € 500 million maturing on 29 January 2032 was issued. In the previous year, the 2016/2023 bond with a nominal volume of € 300 million and a maturity date of the end of November 2023 was redeemed.

In addition, promissory note loans of € 85 million were repaid in the 2024/2025 financial year; in the previous year, promissory note loans of € 100 million were issued.

The commercial paper program was utilized only during the year in fiscal 2024/25, as it was in the previous year. The commercial paper program is used to finance seasonal fluctuations in working capital; the CPs issued therefore generally have a maximum term of three months.

The repayment from leasing liabilities amounted to € 32 (35) million.

General financial liabilities were repaid in fiscal 2024/25 in the amount of € 229 million net; in the previous year, the receipt of net financial liabilities totaled € 171 million.

Cash and cash equivalents at the end of the period

Cash and cash equivalents, which comprise cash assets and bank balances, correspond to the balance sheet item "Cash and cash equivalents". Due to foreign exchange regulations, access to cash and cash equivalents at subsidiaries is restricted in Argentina, Russia and Ukraine. The cash and cash equivalents of the Russian subsidiary amounted to € 32 (25) million.

Income taxes paid, interest payments and dividends received

Income taxes paid

The balance of income taxes paid amounted to € 149 (99) million. Cash outflows from income taxes paid are generally allocated to operating activities.

Interest payments and dividends received

Interest paid and interest and dividends received are allocated to the increase/decrease from operating activities.

NOTES TO THE BALANCE SHEET

(21) Intangible assets

€ million	Goodwill	Customer lists, trademarks, industrial property rights and similar rights	Total
Intangible assets 2024/25			
Acquisition costs			
1 March 2024	2,032	545	2,577
Change in companies incl. in the consolidation and other changes	−14	−36	−50
Changes due to currency translation	7	13	20
Additions	0	6	6
Transfers	0	4	4
Disposals	−1	−4	−5
28 February 2025	2,024	528	2,552
Amortization and impairment losses			
1 March 2024	−1,339	−321	−1,660
Change in companies incl. in the consolidation and other changes	0	16	16
Changes due to currency translation	0	−5	−5
Amortization for the year	0	−26	−26
Impairment losses	−108	0	−108
Transfers	0	0	0
Disposals	1	4	5
Reversals of impairment losses	0	0	0
28 February 2025	−1,446	−332	−1,778
Net carrying amount 28 February 2025	**578**	**196**	**774**

€ million	Goodwill	Customer lists, trademarks, industrial property rights and similar rights	Total
Intangible assets 2023/24			
Acquisition costs			
1 March 2023	2,035	542	2,577
Change in companies incl. in the consolidation and other changes	0	0	0
Changes due to currency translation	−3	−7	−10
Additions	0	10	10
Transfers	0	2	2
Disposals	0	−2	−2
29 February 2024	2,032	545	2,577
Amortization and impairment losses			
1 March 2023	−1,338	−297	−1,635
Change in companies incl. in the consolidation and other changes	−1	1	0
Changes due to currency translation	0	2	2
Amortization for the year	0	−27	−27
Impairment losses	0	−2	−2
Transfers	0	0	0
Disposals	0	2	2
Reversals of impairment losses	0	0	0
29 February 2024	−1,339	−321	−1,660
Net carrying amount 29 February 2024	**693**	**224**	**917**

TABLE 110

Goodwill

When carrying out impairment tests, goodwill in Südzucker Group is allocated to the sugar and fruit segments and the BENEO, Freiberger and PortionPack divisions as relevant cash generating units (CGUs). Impairment tests are used on a regular basis to compare the respective carrying amounts of the CGUs to the value in use (leading value concept at Südzucker) in order to identify possible impairment.

Südzucker carries out the regular valuation for the carrying amounts of goodwill after the mid-term planning process at the end of the financial year.

The recoverable amount is the present value of future cash flows a CGU is expected to generate. The value in use is determined based on a business valuation model (discounted cash flow). Future cash flows are determined based on the five-year plan valid at the time of carrying out the impairment test. These budgets are based on experience and expectations of future market developments as well as on key macroeconomic data.

The cost of capital is calculated as a weighted average of the costs of equity and debt (borrowing costs) for each CGU. The cost of equity is calculated based on a risk-free basic interest rate a business risk premium and a country risk premium. The 30- year yield on German Government Bonds (BUND) was used as the risk-free interest rate. Business risk is a product of the general market risk premium of 6.5 % and the applicable business risk for Südzucker derived from capital market data. The cost of equity derived in this way is individualized for each CGU by considering the respective country risks and business risks derived from a separate peer group in each case. The borrowing costs comprise the risk-free base interest rate, a country risk premium and a credit spread derived from the capital market.

We have assumed a price-related growth rate in the current year of 2.0 % for the fruit CGU and 1.1 % (previous year: at least 1.5 %) for all other CGUs for the extrapolation of cash flows beyond the planning period. Capital expenditure in the planning period is based on the adopted investment plans and takes into account replacement investment requirements.

The following table “Goodwill” presents an overview of the tested goodwill carrying amounts and the cost of capital before tax used for the respective impairment tests at the regular measurement date 28 February 2025 (previous year: 29 February 2024). The cost of capital before taxes as of 28 February 2025 compared to 29 February 2024 reflects a similar interest rate level for German Government Bonds (prime rate), the updated company risk and the respective market environment.

Goodwill

€ million	Goodwill		Weighted average cost of capital	
28/29 February	2025	2024	2024/25	2023/24
CGU Sugar	–	108	8.7 %	9.3 %
CGU Freiberger	372	379	8.6 %	8.9 %
CGU BENEO	107	107	10.0 %	10.0 %
CGU PortionPack	48	48	8.8 %	9.2 %
CGU Fruit	51	51	9.2 %	8.9 %
Total	**578**	**693**	–	–

TABLE 111

The goodwill impairment test is based on future assumptions that determine the value in use of the CGUs. The amount of the respective value in use depends on the expected future cash flows in the corporate planning and the underlying cost of capital.

At the measurement date of 28 February 2025, the values in use were significantly higher than the carrying amounts of goodwill in all CGUs except for the sugar CGU, which meant that no impairment had to be recognized in any CGUs except for the sugar CGU. As a result of these surpluses, the 10 % reduction of the planned sustainable cash flows expected in a sensitivity analysis or a half percentage point increase in the cost of capital after tax resulting on the capital market – for example due to rising interest rates – does not create a need for impairment at any of these CGUs.

The sugar CGU faced a challenging market environment last financial year. Duty-free imports from Ukraine, expanded cultivation areas in the EU, a surplus of sugar and declining sugar consumption in the EU resulted in steadily falling selling prices. Higher energy prices in particular, as well as high inflation since the beginning of the war in Ukraine, have caused production costs to rise. Our estimates of a slight decline in EU beet cultivation, sugar production and sugar consumption along with the trend in the world market sugar price, are the most important planning assumptions in a forward-looking perspective for the sugar CGU. Competitiveness and profitability of the CGU are shaped by medium-term recovery of the sugar price in the EU and the opportunity to pass on rising production costs to customers, as well as by a strengthened cost structure. With regard to the ban on neonicotinoids and climate change, there is also an increased risk of lower future yields per hectare and lower sugar production volumes. The annual impairment test of goodwill resulted in a value in use of only around € 3.2 billion for the sugar CGU due to the assumption that the sugar price will only recover slowly, and therefore an impairment requirement of € 120 million for the carrying amount of the CGU, of which € 108 million is attributable to the full impairment of goodwill and also to the impairment of fixed assets. A reduction in the sustainable cash flow or a slight increase in the weighted average cost of capital (WACC) would now lead to a further impairment of fixed assets.

We assume medium-term sales growth for the Freiberger CGU, which has the highest amount of goodwill, and the Beneo CGU.

Two additional possible scenarios were formulated for the fruit CGU and the respective production locations in Ukraine and Russia based on the basic assumptions presented regarding the effects of the Ukraine conflict and on the most recent planning calculations approved by management (basic planning). Commercial risks such as the development of revenues and operating margins as well as climate-related risks such as crop failures due to droughts or flooding play a key role here. In addition, one scenario assumes war damage at the locations in Ukraine and a more severe market slump in Russia.

Due to the war between Russia and Ukraine that began on 24 February 2022, there are still high uncertainties for all CGUs in connection with the unpredictable development of the war and its consequences, including extraordinary cost increases, declines in demand, rising capital costs due to macroeconomic developments and volatility on the sales and procurement markets (particularly in the energy and grain sectors).

Customer list, concessions, industrial and similar rights

Customer list, concessions, industrial and similar rights amounting to € 196 (224) million are mainly attributable to the US pizza manufacturer Richelieu. The decrease was mainly a result of Richelieu's sale of its dressing and sauce business during fiscal 2024/25, which also encompassed shares in a customer list.

(22) Fixed assets including leasing

Acquired fixed assets 2024/25

€ million	Land, land rights and buildings including buildings on leased land	Technical equipment and machinery	Other equipment, factory and office equipment	Assets under construction	Total
Acquisition costs					
1 March 2024	2,357	5,967	528	408	9,260
Change in companies incl. in the consolidation and other changes	−2	−1	−1	0	−4
Changes due to currency translation	23	28	2	7	60
Additions	45	190	39	295	569
Transfers	41	158	−2	−201	−4
Disposals	−16	−184	−27	−1	−228
28 February 2025	2,448	6,158	539	508	9,653
Depreciation and impairment losses					
1 March 2024	−1,244	−4,447	−416	0	−6,107
Change in companies incl. in the consolidation and other changes	0	−1	4	0	3
Changes due to currency translation	−7	−19	−2	−1	−29
Depreciation for the year	−58	−225	−32	0	−315
Impairment losses	−17	−59	−2	−45	−123
Transfers	0	0	0	0	0
Disposals	15	181	25	0	221
Reversals of impairment losses	0	1	0	0	1
28 February 2025	−1,311	−4,569	−423	−46	−6,349
Net carrying amount 28 February 2025	**1,137**	**1,589**	**116**	**462**	**3,304**

Leased fixed assets 2024/25

€ million	Land, land rights and buildings including buildings on leased land	Technical equipment and machinery	Other equipment, factory and office equipment	Assets under construction	Total
1 March 2024	71	23	10	0	104
Additions	12	3	6	0	21
Depreciation for the year	−20	−8	−5	0	−33
Changes due to currency translation	0	0	0	0	0
Disposals	1	0	−1	0	0
Impairment losses	−2	0	0	0	−2
Disposals	0	0	0	0	0
Change in companies incl. in the consolidation and other changes	2	0	1	0	3
Net carrying amount 28 February 2025	**64**	**18**	**11**	**0**	**93**
Total net carrying amount of fixed assets	**1,201**	**1,607**	**127**	**462**	**3,397**

TABLE 112

Investments are reduced by government investment grants in the amount of € 5 (5) million. Borrowing costs of € 3 (1) million were capitalized in the 2024/25 financial year; the interest rate is based on an average interest rate for general Group financing by means of senior bonds issued and most recently was at 3.45 % p. a.

The application of IAS 29 (Financial Reporting in Hyperinflationary Economies) is explained under note (4) “Foreign currency translation”.

Impairments are shown under note (11) “Amortization (including impairment losses and reversal of impairment losses)”.

Südzucker uses leasing in storage and logistics and agricultural operations when leasing agricultural land. There are frequently annual renewable options for leases on agricultural land. There are also long-term lease contracts for buildings in administration and production. Total lease payments were € 42 (44) million, of which € 32 (35) million were fixed payments and € 0 (0) million were variable payments, as well as € 10 (9) million from costs of short-term and low-value leases.

Acquired fixed assets 2023/24

€ million	Land, land rights and buildings including buildings on leased land	Technical equipment and machinery	Other equipment, factory and office equipment	Assets under construction	Total
Acquisition costs					
1 March 2023	2,301	5,812	509	290	8,912
Change in companies incl. in the consolidation and other changes	0	−6	−1	1	−6
Changes due to currency translation	−21	−17	−3	−6	−47
Additions	49	134	33	320	536
Transfers	51	136	8	−197	−2
Disposals	−23	−92	−18	0	−133
29 February 2024	2,357	5,967	528	408	9,260
Depreciation and impairment losses					
1 March 2023	−1,200	−4,319	−401	0	−5,920
Change in companies incl. in the consolidation and other changes	2	1	−3	0	0
Changes due to currency translation	2	11	3	0	16
Depreciation for the year	−57	−219	−32	0	−308
Impairment losses	−9	−11	0	0	−20
Transfers	0	0	0	0	0
Disposals	18	90	17	0	125
Reversals of impairment losses	0	0	0	0	0
29 February 2024	−1,244	−4,447	−416	0	−6,107
Net carrying amount 29 February 2024	**1,113**	**1,520**	**112**	**408**	**3,153**

Leased fixed assets 2023/24

€ million	Land, land rights and buildings including buildings on leased land	Technical equipment and machinery	Other equipment, factory and office equipment	Assets under construction	Total
1 March 2023	83	26	8	0	117
Additions	11	5	7	0	23
Depreciation for the year	−22	−8	−5	0	−35
Changes due to currency translation	0	0	0	0	0
Disposals	0	0	0	0	0
Impairment losses	−1	0	0	0	−1
Disposals	0	0	0	0	0
Change in companies incl. in the consolidation and other changes	0	0	0	0	0
Net carrying amount 29 February 2024	**71**	**23**	**10**	**0**	**104**
Total net carrying amount of fixed assets	**1,184**	**1,543**	**122**	**408**	**3,257**

TABLE 113

The weighted average incremental borrowing rate as of 28 February 2025 for the recognition of leasing liabilities was 3.8 (3.3) %.

(23) Shares in companies consolidated at equity, other investments

Shares in companies consolidated at equity

€ million	2024/25	2023/24
1 March	**80**	**78**
Change in companies incl. in the consolidation and other changes	2	4
Changes due to currency translation	−1	−2
Additions	0	0
Share of profits	8	4
Transfers	0	0
Disposals / dividends	−9	−4
Impairment losses including special items	0	0
Reversals of impairment losses	0	0
28 / 29 February	**80**	**80**

TABLE 114

The companies consolidated at equity comprise the stakes in AGRANA Studen Group, Vienna, Austria, Beta Pura GmbH, Vienna, Austria and the sales joint venture Maxi S.r.l., Bolzano, Italy in the sugar segment, the stake in Hungrana Group, Szabadegyháza, Hungary in the starch segment, and the stake in CT Biocarbonic GmbH, Zeitz in the CropEnergies segment up to its full consolidation starting 1 January 2025. The effects of the deconsolidation of the companies consolidated at equity are shown in the table “Shares in companies consolidated at equity” in the line “Change in companies incl. in the consolidation and other changes”.

Financial position and performance of joint ventures

28/29 February	2025			2024		
€ million	Total	Hungrana-Group	Other	Total	Hungrana-Group	Other
Non-current assets	**193**	**138**	**55**	**191**	**126**	**65**
Inventories	115	38	77	152	36	116
Receivables and other assets	120	46	74	139	58	81
Cash, cash equivalents and securities	20	3	17	17	3	15
Current assets	**255**	**87**	**168**	**308**	**97**	**211**
Total assets	**448**	**225**	**223**	**499**	**223**	**276**
Equity	**137**	**99**	**38**	**142**	**93**	**49**
External financial liabilities	28	5	23	34	10	24
Other liabilities	13	2	11	12	1	11
Non-current liabilities	**41**	**7**	**34**	**46**	**11**	**35**
External financial liabilities	116	80	36	104	66	37
Other liabilities	154	39	115	208	52	155
Current liabilities	**270**	**119**	**151**	**311**	**119**	**193**
Total liabilities and equity	**448**	**225**	**223**	**499**	**223**	**276**
Revenues	881	348	533	837	336	501
Depreciation	−19	−13	−6	−20	−14	−6
Other expenses	−839	−313	−526	−802	−310	−492
Result from operations	**23**	**22**	**1**	**15**	**12**	**3**
Interest income	1	0	1	0	0	0
Interest expense	−6	−3	−3	−8	−4	−4
Other financial expense	−1	0	−1	−1	−2	1
Earnings before income taxes	**17**	**19**	**−2**	**6**	**6**	**0**
Taxes on income	−6	−4	−2	−3	−2	−1
Net earnings	**11**	**15**	**−4**	**3**	**4**	**−1**
Income and expenses recognized in other comprehensive income	8	8	0	3	2	1
Comprehensive income	**19**	**23**	**−4**	**6**	**6**	**0**

TABLE 115

The carrying amount for Hungrana Group, as a significant joint venture, is derived below:

€ million 28/29 February	2025	2024
Equity	**99**	**93**
+/− Adjustments (in substance other minority interests)	0	0
= Equity attributable to shareholders	**99**	**93**
of which Südzucker-share in equity	*50*	*47*
+ Goodwill	0	0
= Shares in companies consolidated at equity (carrying amount)	**50**	**47**
Dividends paid to Südzucker	9	0

TABLE 116

Other investments

Other investments of € 7 (10) million also comprise subsidiaries, joint ventures and associated companies that are not included in consolidation or consolidated at equity due to their relative insignificance.

(24) Inventories

€ million 28/29 February	2025	2024
Raw materials and supplies	596	617
Work in progress and finished goods		
Sugar segment	1,507	2,157
Special products segment	306	283
CropEnergies segment	46	58
Starch segment	92	92
Fruit segment	200	192
Total of work in progress and finished goods	2,151	2,782
Merchandise	96	112
Total	**2,843**	**3,511**

TABLE 117

The decrease in inventories was mainly due to lower sugar production costs of the 2024 campaign combined with lower inventories as a result of reduced sugar production and higher volumes.

Write-downs on inventories of finished goods and work in progress in the sugar segment amounted to € 56 million as of 28 February 2025. Write-downs as of 29 February 2024 had the opposite effect on lower net disposal proceeds of € 54 million, which were realized from sales in the 2024/25 financial year.

In addition, write-downs totaling € 1 (1) million were necessary in the special products segment, € 0 (3) million in the CropEnergies segment, € 0 (6) million in the starch segment and € 6 (6) million in the fruit segment.

(25) Trade receivables and other assets

Trade receivables and other assets by remaining term

		Remaining term			Remaining term	
€ million 28/29 February	2025	to 1 year	over 1 year	2024	to 1 year	over 1 year
Trade receivables	**1,022**	**1,022**	**0**	**1,456**	**1,456**	**0**
Positive market value derivatives	32	29	3	36	36	0
Assets with embedded derivatives	69	0	69	0	0	0
Remaining financial assets [1]	65	57	8	88	78	10
Other financial assets	**166**	**86**	**80**	**124**	**114**	**10**
Other taxes recoverable [1]	169	169	0	193	184	9
Assets from overfunded pension plans	27	0	27	26	0	26
Remaining non-financial assets	116	116	0	111	111	0
Non-financial assets	**312**	**285**	**27**	**330**	**295**	**35**
Other assets	**478**	**371**	**107**	**454**	**409**	**45**

[1] Prior year amount of non current assets was adjusted due to a reclassification.

TABLE 118

The decrease in trade receivables to € 1,022 (1,456) million – with only a moderate decline in revenues compared to the previous year – was partly due to selling receivables as part of a factoring program launched in the 2024/25 financial year.

Non-current assets with embedded derivatives are recognized at fair value for the first time with the climate protection agreement concluded in the 2024/25 financial year.

Remaining financial assets mainly include financial receivables from non-consolidated companies, investments, employees and other third parties, a blocking amount from factoring agreements, as well as securities provided in connection with hedging transactions.

Remaining non-financial assets are related to advances made, accruals/deferrals and mainly the acquisition costs of CO_2 emissions certificates totaling € 67 (70) million.

Carrying amount of trade receivables after allowances

€ million 28/29 February	2025	2024
Total trade receivables	1,039	1,469
Value adjusted	–17	–13
Net carrying amount	**1,022**	**1,456**

TABLE 119

Development of bad debt allowances on trade receivables

€ million	2024/25	2023/24
1 March	**13**	**13**
Change in companies incl. in the consolidation/currency translation/other changes	0	0
Additions	6	3
Use	–1	–2
Reversal	–1	–1
28/29 February	**17**	**13**

TABLE 120

Factoring program

In fiscal 2024/25, Südzucker Group launched a factoring program. This led to a cash inflow from receivables sold on the reporting date totaling € 235 (0) million.

Value allowances

Bad debt allowances on trade receivables do not just comprise individual allowances for actual credit risk but now also include an impairment provision for expected future credit losses (e. g. in the event of customer insolvency or being more than 90 days overdue without reliable information on value security).

Impairments recognized for expected future credit losses are calculated based on historical loss rates depending on how overdue the trade receivables are, by affected division (portfolio-based impairment). Where relevant, the expected future loss development is also considered.

The table “Past-due receivables and loss rates used for determining portfolio-based impairment” shows information related to the credit risk associated with the trade receivables. Trade receivables that were not subject to individual allowances totaled € 1,022 (1,456) million; € 893 (1,328) million of this amount was not yet due.

Past-due receivables and loss rates used for determining portfolio-based impairment

28/29 February	2025		2024	
	€ million	Default rate	€ million	Default rate
Receivables not past due before allowances	893	< 0.1 %	1,328	< 0.1 %
Past-due receivables without specific-debt allowances	129		128	
of which up to 30 days	94	0.2 %	89	0.3 %
of which 31 to 90 days	20	0.6 %	22	1.0 %
of which over 90 days	15	–	17	–
Net carrying amount	**1,022**		**1,456**	
Portfolio-based value adjustments	1		1	
Receivables including specific-debt allowances	16		12	
Total trade receivables (gross)	**1,039**		**1,469**	

TABLE 121

Südzucker mitigates default risks on accounts receivables by constantly monitoring the creditworthiness and payment history of debtors and granting commensurate lines of credit. In addition, risks are predominantly capped using credit insurances and bank guarantees. We expect payment to be received for past due trade receivables that have not been impaired; these receivables are also included in Südzucker Group's trade credit insurance program.

(26) Shareholders' equity

Subscribed capital

As of 28 February 2025, the issued subscribed capital amounts unchanged to € 204,183,292 and consists of 204,183,292 bearer shares; this exclusively concerns no-par value ordinary shares, each of which represents a notional holding of € 1 per share. Each individual ordinary share represents one voting right and one dividend entitlement. Südzucker AG held 51,642 (76,033) treasury shares as of the balance sheet date corresponding to an outstanding subscribed capital of € 204,131,650 (204,107,259). In the 2024/25 financial year 12,586 (0) treasury shares were acquired by the company to service the newly implemented share-based executive board compensation system. The acquisition costs of € 0 (0) million attributable to this were deducted from the subscribed capital in the amount of € 12,586 (0) and offset against other reserves in the amount of the excess. In fiscal 2024/25, 36,977 (0) treasury shares were transferred to members of the executive board.

Subject to approval by the supervisory board, the executive board is authorized to increase the company's share capital once or several times up until 13 July 2028 by up to € 20 million by issuing new no-par value bearer shares in exchange for cash contributions and/or contributions in kind, for the entire amount or in tranches (Authorized Capital 2023). Subject to approval by the supervisory board and according to article 4, paragraph 4 of the articles of incorporation, the executive board may exclude subscription rights of shareholders in certain cases, provided the shares issued under exclusion of the subscription rights do not exceed 10 % of total share capital, neither at the time of the coming into force of this authorization, nor at the time of exercising same. Details are outlined in article 4, paragraph 4 of the articles of association. Authorized Capital 2023 has not been utilized to date.

Capital reserve

The capital reserve applies to Südzucker AG. It includes the inflows of external funds required to be included as per section 272 HGB, which resulted from the share premium from capital increases or the agreement on option premiums taking into account the mandatory IFRS reduction of associated costs including applicable taxes.

See "Disclosures on takeovers" in the group management report in the "Corporate governance" section for more information.

Other reserves and other comprehensive income

Other reserves include undistributed profit for the period, dividends, claims of the hybrid capital investors and the effects resulting from the remeasurement of defined benefit pension commitments and from transactions with non-controlling shareholders. The share premium is directly deducted from other reserves if treasury shares are purchased, or added directly to other reserves again if there is a later issue.

Other comprehensive income includes the income and expenses recognized directly in equity of Südzucker AG shareholders to be recognized in the income statement in the future. In fiscal 2024/25, the section "Increases in stakes held in subsidiaries" mainly includes the effects from the increase in shares in the CropEnergies subgroup of 94.2 % to 94.3 % as a result of the delisting offer.

Hybrid capital

Hybrid capital of € 654 (654) million comprises the hybrid bond issued in the summer of 2005 with a nominal value of € 700 million.

Additional information regarding the hybrid bond is available under note (30) "Financial liabilities, securities and cash and cash equivalents (net financial debt)" and on the Südzucker corporate website.

Other non-controlling interests

Other non-controlling interests of € 755 (773) million – following the increase in the CropEnergies Group in the 2023/24 financial year – mainly relate to the minority interest in the AGRANA subgroup of € 698 (715) million, for which further financial information is provided below.

Name of parent company from subgroup	Country	Südzucker share in %	Minority share in %	Business area
AGRANA Beteiligungs-AG	Vienna, Austria	41.9	58.1	Fruit, starch, sugar

TABLE 122

Südzucker holds a 41.9 % stake in AGRANA Beteiligungs-AG; 39.2 % indirectly via AGRANA Zucker, Stärke und Frucht Holding AG as well as 2.7 % directly. In addition to Südzucker, Zucker-Beteiligungsgesellschaft m.b.H. holds a 50 % stake minus one share in AGRANA Zucker, Stärke und Frucht Holding AG. The Austrian AGRANA co-owners (among others, Raiffeisen-Holding Niederösterreich-Wien and representatives of Austrian beet producers) have consolidated interests in Zucker-Beteiligungsgesellschaft m.b.H. The details of the collaboration between Südzucker and Zucker-Beteiligungsgesellschaft m.b.H. are governed by a syndicate agreement, which grants Südzucker a right at any time to a majority of the voting rights in AGRANA Zucker, Stärke und Frucht Holding AG and thus to a controlling influence over subgroup AGRANA. Upon exercising the voting majority by Südzucker, Zucker-Beteiligungsgesellschafts m.b.H. is granted property rights defined by contract; in this case, the company is also entitled – subject to a minimum one-year period – to establish an equality of votes among the syndicate partners.

Financial position and performance of the AGRANA subgroup

28/29 February	2025	2024
€ million		
Non-current assets	1,043	1,031
Current assets	1,673	1,858
Total assets	**2,716**	**2,889**
Non-current liabilities	477	618
Current liabilities	1,005	1,024
Total liabilities	**1,481**	**1,641**
Net assets	**1,235**	**1,248**
Revenues	3,514	3,787
Result from operations	46	151
Earnings before tax	9	98
Taxes on income	–4	–28
Earnings after tax	**5**	**69**
Income and expenses recognized in other comprehensive income	33	–32
Comprehensive income	**38**	**38**
Dividend payment in fiscal year	56	58
of which attributable to other minority interest outside the Südzucker Group	33	34

TABLE 123

(27) Provisions for pensions and similar obligations

Defined contribution plans

As part of defined contribution retirement benefit plans, Südzucker Group companies pay contributions, either based on statutory or contractual requirements or on a voluntary basis, to state or private insurers. Current contributions are recognized as personnel expenses. The largest share by far of the payments related to state pension plans treated as defined contribution plans and amounted to € 62 (59) million for the group.

Defined benefit plans

Pension plans within Südzucker Group mainly consist of defined benefit obligations. Pension benefits are normally granted based on years of service with the company and benefit-related remuneration. There are also similar obligations, particularly relating to foreign group companies. They are calculated actuarially taking into account estimates of future cost trends.

Südzucker Group's recognized net liability is derived from both the pension-funded defined benefit obligation and from the defined benefit obligation funded by a separate fund less the fair value of plan assets. Assets from overfunded pension plans are reported under other assets and defined benefit obligations, extending the balance sheet.

Provisions for pensions

€ million	28/29 February	2025	2024
Defined benefit obligation for direct pension benefits		915	882
Fair value of plan assets		–143	–139
Net defined benefit obligation		**772**	**743**
of which assets from overfunded pension plans		–27	–26
of which provision for pensions and similar obligations		799	769
Discount rate (significant pension plans)		3.50 %	3.80 %

TABLE 124

Retirement and severance plans

€ million	Südzucker AG	Germany remaining	Belgium	France	Austria	Other foreign countries	Severance plans Worldwide	Total
	Defined benefit plans						Severance plans	
29 February 2025								
Defined benefit obligation for direct pension benefits	631	66	71	28	41	6	39	882
Fair value of plan assets	−1	−1	−80	−31	−18	−6	−2	−139
Provision for pensions and similar obligations (net defined benefit obligation)	**630**	**65**	**−9**	**−3**	**23**	**0**	**37**	**743**
of which assets from overfunded pension plans								−26
of which provision for pensions and similar obligations								769
28 February 2025								
Defined benefit obligation for direct pension benefits	655	68	86	28	36	3	39	915
Fair value of plan assets	−1	−1	−86	−31	−19	−3	−2	−143
Provision for pensions and similar obligations (net defined benefit obligation)	**654**	**67**	**0**	**−3**	**17**	**0**	**37**	**772**
of which assets from overfunded pension plans	–	–	–	–	–	–	–	−27
of which provision for pensions and similar obligations	–	–	–	–	–	–	–	799

TABLE 125

Germany

Südzucker AG employees in Germany have access to employer-funded commitments for company pensions based on the employee's basic salary and years of service. Südzucker AG pension obligations are funded by provisions and thus represent the largest pension plan in place at Südzucker Group. The remaining German pension plans at CropEnergies, BENEO, and other companies are in their structure comparable with the rules of Südzucker AG for active employees and are likewise nearly exclusively provision funded.

Belgium

Employees at the Belgian companies Raffinerie Tirlemontoise S.A., BENEO-Orafti S.A. and Biowanze S.A. have access to funded pension plans. The company pension commitments are determined based on the basic salary and years of service at the company; the payouts include both periodic pension payments and one-time payments.

France

The pension plan for employees of Saint Louis Sucre S.A. in France is likewise funded by a separate fund. Benefits from the plan are calculated as a percentage of the average salary paid prior to retirement from which the state pension and other company pensions are deducted.

Austria

The primary pension plans in Austria are the closed plans of AGRANA Zucker GmbH and AGRANA Stärke GmbH, which are provision funded. Plan assets are largely associated with the pension commitments of AGRANA Beteiligungs-AG for active and former executive board members; these are outsourced to a pension fund.

Severance plans

Provisions for similar obligations are largely related to pension plans for settlements. The largest severance plans are in place in Austria and France, but there are also corresponding commitments in Mexico, Poland, Romania, Russia, South Korea and Ukraine. The commitments in Austria and France relate to statutory benefit obligations with regard to one-time payments for the termination of employment upon entering retirement or in case of death of the employee, but not in the event the employment relationship is terminated by the employee.

Development of net financial debt

Development of pension obligations and plan assets

€ million	Defined benefit obligation	Fair value of plan assets	Provision for pensions and similar obligations
1 March 2023	**790**	**−135**	**655**
Current service costs	17		17
Past service costs	−1		−1
Gains and losses on curtailments or settlements	–		–
Interest expense (+) / income (–)	33	−5	28
Expenses for company pension plans (Income Statement)	**49**	**−5**	**44**
Gains (–) and losses (+) on actual return on plan assets		6	6
Gains (–) and losses (+) from change of demographic assumptions	–		–
Gains (–) and losses (+) from changes in financial assumptions	56		56
Gains (–) and losses (+) on experience adjustments	27		27
Remeasurements (other comprehensive income)	**83**	**6**	**89**
Change in consolidated companies (and other)	–	–	–
Effect of exchange rate differences	0	0	0
Employer contributions to plan assets	–	−11	−11
Plan participants contributions	0	0	0
Benefit payments	−40	6	−34
Benefit payments, contributions, change in consolidated companies (and other)	**−40**	**−5**	**−45**
29 February 2024	**882**	**−139**	**743**

Development of pension obligations and plan assets

€ million	Defined benefit obligation	Fair value of plan assets	Provision for pensions and similar obligations
1 March 2024	882	−139	743
Current service costs	21		21
Past service costs	0		0
Gains and losses on curtailments or settlements	-		-
Interest expense (+)/income (–)	32	−5	27
Expenses for company pension plans (Income Statement)	**53**	**−5**	**48**
Gains (–) and losses (+) on actual return on plan assets		−2	−2
Gains (–) and losses (+) from change of demographic assumptions	−1		−1
Gains (–) and losses (+) from changes in financial assumptions	−4		−4
Gains (–) and losses (+) on experience adjustments	28		28
Remeasurements (other comprehensive income)	**23**	**−2**	**21**
Change in consolidated companies (and other)	–	–	0
Effect of exchange rate differences	0	0	0
Employer contributions to plan assets	–	−7	−7
Plan participants contributions	0	0	0
Benefit payments	−43	10	−33
Benefit payments, contributions, change in consolidated companies (and other)	**−43**	**3**	**−40**
28 February 2025	915	−143	772

TABLE 126

Expenses for company pension plans

Expenses from the unwinding of the discount for claims acquired in prior years less the return on plan assets are reported in the financial result. Costs representing additional entitlements acquired in the financial year, past service cost and the effects of curtailments or settlements are included under personnel expense.

Revaluation recognized directly in equity

The revaluation of the pension obligations amounted to € 21 (89) million and resulted from the adjustment of the discount rate to 3.50 (3.80) % in fiscal 2024/25 for material pension plans as well as from experience adjustments. The trend in salaries and pensions of 2.50 (2.75) % and 2.20 (2.50) % was lowered respectively. The revaluation was recognized directly in equity. Last year the change was due to the reduction of the discount rate, the increase of salary and pension trends and experience adjustments.

The experience adjustments reflect the effects on the existing pension obligations arising from the discrepancy between the actual portfolio growth and the assumptions made at the beginning of the fiscal year. In the assessment of the pension obligations, this includes in particular wage and salary increases, pension adjustments, staff turnover and biometric data such as invalidity and mortality rates.

Assumptions

Provisions for pensions and similar obligations are calculated actuarially using the projected unit credit method and estimated future trends in accordance with IAS 19 (Employee Benefits).

Assumptions for material pension plans

28/29 February	2025	2024
Interest rate	3.50 %	3.80 %
Salary growth	2.50 %	2.75 %
Pension growth	2.20 %	2.50 %

TABLE 127

These discount rates are based on yields of high-quality corporate bonds with durations that correspond to the weighted average duration of the obligations. The use of different interest rates takes into account the different durations of plans. The following interest rates were used when determining pension and severance provisions in the euro zone.

Duration and discount rates

Plan composition Euro zone	Actual duration in years	2/28/2025	2/29/2024
Plans primarily comprising pensioners	9	3.40 %	3.80 %
Plans with a mixed portfolio of active employees and pensioners	15	3.60 %	3.65 %
Main plans (Südzucker AG) – Mixed portfolio with surplus of pensioners	16	3.50 %	3.80 %
Plans predominantly comprising active employees	23	3.70 %	3.85 %

TABLE 128

The biometric calculations were based on recognized current country-specific life expectancy tables, such as the Heubeck 2018G actuarial tables in Germany.

Sensitivity analysis

The sensitivity analysis presented below considers each change to an assumption with the other assumptions remaining unchanged compared to the original calculation. Possible correlation effects between individual assumptions are not taken into account.

Sensitivity – pensions

28/29 February		2025		2024	
€ million	Change in actuarial assumption	Defined benefit obligation	Change	Defined benefit obligation	Change
Present value of the obligation		915	–	882	–
Discount rate	Increase by 0.5 percentage points	855	−6.5 %	825	−6.5 %
	Decrease by 0.5 percentage points	983	7.4 %	948	7.4 %
Salary growth	Increase by 0.25 percentage points	923	0.8 %	890	0.9 %
	Decrease by 0.25 percentage points	908	−0.8 %	875	−0.9 %
Pension growth	Increase by 0.25 percentage points	937	2.4 %	904	2.4 %
	Decrease by 0.25 percentage points	894	−2.3 %	862	−2.3 %
Life expectancy	Increase by one year	949	3.7 %	915	3.7 %
	Decrease by one year	881	−3.7 %	849	−3.8 %

TABLE 129

Plan assets

The primary investment objective for the pension plan assets is to provide full coverage of benefit obligations associated with the respective pension commitments. The plan assets thus consist mainly of debt securities (bonds) with an associated risk structure that guarantees long-term fulfillment of the obligations. Plan assets also include equity securities and insurance contracts, and, to a limited extent, property. The fixed-interest bonds are guided by the returns expected from government bonds. A guaranteed minimum interest rate is assumed for the insurance contracts. Plan assets do not comprise own financial instruments or owner-occupied property.

The plan assets were invested under the following categories as of the period end. Market prices in active markets were used to the specified extent as a basis to determine the fair value of plan assets for the following asset categories:

Plan assets by asset categories at fair value and of which quoted market prices in active markets

28/29 February	2025		2024	
€ million	Fair value	of which market prices in active markets	Fair value	of which market prices in active markets
Debt instruments	21	20	18	18
Equity instruments	20	20	19	19
Real estate funds	1	0	2	1
Assets held by assurance company	93	0	93	0
Other	8	4	7	0
Total	**143**	**44**	**139**	**38**

TABLE 130

Risks

Südzucker Group is exposed to various risks associated with defined benefit pension plans. Besides general actuarial risks such as actuarial interest rate change risk and longevity risk, there are also other risks in the deviation from actuarial assumptions including those related to wage and salary trends, pension trends, retirement age and employee turnover. Further risks associated with plan assets include capital market risk, credit risk and investment risk. There are also other risks due to currency fluctuations and inflation rate changes.

The return on plan assets is assumed to be the same as the discount rate. If the actual return on plan assets is below the discount rate applied, the net obligation from pension plans increases accordingly. The amount of the net obligation is largely influenced by the discount rate; however, the current low interest rate level contributes to the relatively high obligation. A decline in returns on corporate bonds would lead to a further increase in defined benefit obligations; the positive market value development of the corporate bonds included in the plan assets can only compensate for this to a limited extent.

The possible risk of inflation, which could lead to an increase in defined benefit obligations, exists indirectly if salaries rise due to inflation during the active phase or if inflation-related pension adjustments are made.

Weighted duration, employer contributions and future payments

The weighted average duration of the present value of all defined benefit obligations is approximately 14.6 (14.5) years. Employer contributions to plan assets are expected to total € 7 (10) million in the 2025/26 financial year.

Future pension and severance payments

Period	€ million
2025/26	43
2026/27	44
2027/28	43
2028/29	45
2029/30	47
2030/31 to 2034/35	251
Total	**473**

TABLE 131

(28) Other provisions

€ million	28/29 February 2025	Remaining term to 1 year	Remaining term over 1 year	2024	Remaining term to 1 year	Remaining term over 1 year
Personnel-related provisions	64	10	54	60	8	52
Provisions for litigation risks and risk precautions	98	9	89	121	20	101
Other provisions	77	45	32	80	49	31
Total	**239**	**64**	**175**	**261**	**77**	**184**

TABLE 132

The recognition of other provisions as current or non-current as presented in the table above gives an indication whether use is expected in fiscal 2025/26 or in subsequent years.

Development of other provisions

€ million	Personnel-related provisions	Provisions for litigation risks and risk precautions	Other provisions	Total
1 March 2024	**60**	**121**	**80**	**261**
Change in companies incl. in the consolidation and other changes	−1	−1	1	−1
Changes due to currency translation	0	0	0	0
Additions and unwindings	23	7	54	84
Use	−14	−5	−49	−68
Reversal	−4	−24	−9	−37
28 February 2025	**64**	**98**	**77**	**239**

TABLE 133

Personnel-related provisions

Personnel-related provisions of € 64 (60) million are primarily made up of largely non-current provisions for long-service awards, provisions for part-time early retirement and provisions for termination benefit plans.

Provisions for litigation risks and risk precautions

Provisions for litigation risks and risk precautions totaling € 98 (121) million include provisions for market regulation proceedings, proceedings from operational contractual relationships and antitrust risks (fines and claims for damages). Regarding the amount of the provision for antitrust litigation, the company has made discretionary assessments concerning the affected period and the resulting price premium in particular. IAS 37.92 is used in the presentation of these changes in provisions in order to prevent any impairment of the company in these ongoing proceedings.

Other provisions

Other provisions of € 77 (80) million primarily concern non-current provisions for restoration obligations, risk provisions for long-term logistics contracts in the sugar segment against the backdrop of the planned capacity reduction, as well as current and non-current provisions for recultivation and environmental obligations largely related to sugar production as well as current provisions for fees for the acquisition of CO_2 emissions certificates.

Additions and compoundings

Additions comprise the creation of new and the adjustment of existing provisions, which are recognized in profit or loss in the relevant types of operating expense. Also included in this item is the unwinding of the discount for non-current provisions that mainly affect personnel-related provisions. Compoundings are recognized in the interest expense as part of the financial result and amounted to € 1 (1) million.

(29) Trade payables and other liabilities

€ million	28/29 February	Remaining term			Remaining term	
	2025	to 1 year	over 1 year	2024	to 1 year	over 1 year
Liabilities to beet growers	425	425	0	1,107	1,107	0
Liabilities from other trade payables	914	914	0	863	863	0
Trade payables	**1,339**	**1,339**	**0**	**1,970**	**1,970**	**0**
Negative market value derivatives	24	19	5	87	87	0
Remaining financial liabilities	135	131	4	125	120	5
Other financial liabilities	**159**	**150**	**9**	**212**	**207**	**5**
Liabilities for personnel expenses	174	174	0	195	195	0
Liabilities for other taxes and social security contributions	63	63	0	67	67	0
Remaining non-financial liabilities	92	22	70	17	16	1
Non-financial liabilities	**329**	**259**	**70**	**279**	**278**	**1**
Other liabilities	**488**	**409**	**79**	**491**	**485**	**6**

TABLE 134

Liabilities to beet growers accounted for € 425 (1,107) million of the lower trade payables of € 1,339 (1,970) million.

Other financial liabilities comprise liabilities to customers (bonuses, etc.) and contingent liabilities. Interest liabilities are also included.

The liabilities for personnel expenses reported under non-financial liabilities mainly include obligations from bonuses, premiums, vacation and overtime pay.

Remaining non-financial liabilities primarily include on-account payments received on orders totaling € 10 (3) million as well as accrued and deferred items. The long-term portion relates to the deferred liability for the recognized positive market value of the embedded derivative from the climate protection agreement.

(30) Financial liabilities, securities and cash and cash equivalents (net financial debt)

€ million 28/29 February	2025	Remaining term to 1 year	Remaining term over 1 year	2024	Remaining term to 1 year	Remaining term over 1 year
Bonds	1,391	500	891	896	0	896
Promissory note loans	425	92	333	509	85	424
Liabilities to banks	490	282	208	713	396	317
Leasing liabilities	92	28	64	102	32	70
Financial liabilities	**2,398**	**902**	**1,496**	**2,220**	**513**	**1,707**
Securities (non-current assets)	−20			−18		
Securities (current assets)	−98			−102		
Cash and cash equivalents	−626			−305		
Securities and cash and cash equivalents	**−744**			**−425**		
Net financial debt	**1,654**			**1,795**		

TABLE 135

Of the financial liabilities totaling € 2,398 million, € 1,496 million, or about 62 %, is available to Südzucker Group in the long-term.

Development of financial liabilities

€ million	2024/25 Bonds/ Commercial Paper	2024/25 Promissory note loans	2024/25 Liabilities to banks	2024/25 Leasing liabilities	2024/25 Total	2023/24 Bonds/ Commercial Paper	2023/24 Promissory note loans	2023/24 Liabilities to banks	2023/24 Leasing liabilities	2023/24 Total
1 March	**896**	**509**	**713**	**102**	**2,220**	**1,194**	**409**	**565**	**115**	**2,283**
Cash changes	496	−85	−229	−32	150	−300	100	171	−35	−64
Non-cash changes	−1	1	6	22	28	2	0	−23	22	1
28/29 February	**1,391**	**425**	**490**	**92**	**2,398**	**896**	**509**	**713**	**102**	**2,220**

TABLE 136

Non-cash changes of € 28 (1) million mainly include lease additions and currency changes.

Financial management

The financing of Südzucker Group is based on sustainable cash flows, strong relationships with the shareholder groups behind the company, access to international capital markets and reliable banking relationships. Südzucker clearly aims to confirm its investment grade rating.

Südzucker uses an optimal mix of financial instruments, taking into consideration terms to maturity and interest rates. These include hybrid bonds, bonds, commercial paper, promissory notes, bank loans and syndicated or bilateral bank credit lines. The bonds are generally issued by the Dutch financing company Südzucker International Finance B.V. and used throughout the group. Acquisitions and investments are financed in consideration of the financial ratios that must be maintained to keep the company's investment grade rating.

The unique financing requirements during the fiscal year due to the seasonality of the sugar sector (financing beet purchases and inventories) means that securing short-term cash is an important aspect of our financing structure. Short-term financing requirements are covered by a Euro commercial paper program of € 600 million or a syndicated credit line of € 600 million for Südzucker and syndicated credit lines of € 365 million for subgroup AGRANA.

At present, Südzucker is primarily financed through the following financial instruments:

Hybrid bond

Südzucker International Finance B.V. issued an infinite, subordinated hybrid bond with a volume of € 700 million in July and August 2005. Since 30 June 2015, Südzucker is supposed to call the bond and repay it early at the nominal value (issuer call option). The bond can only be called in full and not in installments. The call option is subject to the condition that Südzucker has issued securities of equal rank and / or subordinated securities with similar features within 12 months of the effective date of the call with proceeds from the issue equaling the amount to be paid for calling the hybrid bond (as per section 6 (5) and (6) of the bond terms and conditions). The requirements for termination and repayment of the bond by Südzucker are currently not met.

Since 30 June 2015, the hybrid bond has a floating rate coupon based on the three month Euribor plus 3.10 % p. a. The rate was set at 5.783 % for the period 31 December 2024 to 31 March 2025 (exclusively). The quarterly coupon interest payments are payable in the subsequent quarter.

Furthermore, the conditions of issue of the bond provide Südzucker, in the event of a dividend event, with the option to defer the interest coupon payments. An optional (voluntary) interest coupon payment suspension may occur if no dividend was approved for shares of Südzucker AG at the last annual general meeting. In the event of a cash flow event, Südzucker is obliged to cancel the interest coupon payment. A mandatory coupon suspension is being triggered when consolidated cash flow falls below 5 % of the group's consolidated revenues. On 28 February 2025, cash flow of € 513 (1,046) million accounted for 5.3 (10,2) % of consolidated revenues of € 9,694 (10,289) million.

The rating agencies Moody's and Standard & Poor's have classified the equity share of the subordinate bond at 50 % each, which improves the group's rating-related debt ratios. The subordinated bond is recognized as equity in accordance with IFRS – see also explanatory notes in note (26) "Shareholders' equity".

Bonds and commercial paper program

Bonds and commercial paper

€ million	Due date	Coupon	Carrying amount	Fair value	Nominal value
28 February 2025					
Bond 2017/2025	28/11/2025	1.000 %	500	493	500
Bond 2022/2027	31/10/2027	5.125 %	398	418	400
Bond 2025/2032		4.125 %	493	508	500
Commercial paper			–	–	–
Bonds and commercial paper			**1,391**	**1,419**	**1,400**
29 February 2024					
Bond 2017/2025	28/11/2025	1.000 %	499	477	500
Bond 2022/2027	31/10/2027	5.125 %	397	414	400
Commercial paper			0	0	0
Bonds and commercial paper			**896**	**891**	**900**

TABLE 137

All bonds were fixed-interest bearing and had a combined carrying amount of € 1,391 (896) million.

2017/2025 bond

On 28 November 2017, Südzucker International Finance B. V. issued a bond with a nominal value of € 500 million and a 1.00 % coupon. The bond is guaranteed by Südzucker AG and has a term of eight years, maturing on 28 November 2025.

Sustainability bond 2022/2027

On 31 October 2022, Südzucker International Finance B. V. issued a bond with a nominal value of € 400 million and a 5.125 % coupon. The bond is guaranteed by Südzucker AG and has a term of five years, maturing on 31 October 2027.

With this sustainability linked bond, Südzucker has committed to pay investors a redemption premium of 0.50 % of the nominal value. This premium will be paid if the sustainability target of reducing Südzucker Group's carbon dioxide emissions (Scope 1 + 2) (performance indicator) by – 32 % compared to the historical reference date of 31 December 2018 is not met by the observation date of 31 December 2026.

2025/2032 bond

On 29 January 2025, Südzucker International Finance B. V. issued a bond with a nominal value of € 500 million and a 4.125 % coupon. The bond is guaranteed by Südzucker AG and has a term of seven years, maturing on 29 January 2032.

Additional information regarding these bonds is available on the Südzucker corporate website.

Commercial paper program

The Euro commercial paper program (CP program) serves short-term financing in the capital markets. Investors in CPs are mainly institutional investors. The CP program has a total line of € 600 million and enables Südzucker to issue short-term debt securities based on requirements and the market situation. No CPs were issued on 28 February 2025 or on the previous year's reporting date.

Rating

On 3 June 2024, Moody's raised the corporate and bond rating from Baa3 to Baa2 and changed the outlook from stable to negative on 24 September 2024.

Standard & Poor's (S&P) raised the long-term corporate rating from BBB- to BBB on 29 May 2024 and changed the outlook from stable to negative on 24 September.

Promissory notes and liabilities to banks

€ million	28/29 February	2025	Remaining term to 1 year	Remaining term over 1 year	2024	Remaining term to 1 year	Remaining term over 1 year	Average effective rate of interest in % 2024/25	Average effective rate of interest in % 2023/24
Promissory note									
fixed coupon		122	10	112	207	85	122	2.59	2.02
variable coupon		303	82	221	302	0	302	4.07	5.37
Promissory note total		**425**	**92**	**333**	509	**85**	**424**	**3.65**	**4.00**
Liabilities to banks									
Fixed coupon									
EUR		85	50	35	310	230	80	1.61	3.60
CNY		0	0	0	1	1	0	–	3.60
DZD		4	3	1	5	4	1	6.67	6.76
HUF		0	0	0	7	2	5	–	4.86
USD		94	19	75	118	24	94	4.79	4.74
Total		**183**	**72**	**111**	**441**	**261**	**180**	**3.37**	**3.96**
Variable interest rate									
EUR		263	166	97	237	100	137	3.08	4.50
CNY		8	8	0	0	0	0	3.74	–
EGP		0	0	0	1	1	0	15.20	22.43
KRW		10	10	0	8	8	0	4.22	5.24
TRY		0	0	0	0	0	0	5.00	48.82
USD		24	24	0	26	26	0	3.53	7.27
ZAR		2	2	0	0	0	0	11.00	9.75
Total		**307**	**210**	**97**	**272**	**135**	**137**	**3.23**	**4.91**
Liabilities to banks		**490**	**282**	**208**	**713**	**396**	**317**	**3.28**	**4.32**

TABLE 138

Promissory notes and liabilities to banks

The promissory notes of € 425 (509) million mature in the years 2025 to 2029.

Liabilities to banks decreased to € 490 (713) million. As of the balance sheet date, liabilities to banks of € 11 (12) million were secured by mortgage rights and € 0 (38) million by other liens.

Revolving and syndicated credit facilities

Südzucker has a revolving credit line of € 600 million for the purpose of general corporate financing and to use as a backup credit line to the CP program. The syndicated credit line has a term until July 2026. The line of credit is with a consortium of twelve banks, which form Südzucker Group's core banking group. In addition to Südzucker AG, CropEnergies AG can draw on this credit line for an amount up to € 100 million as an alternate borrower. As in the previous year, no funds had been drawn against the credit line as of 28 February 2025.

AGRANA can utilize syndicated credit facilities of € 115 and 250 million, respectively, for the purpose of general corporate financing. The syndicated credit lines have terms until August 2027 or December 2027. The credit facility is made available by a banking syndicate in each case. These credit lines were drawn down as at 28 February 2025 upon € 50 million; in the previous year, this credit line was not drawn down as at the reporting date.

Securities and cash and cash equivalents

Investments in securities totaling € 118 (120) million were mainly in fixed-interest securities. The investments in securities in fiscal 2024/25 related in particular to a subordinated callable fixed-income bond 2021/2031 and time deposits in Polish zloty.

OTHER NOTES

(31) Risk management of financial instruments

The group is exposed to credit risk (default and credit risks) and liquidity risk. Südzucker Group is also exposed in many ways to market price risk. In operations, this primarily relates to commodity price risk from sugar and ethanol sales, energy, grain and corn purchases as well as currency risk associated with sales and procurement. Similar price risk exists in the financial area from interest rate and exchange rate risks. The following credit risk management, liquidity management and price risk management strategies have been implemented throughout the group to manage these risks.

Credit risk management

The receivables of Südzucker Group are primarily due from companies in the food industry, the chemical industry and in retail.

Overdue or uncollectible receivables can have a negative impact on the success of Südzucker Group. Südzucker has early warning systems in place to monitor potential bad debts.

The principles of credit risk management in Südzucker Group are:

- Creditworthiness checks for potential new customers and continuous monitoring of the credit rating of existing customers
- Taking out commercial credit insurance policies for each customer as part of an international credit insurance program that can be supplemented as needed with additional securities such as bank guarantees or letters of credit
- System-based credit limit checks for each order in the operational systems
- Standardized dunning

Each operational unit is responsible for implementing and monitoring the corresponding processes.

Individual allowances are created to cover residual risk from trade receivables as credit risk becomes apparent. In addition, portfolio-based allowances are made based on historical loss rates depending on how overdue the receivables are and the relevant divisions. Where relevant, expected future default trends are also taken into account. In accordance with internal group policies, all amounts recognized for receivables are regularly adjusted via allowances as a separate item. The credit risk from the respective total trade receivables outstanding is largely limited to the retention (excess) amount, which is usually 5 % for the concluded commercial credit insurance. The carrying amounts of past due trade receivables and receivables for which specific debt allowances have been recognized are disclosed in note (25) of the notes to the group financial statements.

The maximum credit risk from other assets corresponds to the carrying amounts of these instruments; in the opinion of Südzucker Group, this risk is not material. There are no significant concentrations of risk.

Counterparty risk in the financial area primarily exists when there is excess liquidity. The main criterion for the selection of a bank as a business partner is particularly its short-term deposit rating in conjunction with its long-term rating, which is reviewed regularly.

Liquidity management

The main objectives of liquidity management are to ensure solvency at all times, guarantee the ability to meet contractual payment obligations on time, and optimize costs within Südzucker Group.

Within the scope of cash and liquidity management, Südzucker International Finance B.V., Oud-Beijerland, Netherlands makes the borrowed funds available to the group companies. In addition, there are cash pools in shared treasury centers.

Liquidity planning is integrated into corporate planning and takes the special seasonal funding requirements associated with the sugar campaigns into account. Throughout the year, the plan is updated through three plan forecasts. The strategic financing plan is prepared on the basis of the five-year plan.

Seasonal liquidity requirements are financed on short notice in the form of overnight or term loans or through the issuance of commercial papers. In order to guarantee financial flexibility of Südzucker Group and to ensure that it is able to meet its payment obligations at any time, a liquidity reserve is maintained in the form of syndicated and bilateral credit lines, securities and, if necessary, in the form of cash funds. By implementing the factoring program in the 2024/25 fiscal year, where trade receivables from B2B customers are regularly sold to banks, Südzucker reduces working capital and continuously increases liquidity.

Long-term debt financing is primarily carried out by issuing bonds, promissory notes and bank loans.

See note (30) “Financial liabilities, securities and cash and cash equivalents (net financial debt)” for details on group financial instruments used by Südzucker.

Maturity of financial liabilities

		Contractually agreed cash outflows						
€ million	Carrying amount	Total	to 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	over 5 years
28 February 2025								
Bonds	1,391	1,611	546	41	441	21	21	541
Promissory note	425	451	104	90	171	51	35	0
Liabilities to banks	490	527	294	79	33	71	45	5
Liabilities from finance leasing	92	131	32	21	12	9	7	50
Financial liabilities	**2,398**	**2,720**	**976**	**231**	**657**	**152**	**108**	**596**
Liabilities to beet growers	425	425	425	0	0	0	0	0
Trade payables	914	914	914	0	0	0	0	0
Remaning financial liabilities	135	135	131	4	0	0	0	0
Forex futures – cash out	11	749	749	0	0	0	0	0
Forex futures – cash in	0	–738	–738	0	0	0	0	0
Interest rate swaps – cash out	2	9	3	3	2	1	0	0
Interest rate swaps – cash in	0	–9	–3	–3	–2	–1	0	0
Commodity derivatives	11	11	8	2	1	0	0	0
Other financial liabilities	**1,498**	**2,243**	**2,230**	**9**	**3**	**1**	**0**	**0**
Total financial liabilities	**3,896**	**4,963**	**3,206**	**240**	**660**	**153**	**108**	**596**

All outgoing payment flows are undiscounted and comprise interest and principal payments.

The undiscounted payment outflows are subject to the assumption that the settlement of the liability takes place at the earliest possible due date. The interest payments on variable-rate financial instruments are calculated on the basis of the most recent applicable interest rates.

Price risk management

Price risk management encompasses currencies, interest rates and commodity prices. The following information provides details about risks and risk management concerning these three areas.

Currency risk

Currency risk arises from the global orientation of Südzucker Group, and such risks from exchange rate fluctuations are inherent in the operating activities as well as the financial result and cash flows.

Currency risk arises in operating activities when revenues are realized or the cost of materials and/or merchandise used is incurred in a currency other than the local currency (functional currency). The currency risk associated with the financial result primarily results from group-internal financing of subsidiaries using a different local currency.

Currency risk management

The aim of currency risk management is to reduce exchange rate risks. The divisions make decisions on the type and scope of operational currency hedging in coordination with the Corporate Finance department. Derivatives in the form of forward exchange transactions are used to hedge operational exchange rate risks.

€ million	Carrying amount	Contractually agreed cash outflows						
		Total	to 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	over 5 years
29 February 2024								
Bonds	896	992	26	526	20	420	0	0
Promissory note	509	558	102	105	91	173	52	35
Liabilities to banks	713	775	408	125	82	34	73	53
Liabilities from finance leasing	102	143	34	24	15	8	6	56
Financial liabilities	**2,220**	**2,468**	**570**	**780**	**208**	**635**	**131**	**144**
Liabilities to beet growers	1,107	1,107	1,107	0	0	0	0	0
Trade payables	863	863	863	0	0	0	0	0
Remaning financial liabilities	125	125	120	5	0	0	0	0
Forex futures – cash out	8	1,219	1,219	0	0	0	0	0
Forex futures – cash in	0	–1,210	–1,210	0	0	0	0	0
Interest rate swaps – cash out	0	12	3	3	3	2	1	0
Interest rate swaps – cash in	0	–18	–5	–4	–4	–3	–2	0
Commodity derivatives	79	79	60	5	5	9	0	0
Other financial liabilities	**2,182**	**3,405**	**3,372**	**13**	**8**	**11**	**1**	**0**
Total financial liabilities	**4,402**	**5,873**	**3,942**	**793**	**216**	**646**	**132**	**144**

TABLE 139

Sensitivity analysis

The sensitivity analysis presented below shows what effects there would have been on the net result or shareholder's equity before tax had existing foreign currency receivables and liabilities required translation using different exchange rates at the balance sheet date.

The currency exposure is equivalent to the net amount of the financial receivables and liabilities exposed to currency risk. These primarily consist of trade receivables and trade payables as well as receivables and liabilities from financing activities and include intragroup balances. Existing currency hedges are not considered in the analysis if they are not precisely allocated to a receivable or payable. A negative amount means there is a surplus of liabilities.

The sensitivity analysis assumes a 10 % gain or 10 % drop in the exchange rates for the currencies against the respective functional currency as of 28 February 2025.

The following shows the currency exposure and the hypothetical impact on the net result before tax as gain (+) or loss (–).

Currency sensitivity

€ million	28/29 February	Exposure		Sensitivity (+)		Sensitivity (-)	
		2025	2024	2025	2024	2025	2024
USD		−61	60	6	−6	−7	7
GBP		99	223	−9	20	11	25
RON		−6	−18	1	2	−1	−2
Other currencies		−20	47	2	−4	−2	5

TABLE 140

Currency exposure from the remaining currencies concerns euro receivables or payables of group companies in countries with other functional currencies. A long-term intra-group euro loan in the amount of € 184 (220) million has been granted in the USA. The loan qualifies as a net investment in a foreign operation, which is why the resulting currency fluctuations are recognized directly in equity. If the value of the euro against the US-dollar had dropped, or climbed by 10 %, shareholders' equity before tax would have increased by € 17 (20) million, or decreased by € 20 (25) million, respectively.

Interest rate sensitivity

€ million	2023/24 Total	2023/24 thereof with floating rate	2023/24 Effect from interest rate sensitivity	2022/23 Total	2022/23 thereof with floating rate	2022/23 Effect from interest rate sensitivity
Promissory notes	**425**	303	−3	**509**	302	−3
Liabilities to banks	**490**	307	−3	**713**	272	−3

TABLE 141

Interest rate risk

Südzucker is exposed to interest rate risk from floating rate financial liabilities, or financial investments. This interest rate risk mainly results from typical fluctuations in liquidity levels during the campaign season, or existing or planned floating rate debt.

Interest rate risk management

Südzucker utilizes a financing structure that is optimized to meet liquidity requirements, and which also includes fixed-rate financial instruments to minimize interest rate risk. See note (30) "Financial liabilities, securities and cash and cash equivalents (net financial debt)" for details. Derivative instruments such as interest rate swaps are also used to a limited extent as part of interest rate risk management.

Sensitivity analysis

Most bonds and long-term bank debt are agreed with fixed interest rates. Had market interest rates increased by one percentage point applied to floating rate liabilities to banks as of 28 February 2025 without considering concluded interest rate swaps, interest expense would have increased as described below:

A decline of half a percentage point in market interest rates would have resulted in a similar decline in interest expense. Explanations regarding the fixed-interest debt instrument reported under securities are included in note (32) "additional disclosures on financial instruments". Other securities investments that are subject to price risk are immaterial within Südzucker Group.

Commodity price risk

Südzucker is exposed to material price risks in its operations on the supply and demand side arising from price volatility in the commodity markets, which relate in particular to changes in world sugar market prices and energy, grain, ethanol and fruit prices.

Management of commodity price risk

Appropriate risk management requires continuous, standardized monitoring of risk exposure and risk change based on the respective products. This provides the foundation for risk committees in the different divisions to make decisions on risk hedging at their regular meetings.

The material risk carriers that have been identified in Südzucker Group are sugar sales and imports (including the possibly associated currency risk), the sale of ethanol, and the procurement of energy and grain. The following section provides more information on derivative financial instruments.

Derivative instruments to hedge price risk

Südzucker Group uses derivative instruments to a limited extent to hedge currency exchange rate, interest rate and commodity price risks arising from its operating and financial activities. Sugar, wheat and ethanol futures, options on wheat and sugar futures and derivatives in form of gas certificates, and forex futures are mainly used as commodity derivatives in operations. Only normal market instruments are used for financial hedging purposes, such as interest rate swaps and forex futures. These instruments are used within the framework of Südzucker's risk management system as laid down in group guidelines, which set limits based on underlying business volumes, define authorization procedures, prohibit the use of derivative instruments for speculative purposes, minimize credit risks, and determine the content of internal reporting and segregation of duties. Reviews are carried out regularly to ensure compliance with these guidelines as well as the correct processing and valuation of transactions and adherence to segregation of duties. There are usually netting agreements with the counterparties for derivatives, allowing the market values to be offset to determine the remaining payment amount in the event of default by the counterparty. On the basis of these netting agreements, there is a potential offsetting volume of derivative assets and liabilities amounting to € 12 (11) million.

In the case of OTC derivatives (interest and currency derivatives and derivatives on gas, sugar and CO_2 emission certificates), Südzucker is exposed to credit risk when market values are positive. Credit risk is limited by only concluding derivatives with banks and partners with a good credit rating. Derivatives contracted at futures exchanges (sugar, wheat, corn and ethanol derivates) are generally not exposed to credit risk.

Nominal volumes and market values of derivative instruments

€ million	28/29 February	Nominal value 2025	Nominal value 2024	Positive market values 2025	Positive market values 2024	Negative market values 2025	Negative market values 2024
Forex futures		749	1,219	3	7	−11	−8
Interest rate swaps		103	129	0	1	−2	0
Commodity derivatives		764	788	29	28	−11	−79
thereof energy		322	188	20	4	−9	−48
thereof wheat		321	288	4	0	−1	−30
thereof sugar		121	312	5	24	−1	−1
Total		**1,616**	**2,136**	**32**	**36**	**−24**	**−87**

TABLE 142

Sensitivity of derivatives

€ million	28/29 February	Net market values		Sensitivity (+)		Sensitivity (–)	
		2025	2024	2025	2024	2025	2024
Forex futures		–8	–1	18	42	–23	–59
Interest rate swaps		–2	1	2	3	–2	–2
Commodity derivatives		18	–51	2	1	–2	–1
thereof energy		18	–44	–12	11	12	–11
thereof wheat		0	–30	20	14	–20	–14
thereof sugar		0	23	–6	–24	6	24
Total		**8**	**–51**	**22**	**45**	**–27**	**–62**
thereof changes in OCI				12	29	–15	–39
thereof changes in earnings before income taxes				10	16	–12	–23

TABLE 143

Cashflow Hedge Accounting

€ million	28/29 February	Nominal volume		Positive market values		Negative market values	
		2025	2024	2025	2024	2025	2024
Forex futures		205	361	1	2	–6	–2
Interest rate swaps		103	129	0	1	–2	0
Commodity derivatives		739	724	28	27	–12	–72
thereof energy		323	172	18	3	–10	–44
thereof wheat		303	260	4	0	–1	–27
thereof sugar		113	292	6	24	–1	–1
Total		**1,046**	**1,214**	**29**	**30**	**–19**	**–74**

TABLE 144

In response to a decrease, or an increase by half a percentage point in the market interest rate as well as an increase, i.e. decrease in the respective currencies against the euro by 10 %, a decrease, i. e. an increase in prices for wheat, corn and oil, sugar and ethanol or a decrease, i. e. an increase in prices for sugar, ethanol, wheat, corn and gas by 10 % (respectively), the market value of the derivatives concluded as of 28 February 2025 would change as follows (sensitivity analysis): Depending on the inclusion in a hedge (cash flow hedge), a change would have changed equity and, without a hedge (fair value hedge), earnings before income taxes as shown in the table below “Sensitivity of derivatives”:

In particular, forex futures and commodity derivatives are also accounted for as hedges using cash flow hedge accounting, with the main features of the hedged item and hedge matching and thus offsetting each other in terms of value. Changes in the values of these hedging instruments are initially recognized in shareholders’ equity and not in revenues (for sales transactions) or in cost of materials (for purchasing transactions) until the time the hedged item has an impact on earnings. The nominal volumes and market values of the derivatives recognized as part of such a hedge are given in the table “Cashflow Hedge Accounting”.

The corresponding hedges mainly comprise risk component hedges for wheat purchases and sugar sales in the CropEnergies, starch and sugar segments. The same applies to the gas purchasing within the group. The nominal volume attributable to this as at the balance sheet date with regard to wheat price hedging through futures amounted to € 303 (260) million at a hedging rate of 231 (247) €/t, with regard to sugar price hedging € 113 (292) million at a hedging rate of 467 (580) €/t and for gas price hedging 3,112,449 (3,697,279) MWh at a hedging rate of 36 (43) €/MWh. Transactions still hedged at the end of the financial year will mainly be realized in the next fiscal year.

Ineffectiveness due to differing maturities of basic and hedging business, for example, had to be recognized in fiscal year 2024/25 at € 0 (1) million. The volume of derivatives not included in a hedging transaction is evaluated in the income statement. All derivatives are shown on the balance sheet in the items other assets or other liabilities.

Further details on the market values by measurement category and measurement level are presented in section (32) "Additional disclosures on financial instruments".

(32) Additional disclosures on financial instruments

Carrying amount and fair value of financial instruments

The following tables show the carrying amount and fair value of financial assets and liabilities for each of the measurement categories.

28/29 February		2025		2024	
€ million	Measurement categories	Carrying amount	Fair value	Carrying amount	Fair value
Securities	At fair value through profit or loss	13	13	12	12
Securities	Fair value recognized directly in equity in other comprehensive income (excluding recycling)	7	7	6	6
Long term securities		*20*	*20*	*18*	*18*
Other investments	At fair value through profit or loss	7	7	10	10
Trade receivables	At amortized cost	980	980	1,456	1,456
Trade receivables – tender in factoring	Fair value recognized directly in equity in other comprehensive income (including recycling)	42	42	–	–
Short term receivables		*1,022*	*1,022*	*1,456*	*1,456*
Positive market value derivatives	At fair value through profit or loss	2	2	5	5
Positive market value derivatives – hedge accounting	n/a	30	30	31	31
Assets with embedded derivatives	At fair value through profit or loss	69	69	–	–
Remaining financial assets[1]	At amortized cost	65	65	88	88
Securities	Fair value recognized directly in equity in other comprehensive income (including recycling)	73	73	69	69
Securities	At fair value through profit or loss	–	–	–	–
Securities	At amortized cost	25	25	33	33
Short term securities		*98*	*98*	*102*	*102*
Cash and cash equivalents	At amortized cost	626	626	305	305
Total financial assets		**1,939**	**1,939**	**2,015**	**2,015**
Bonds	At amortized cost	1,391	1,419	896	891
Promissory notes	At amortized cost	425	424	509	502
Liabilities to banks	At amortized cost	490	488	713	705
Leasing liabilities	n/a	92	–	102	–
Trade liabilities	At amortized cost	1,339	1,339	1,970	1,970
Negative market value derivatives	At fair value through profit or loss	5	5	12	12
Negative market value derivatives – hedge accounting	n/a	19	19	75	75
Remaining financial liabilities	At amortized cost	135	135	125	125
Total financial liabilities		**3,896**	**3,829**	**4,402**	**4,280**

[1] Prior year's amount adjusted due to reclassification

TABLE 145

The totals by measurement category and the net result by measurement category are given below.

€ million	28 February 2025		2024/25		29 February 2024		2023/24	
Measurement category	Carrying amount	Fair value	Net result	thereof interest income (+) / interest expense (–)	Carrying amount	Fair value	Net result	thereof interest income (+) / interest expense (–)
Financial assets at fair value through profit and loss	91	91	42	1	27	27	41	–
Financial assets at fair value recognized directly in equity in other comprehensive income (excluding recycling)	7	7	–	–	6	6	–	–
Financial assets at fair value recognized directly in equity in other comprehensive income (including recycling)	115	115	–2	–2	69	69	3	3
Financial assets at amortized cost[1]	1,696	1,696	38	15	1,882	1,882	31	15
Financial liabilities at fair value through profit and loss	5	5	–25	2	12	12	–50	–
Financial liabilities at amortized cost	3,780	3,805	–100	–66	4,213	4,193	–127	–61
Total	**–**	**–**	**–47**	**–53**	**–**	**–**	**–103**	**–43**

[1] Prior year's amount adjusted due to reclassification.

TABLE 146

Net result by measurement category included interest, dividends and gains or losses on the measurement of financial instruments and currency results.

Measurement levels

For financial instruments measured at fair value, a distinction is made between three measurement levels with regard to the determination of the fair values. At Level 1, the measurement is based on unadjusted prices of identical financial instruments on active markets. Level 2 measurement takes place using prices derived from prices on active markets. Level 3 measurement is based on valuation techniques that include at least one significant non-observable factor.

Due to the short maturities of trade receivables, receivables from the EU, remaining financial assets and cash funds, it is assumed that their fair values are equal to their carrying amounts.

The fair values of liabilities to banks are calculated as the present value of the payments associated with the liabilities, using the relevant current yield curve as the basis. This corresponds to Level 2. The credit risk can be reliably determined.

For trade payables and remaining current financial liabilities, the assumption given their short maturity is that their fair values are equal to their reported carrying amounts.

The fair values of the listed bonds 2017/2025, 2022/2027, and 2025/2032 with a total of € 1,419 (890) million are based on the quoted price on the last trading day of the fiscal year. This corresponds to Level 1.

The following financial instruments were recognized at fair value:

€ millon	28/29 February	2025	Evaluation level 1	Evaluation level 2	Evaluation level 3	2024	Evaluation level 1	Evaluation level 2	Evaluation level 3
									Fair value hierarchy
Securities		**93**	**11**	**73**	**9**	**87**	**11**	**69**	**7**
Other investments		**7**	**0**	**0**	**7**	**10**	**0**	**0**	**10**
Positive market values – derivatives without hedge accounting		2	0	2	0	5	0	5	0
Positive market values – hedge accounting derivatives		30	13	17	0	31	24	7	0
Positive market values		**32**	**13**	**19**	**0**	**36**	**24**	**12**	**0**
Assets with embedded derivatives		**69**	**0**	**0**	**69**	**0**	**0**	**0**	**0**
Financial assets		**201**	**24**	**92**	**85**	**133**	**35**	**81**	**17**
Negative market values – derivatives without hedge accounting		5	0	5	0	12	3	9	0
Negative market values – hedge accounting derivatives		19	3	16	0	75	28	47	0
Negative market values/financial liabilities		**24**	**3**	**21**	**0**	**87**	**31**	**56**	**0**

TABLE 147

Non-current and current securities include equity instruments recognized at fair value through profit or loss or at fair value as part of other comprehensive income. These are measured at market values equal to prices quoted on an exchange as at the balance sheet date (Level 1).

If no listings on active markets are available, measurement takes place using prices derived from prices on active markets (Level 2). In the current year this includes, in particular, a fixed-rate debt instrument recognized under securities and measured at fair value through equity (with recycling). The key valuation factor here is the credit risk of the issuer. Assuming a change in the credit risk by 100 basis points, a valuation effect of approximately € +/– 1 million would result.

Fair values are determined in the remaining cases on the basis of valuation techniques whose influencing factors are not exclusively based on observable market data (Level 3). This includes, in particular, the government funding commitment from the Carbon Contracts for Difference funding program of the Federal Ministry for Economic Affairs and Climate Protection for the conversion of the Zeitz sugar factory to climate-neutral production. This commitment is treated as a derivative due to the dependency of the actual future payment amount on the long-term price development of CO_2 emission rights, gas, electricity and coal, as well as the actual achievable emission reduction in the context of production. If the assumed price assumptions change by 10 %, the valuation effect would be approximately € +/– 3 million, and if the risk-free interest rate level changes by 100 basis points, the valuation effect would be approximately € +15 or –12 million. We base our assessment on the achievement of the emission reduction targets defined over time, otherwise, there could be a complete or partial withdrawal of the funding commitment.

The positive and negative market values of currency, interest and commodity derivatives are related in part to derivatives that are the effective portion of a hedge. These are used to hedge future cash flows from firm commitments or from highly probable future transactions against fluctuations.

There are also currency, interest and commodity derivatives in the form of fair value hedges or with-out formally designated hedges against changes in the fair value of an asset or liability that are recognized in the income statement.

The market values of commodity derivatives such as sugar, wheat or ethanol futures traded on liquid markets are determined on the basis of prices quoted as at the reference date (Level 1).

For the fair values of the other commodity derivatives such as gas swaps, the counterparty valuation is based on prices derived from market prices used in active gas markets (Level 2).

Forex futures are measured on the basis of reference rates, taking forward premiums or discounts into consideration (Level 2).

The concluded interest rate derivatives exclusively concern interest rate swaps. The market values of these interest rate hedging transactions were determined on the basis of discounted expected future cash flows (Level 2).

(33) Contingent liabilities and other financial commitments

Contingent liabilities and other financial commitments explained below are not recognized as liabilities on the consolidated balance sheet.

Guarantees and warranty commitments

€ million	28/29 February	2025	2024
Guarantees		27	33
thereof for Joint Ventures		25	30
Warranty commitments		1	1

TABLE 148

Guarantees, warranty commitments and contingent liabilities

The guarantees relate primarily to bank loans of jointly controlled investments in the sugar segment at AGRANA as well as to liabilities to third parties. As part of a deferral and restructuring agreement concluded for the refinancing of the joint venture Beta Pura GmbH, the shares held in the company were pledged as collateral. We do not expect to have to make any material performance payments from guarantees or warranty commitments.

At the beginning of the 2023/24 financial year, several national competition authorities in various European Union countries sent out questionnaires or launched investigations on the subject of inflation. In Romania, 13 food producers, including AGRANA Romania S.R.L., Bucharest / Romania, were searched for one day in late March 2023 due to alleged price-fixing agreements with competitors. In December 2023, a further query was answered on time. Up to now, the Romanian competition authority has not made any specific allegations. AGRANA also had an external party audit all the documents inspected by the authority and was unable to identify any violations of competition law and therefore sees no grounds for the imposition of any fines.

Purchase orders for investments in fixed assets

Purchase orders for investments in fixed assets totaling € 260 (337) million relate in particular to warehousing and energy supply in the sugar segment. The BENEO division focused on processing protein crops, the Freiberger division on a new production plant and the CropEnergies segment on the new biobased chemicals business unit.

(34) Fees for services by the group's external auditors

Expenses in 2024/25 for services provided by the group's external auditors, KPMG AG Wirtschaftsprüfungsgesellschaft, were made up of fees for the following services:

€ thousand	2024/25	2023/24
Auditing services	1,280	1,012
Other assurance services	958	128
Tax consulting fees	0	0
Other services	8	191
Total	**2,246**	**1,331**

TABLE 149

The auditing services include expenses for auditing the annual consolidated financial statements of Südzucker AG consolidated and financial statements of German subsidiaries. The fees for other assurance services include the project-related audit in connection with the introduction of CSRD, including the initial audit of the combined sustainability statement in accordance with ESRS. In addition, audit services were provided for the issuance of a comfort letter, legally required audits and in connection with IT projects. The fees for other services related to the provision of data.

(35) Declarations of compliance per section 161 AktG

The executive board and supervisory board of Südzucker AG issued the declaration of compliance relating to the German Corporate Governance Code in accordance with section 161 of the German Stock Corporation Act (AktG) on 7 November 2024 and made it permanently available to shareholders of Südzucker AG at www.suedzuckergroup.com/en/Entsprechenserklaerung/.

(36) Related parties

Related companies and persons

The following companies are considered related parties:

- Süddeutsche Zuckerrübenverwertungs-Genossenschaft eG (SZVG), Ochsenfurt, Germany, – the ultimate and direct parent company – which has a majority interest in Südzucker AG by means of its own holding of Südzucker shares, and those shares held by it on trust for its cooperative members. The list of shareholdings as of 28 February 2025 was 63.47 % (61.58 %).
- Raiffeisen-Holding Niederösterreich-Wien reg. Gen.m.b.H. (Raiffeisen-Holding), Vienna, Austria, including its subsidiaries, which holds share capital via Zucker Invest GmbH, Vienna, Austria. The list of shareholdings as of 28 February 2025 was 10.25 % (10.25) %.
- Südzucker Unterstützungswerk (SUW), Frankenthal, Palatinate, Germany, whose assets are used to support Südzucker employees and pensioners in instances of particular difficulty as well as for social activities. Some of the trustees are also members of Südzucker AG's executive board.
- The joint venture companies and associates subject to joint control or significant influence by Südzucker Group.

The members of the Südzucker AG executive and supervisory boards and their dependents are related parties.

Items recorded in the reporting year on the accounts held for SZVG and SUW at Südzucker AG comprised payments received from dividends and interest from business transactions. As of the balance sheet date, Südzucker AG's liabilities to SZVG amounted to € 3 (0) million with an annual average interest rate of 3.49 (4.06) % and to SUW € 2 (3) million with an annual average interest rate of 4.27 (3.70) %. In addition, there were financial receivables of € 90 (82) million from, and financial liabilities of € 100 (76) million to Raiffeisen Group; financial receivables with a nominal volume of € 75 (75) million related to a subordinated callable bond 2021-2031 with a fixed interest rate of 3.37 % through February 2026. At the reporting date, there were credit balances with Südzucker AG of € 28 (26) million, hedged by this subordinated bond and comprising not only employee accounts but also accounts for active and former members of the executive board and their surviving dependents in the amount of € 11 (11) million bearing interest at market rates.

As part of regular business activities, Südzucker AG and its subsidiaries maintain extensive business relationships with joint venture companies. Transactions are carried out with these companies the same as with unrelated parties.

Related companies – Services performed and received[1]

€ million	2024/25	2023/24
Joint ventures	292	315
Services performed for related parties	**292**	**315**
Joint ventures	115	121
Services received from related parties	**115**	**121**

[1] Only relationships to fully consolidated subsidiaries.

TABLE 150

The exchange of goods and services occurs as part of the company's ordinary course of business.

Related companies – Receivables and liabilities[1]

€ million	28/29 February	2025	2024
Joint Ventures		83	132
Receivables from related parties		**83**	**132**
Joint Ventures		14	15
Liabilities to related parties		**14**	**15**

[1] Only relationships to fully consolidated subsidiaries.

TABLE 151

Executive board compensation

The table below shows the total compensation paid to members of Südzucker AG's executive board (IFRS). They represent the compensation expense for the respective financial year. The outstanding balances comprise the performance-related short-term compensation due.

Disclosures on total compensation of the executive board in accordance with IFRS

€ million	2024/25	2023/24
Fixed compensation	3	3
Remuneration in kind and other fringe benefits	0	0
Total of non-performance related remuneration due in the short term	**3**	**3**
Multi-year variable remuneration (basis: average dividend of the past three fiscal years)	1	1
One year variable remuneration (basis: EBITDA of the past fiscal year)	0	2
Total short-term remuneration due in the short term	**4**	**6**
Multi-year variable share-based remuneration (basis: average ROCE of the past three fiscal years)	0	0
Multi-year variable remuneration (basis: average ROCE & dividend payments of the past three fiscal years)	0	2
Total of remuneration due in the long and short term	**4**	**8**
Service cost for in the current year earned pension committments (defined benefit plan)	0	0
Payments related to termination benefits	0	2
Total remuneration for the executive board	**4**	**10**

TABLE 152

The members of Südzucker AG's executive board receive a monthly fixed salary, benefits (company car, etc.) and, for a defined contribution pension plan, an annually determined contribution as part of the further developed executive board compensation system approved by the annual general meeting in July 2023. The one-year variable compensation is based on the target achievement level for EBTIDA. The multi-year variable compensation depends on an average ROCE and an average dividend over several fiscal years. Both the one-year and multi-year variable compensation is paid in cash. According to the provisions of the executive board compensation system, the executive board received an advance payment of € 1 (0) million in fiscal 2024/25 for the multi-year variable compensation.

The multi-year variable compensation of the replaced 2021 executive board compensation system was paid in shares. Under this system, share-based executive board compensation was awarded for the three-year vesting period from the 2022/23 to 2024/25 or 2021/22 to the 2023/24 financial year depending on the average return on capital employed (ROCE) achieved. For this purpose, the corresponding number of shares is acquired at the beginning of the financial year in the amount of the share commitment in the event of a target achievement level of 100 % and held until the actual target achievement is determined in the fourth year. Once the target achievement has been determined, the number of shares acquired must be adjusted, taking into account the dividends paid in the meantime along with the existing compensation limits, and transferred to the executive board. Over the vesting period, the number of shares earned pro rata temporis, taking into account the expected target achievement based on the share price at the time of the commitment, must be recognized in the personnel expenses.

Pension obligations (IFRS) of € 46 (38) million relate to former members of Südzucker AG's executive board and their dependents.

According to the German Commercial Code (HGB), total executive board compensation totaled € 6 (6) million. Payments to former members of Südzucker AG's executive board and their surviving dependents accounted for € 4 (5) million.

Supervisory board compensation

Total compensation paid to Südzucker AG's supervisory board members for all activities is presented in the following table and is paid out in the following year.

Supervisory board compensation in accordance with IFRS

€ million	2024/25	2023/24
Fixed compensation	2	3
Variable compensation	–	1
Total compensation	**2**	**4**

TABLE 153

The supervisory board is compensated in accordance with article 12 of Südzucker AG's articles of incorporation. Every member of Südzucker AG's supervisory board receives a fixed base compensation. Compensation for the chairman of the supervisory board is three times the basic compensation, and for the deputy chairman as well as other members of the executive committee is one and a half times the basic compensation. Audit committee members' compensation increases by 50 % and the chairman's by 75 %. For membership of other committees, the basic compensation is increased by 25 %, for committee chairs by 50 %, assuming the committee actually met during the financial year. The latter does not apply to members of the executive and mediation committees. In addition, some supervisory board members receive compensation for group appointments. Variable compensation is granted if the dividend distributed exceeds € 0.50.

The total supervisory board compensation in accordance with the German Commercial Code (HGB) totaled € 2 (4) million.

In addition, supervisory board representatives who are also Südzucker Group employees also receive their normal contractually agreed wages, which are not related to their supervisory board activities.

The description of the executive and supervisory board compensation systems, including the resolutions on their approval by the annual general meeting, are made available on Südzucker's website.

The compensation report for fiscal year 2024/25 with the disclosure of individual remuneration of the executive board and advisory board members, including the auditor's report on the formal audit of the compensation report, will be made available on Südzucker's website as part of the announcement of the invitation and all other information pertaining to the annual general meeting on 17 July 2025. Following the annual general meeting, the compensation report for fiscal 2024/25 including the resolution on its approval, will be made available on Südzucker's website for a period of ten years.

(37) Supervisory board and executive board

Supervisory board

Dr. Stefan Streng, Uffenheim,Germany
Chairman
Born 1968, member since 20 July 2017,
Chairman since 14 July 2022
Chairman of the executive board of
Verband Süddeutscher Zuckerrübenanbauer e. V.
Board memberships [1]
- Süddeutsche Zuckerrübenverwertungs-Genossenschaft eG, Ochsenfurt (chairman)
- Vereinigte Hagelversicherung VVaG, Gießen (since 14 May 2024)

Rolf Wiederhold [2], Wabern, Germany
1st deputy chairman
Born 1969, member since 1 March 2013,
First deputy chairman since 14 July 2022;
Chairman of the central works council of Südzucker AG

Erwin Hameseder, Mühldorf, Austria
2nd deputy chairman
Born 1956, member since 31 July 2003,
2nd deputy chairman since 17 July 2014;
Chairman of Raiffeisen-Holding
Niederösterreich-Wien reg. Gen.m.b.H
Board memberships [1]
- Österreichische Nationalbank AG, Vienna, Austria
- RWA Raiffeisen Ware Austria AG, Korneuburg, Austria
- RWA Raiffeisen Ware Austria Handel und Vermögensverwaltung eGen, Korneuburg, Austria

Fred Adjan [2], Hamburg, Germany
Born 1968, member since 1 September 2020
Deputy chairman of Gewerkschaft Nahrung-Genuss-Gaststätten

Helmut Friedl, Egling a. d. Paar, Germany
Born 1965, member since 16 July 2015
Chairman of the executive board of
Verband bayerischer Zuckerrübenanbauer e. V.
Board memberships [1]
- BMG Donau-Lech eG, Mering, Germany

Ulrich Gruber [2], Plattling, Germany
Born 1972, member since 1 May 2018
Deputy chairman of the central works council of Südzucker AG

Georg Koch, Wabern, Germany
Born 1963, member since 21 July 2009
Chairman of the general committee
of Verband der Zuckerrübenanbauer Kassel e. V.

Susanne Kunschert, Stuttgart, Germany
Born 1970, member since 17 July 2014
Managing partner of Pilz GmbH & Co. KG
Board memberships
- Karlsruhe Institute of Technology, Karlsruhe, Germany
- Süddeutsche Zuckerrübenverwertungs-Genossenschaft eG, Ochsenfurt, Germany

Ulrike Maiweg [2], Bellheim, Germany
JBorn 1970, member since 20 July 2017
Deputy chairwoman of the central works council
of Mannheim of Südzucker AG

Walter Manz, Dexheim, Germany
Born 1964, member since 12 April 2019
Chairman of the general committee
of Verband Hessisch-Pfälzischer Zuckerrübenanbauer e. V.

Julia Merkel, Wiesbaden, Germany
Born 1965, member since 20 July 2017
Member of the executive board of R+V Versicherung AG
Board memberships [3]
- Süddeutsche Zuckerrübenverwertungs-Genossenschaft eG, Ochsenfurt, Germany

Sabine Möller [2], Hamburg, Germany
Born 1964, member since 31 October 2018
Divisional officer of Gewerkschaft Nahrung-Genuss-Gaststätten

Dr. Stefan Mondel [2], Rödelsee, Germany
Born 1969, member since 1 May 2024
Technical Director, Südzucker AG

[1] Memberships in addition to Südzucker Group and/or Raiffeisen-Holding Niederösterreich-Wien Group functions.
[2] Employee representative.
[3] Memberships in addition to R+V Versicherung AG Group functions.

Angela Nguyen[1], Biederitz, Germany
Born 1969, member since 20 July 2017
Chairwoman of the works council
of Freiberger Osterweddingen GmbH

Mustafa Öz[1], Altdorf, Germany
Born 1972, member since 14 July 2022
Regional Chairman Bavaria
of Gewerkschaft Nahrung-Genuss-Gaststätten
Board memberships
- Paulaner Brauerei Gruppe GmbH & Co. KGaA, Munich, Germany

Joachim Rukwied, Eberstadt, Germany
Born 1961, member since 24 July 2007
President of Deutscher Bauernverband e. V.
Board memberships
- BAYWA AG, Munich, Germany
- Cost center Landesbauernverband Baden-Württemberg GmbH, Stuttgart, Germany (chairman)
- Kreditanstalt für Wiederaufbau, Frankfurt am Main, Germany
- LAND-DATA GmbH, Visselhövede, Germany (chairman)
- Landwirtschaftliche Rentenbank, Frankfurt am Main, Germany (chairman)
- LBV-Unternehmensberatungsdienste GmbH, Stuttgart, Germany (chairman)
- Messe Berlin GmbH, Berlin, Germany
- R+V Versicherung AG, Wiesbaden, Germany

Bernd Frank Sachse[1], Zeitz, Germany
Born 1965, member since 1 January 2019
Chairman of the works council at the Zeitz plant of Südzucker AG

Clemens Schaaf, Landsberg (Saalekreis), Germany
Born 1963, member since 14 July 2022
Chairman of the executive board of Verband
Sächsisch-Thüringischer Zuckerrübenanbauer e. V.

Nadine Seidemann[1], Donauwörth, Germany
Born 1982, member since 1 September 2013
Deputy chairwoman of the works
council at the Rain plant of Südzucker AG

Dr. Claudia Süssenbacher, Gablitz, Austria
Born 1977, member since 13 July 2023
Managing director of Raiffeisen-Holding
Niederösterreich-Wien reg. Gen.m.b.H.
Board memberships[2]
- Süddeutsche Zuckerrübenverwertungs-Genossenschaft eG, Ochsenfurt, Germany

Wolfgang Vogl[1], Bernried, Germany
Born 1962, member from 1 March 2011 to 30 April 2024

Supervisory board committees

General committee
Dr. Stefan Streng (chairman)
Fred Adjan
Erwin Hameseder
Rolf Wiederhold

Audit committee
Susanne Kunschert (chairwoman)
Helmut Friedl (deputy chairman)
Ulrich Gruber
Mustafa Öz
Dr. Claudia Süssenbacher
Rolf Wiederhold

Strategy and sustainability committee
Helmut Friedl (chairman)
Fred Adjan
Ulrich Gruber
Erwin Hameseder
Angela Nguyen
Joachim Rukwied
Dr. Stefan Streng
Rolf Wiederhold

[1] Employee representative.
[2] Memberships in addition to Südzucker Group and/or Raiffeisen-Holding Niederösterreich-Wien Group functions.

Agriculture and raw material markets committee
Georg Koch (chairman)
Helmut Friedl
Ulrike Maiweg
Walter Manz
Dr. Stefan Mondel (since 1 May 2024)
Frank Sachse
Nadine Seidemann
Dr. Stefan Streng
Wolfgang Vogl (until 30 April 2024)

Nomination committee
Dr. Stefan Streng (chairman)
Helmut Friedl
Erwin Hameseder
Julia Merkel

Social welfare committee
Dr. Stefan Streng (chairman)
Fred Adjan
Helmut Friedl
Erwin Hameseder
Sabine Möller
Rolf Wiederhold

Arbitration committee
Dr. Stefan Streng (chairman)
Fred Adjan
Erwin Hameseder
Rolf Wiederhold

Executive board

Dr. Niels Pörksen, CEO
Limburgerhof, Germany
Chairman
Since 1 March 2020; appointed until 29 February 2028
Board memberships[1]
- AGCO, Duluth/USA

Stephan Büttner
Vienna, Austria
Since 4 December 2023, appointed until 3 December 2026
Board memberships[1]
- Semperit AG Holding, Vienna, Austria

Hans-Peter Gai, COO
Weinheim, Germany
Since 1 November 2022; appointed until 31 October 2025

Thomas Kölbl
Speyer, Germany
1 June 2004 until 31 May 2024

Dr. Stephan Meeder, CFO
Mannheim, Germany
Since 19 December 2023; appointed until 18 December 2026

[1] Mandates in addition to supervisory board memberships in Group companies in whose parent company the mandated person is a member of the executive board or management.

(38) List of shareholdings in accordance with section 313 (2) HGB

The list of shareholdings in accordance with section 313 (2) HGB as of 28 February 2025 is attached to these notes to the consolidated financial statements and will be published together with the consolidated financial statements as of 28 February 2025 in the electronic Federal Gazette and separately on the Südzucker website.

(39) Proposed appropriation of earnings

Retained earnings of Südzucker AG amount to € 127,743,941 (258,391,998). The executive board proposes that a dividend of € 0.20 (0.90) per share be distributed and be appropriated as follows:

		2024/25
Issued subscribed capital	Number	204,183,292
Own shares	Number	−51,642
Outstanding no-par shares	Number	204,131,650
Dividends	€	0.20
Dividend amount	€	40,826,330.00
Earnings carried forward	€	86,917,611.40
Retained earnings	€	**127,743,941.40**

TABLE 154

In the above proposal for the appropriation of earnings, the issued shares of 204,183,292 have already been reduced by treasury shares in the amount of 51,642, resulting in a distribution amount of € 40,826,330. To the extent that further treasury shares are available on the day of the general meeting, the proposed resolution will be amended such that the distribution of € 0.20 per dividend-bearing share is maintained and the corresponding higher remainder carried forward. The annual general meeting is expected to take place virtually on 17 July 2025; the dividend will be paid on 22 July 2025.

(40) Events after the balance sheet date

Since 28 February 2025, no events of material significance have occurred that are expected to have a significant impact on the financial position and performance of the group.

Mannheim, 25 April 2025

Südzucker AG

EXECUTIVE BOARD

ADDITIONAL INFORMATION

04

RESPONSIBILITY STATEMENT

To the best of our knowledge, and in accordance with the applicable reporting principles for financial reporting, the consolidated financial statements give a true and fair view of the financial position and performance of the group, and the group management report includes a fair review of the development and performance of the business and the position of the group, together with a description of the principal opportunities and risks associated with the expected development of the group.

Mannheim, 26 April 2025

EXECUTIVE BOARD

DR. NIELS PÖRKSEN
(CHAIRMAN)

STEPHAN BÜTTNER

HANS-PETER GAI

DR. STEPHAN MEEDER

INDEPENDENT AUDITOR’S REPORT

To Südzucker AG, Mannheim

Report on the Audit of the Consolidated Financial Statements and of the Combined Management Report

Opinions

We have audited the consolidated financial statements of Südzucker AG, Mannheim, and its subsidiaries (the Group), which comprise the consolidated balance sheet as at 28 February 2025, and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the financial year from 1 March 2024 to 28 February 2025, and notes to the consolidated financial statements, including significant information on the accounting policies. In addition, we have audited the Company’s and Group’s management report (hereinafter “combined management report”) of Südzucker AG for the financial year from 1 March 2024 to 28 February 2025.

In accordance with German legal requirements, we have not audited the content of those components of the combined management report specified in the Appendix to the Independent Auditor’s Report.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying consolidated financial statements comply, in all material respects, with the IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) (hereinafter referred to as “IFRS Accounting Standards”) as adopted by the EU, and the additional requirements of Germancommercial law pursuant to Section 315e (1) HGB [Handelsgesetzbuch: German Commercial Code] and, in compliance with these requirements, give a true and fair view of the assets, liabilities, and financial position of the Group as ≤ financial year from 1 March 2024 to 28 February 2025, and
- the accompanying combined management report as a whole provides an appropriate view of the Group’s position. In all material respects, this combined management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our opinion on the combined management report does not cover the content of those components of the combined management report specified in the Appendix to the Independent Auditor’s Report.

Pursuant to Section 322 (3) sentence 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the combined management report.

Basis for the Opinions

We conducted our audit of the consolidated financial statements and of the combined management report in accordance with Section 317 HGB and the EU Audit Regulation No 537/2014 (referred to subsequently as “EU Audit Regulation”) and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the “Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements and of the Combined Management Report” section of our auditor’s report. We are independent of the group entities in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2)(f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinions on the consolidated financial statements and on the combined management report.

Key Audit Matters in the Audit of the Consolidated Financial Statements

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements for the financial year from 1 March 2024 to 28 February 2025. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters.

Recoverability of goodwill

For the accounting policies applied as well as the assumptions made, please refer to Notes 5 and 21 in the notes to the consolidated financial statements. Disclosures on the amount of goodwill and recognised impairment losses are also included in the notes to the consolidated financial statements under Note 21. Information on the Sugar segment's financial performance can be found in the combined management report in the economic report on the Sugar segment.

THE FINANCIAL STATEMENT RISK

Goodwill with a carrying amount of EUR 578 million as at 28 February 2025 represents a substantial share of assets at 6.1% of total assets.

Goodwill is tested annually at the level of the cash-generating units for impairment irrespective of any triggering events. If impairment triggers arise during the financial year, an event-driven goodwill impairment test is also carried out during the year.

For goodwill impairment testing, the carrying amount is compared with the recoverable amount of the respective cash-generating unit. If the carrying amount exceeds the recoverable amount, an impairment loss must be recognised. The recoverable amount is the higher amount of fair value less costs to sell and value in use of the cash-generating unit. For the impairment test, the Company primarily determines the value in use and compares this with the respective carrying amount. The reporting date for impairment testing is 28 February 2025.

Impairment testing of goodwill is complex and based on a range of assumptions that require judgement. These include the forecast for future cash flows in the detailed planning period, the assumed growth rates for subsequent periods and the cost of capital. These assumptions have a material impact on the recoverability of goodwill.

Duty-free imports from Ukraine, expansion of cultivation areas in the EU, a global oversupply of sugar as well as a decline in sugar consumption in the EU led to falling sales prices in the Sugar segment in financial year 2024/25. The only slow recovering of the sugar price has a negative impact on the Sugar segment's future business and earnings prospects. The reduction in expected future cash inflows resulted in full impairment of the Sugar segment totalling EUR 108 million.

There is the risk for the consolidated financial statements that an existing need to recognize impairment losses is not identified. There is also a risk that the related disclosures in the notes are not appropriate.

OUR AUDIT APPROACH

First, we gained an understanding of the Company's process for impairment testing of goodwill by obtaining explanations from employees of the finance department and by evaluating the documentation. In addition, we discussed with those responsible for planning, among other things, the expected business and earnings development and the assumed growth rates for subsequent periods.

We then assessed the appropriateness of the key assumptions and the Group's calculation method. To this end, we examined the forecast of expected cash flows in the detailed planning period for cash-generating units selected on the basis of risk criteria, in particular with respect to whether the expected development of the respective sales markets is given appropriate consideration and is consistent with the current five-year planning prepared by the Executive Board and approved by the Supervisory Board. We compared internal growth forecasts with external market estimates and we assessed whether the assumptions contained in the planning regarding the future development of revenue and margins are appropriate. We assessed the appropriateness of the assumed growth rates for the period following the detailed planning period using the expectations of industry and key competitors.

We also addressed the accuracy of the Company's forecasts to date by comparing the budgets of previous financial years with earnings actually generated and by analysing deviations. For selected cash-generating units, we examined whether reasons for not reaching budget figures in the past were given appropriate consideration in current planning, to the extent that this was relevant.

We evaluated the methodological appropriateness of the calculation and the appropriateness of the weighted average cost of capital. To this end, with the involvement of our valuation experts we calculated our own expected values for the assumptions and data underlying the weighted cost of capital rates based on publicly available data and compared these with the assumptions and data used.

With the involvement of our valuation experts, we used our own calculations to assess the methodically and mathematically appropriate implementation of the valuation method used for the valuation performed by the Company and analysed deviations.

In order to take forecast uncertainty into account, we examined the impact of potential changes in the cost of capital or sustainable operating earnings on the recoverable amount by evaluating the Company sensitivity calculations (sensitivity analysis).

Finally, we assessed whether the disclosures in the notes on the recoverability of goodwill are appropriate.

OUR OBSERVATIONS

The calculation method used for impairment testing of goodwill is appropriate and in line with the accounting policies to be applied.

The Company's assumptions and data used for measurement are within an acceptable range.

The related disclosures in the notes are appropriate.

Other Information

The Executive Board and/or the Supervisory Board are/is responsible for the other information. The other information comprises:

- the components of the combined management report not audited for content specified in the Appendix to the Independent Auditor's Report.

The other information also includes the remaining parts of the annual report. The other information does not include the consolidated financial statements, the combined management report information audited for content and our auditor's report thereon.

Our opinions on the consolidated financial statements and on the combined management report do not cover the other information, and consequently we do not express an opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information and, in so doing, to consider whether the other information

- is materially inconsistent with the consolidated financial statements, with the combined management report information audited for content or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

In accordance with our engagement letter, we conducted a separate examination of the sustainability statement included in the combined management report. Please refer to our assurance report dated 25 April 2025 for information on the nature, scope and findings of this assurance engagement.

Responsibilities of the Executive Board and the Supervisory Board for the Consolidated Financial Statements and the Combined Management Report

The Executive Board is responsible for the preparation of consolidated financial statements that comply, in all material respects, with IFRS Accounting Standards as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315e (1) HGB and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position, and financial performance of the Group. In addition, the Executive Board is responsible for such internal control as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

In preparing the consolidated financial statements, the Executive Board is responsible for assessing the Group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, the Executive Board is responsible for the preparation of the combined management report that, as a whole, provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the Executive Board is responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a combined management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the combined management report.

The Supervisory Board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and of the combined management report.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Combined Management Report

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the combined management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our opinions on the consolidated financial statements and on the combined management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Section 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and this combined management report.

We exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and of the combined management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures relevant to the audit of the combined management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control or of these arrangements and measures.
- Evaluate the appropriateness of accounting policies used by the Executive Board and the reasonableness of estimates made by the Executive Board and related disclosures.

- Conclude on the appropriateness of the Executive Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the combined management report or, if such disclosures are inadequate, to modify our respective opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRS Accounting Standards as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315e (1) HGB.
- Plan and perform the audit of the consolidated financial statements to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business segments within the Group to provide a basis for our opinions on the consolidated financial statements and on the combined management report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.
- Evaluate the consistency of the combined management report with the consolidated financial statements, its conformity with German law, and the view of the Group's position it provides.
- Perform audit procedures on the prospective information presented by the Executive Board in the combined management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the Executive Board as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the actions taken or safeguards applied to eliminate independence threats.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Other Legal and Regulatory Requirements

Report on the Assurance on the Electronic Rendering of the Consolidated Financial Statements and the Combined Management Report Prepared for Publication Purposes in Accordance with Section 317 (3a) HGB

We have performed assurance work in accordance with Section 317 (3a) HGB to obtain reasonable assurance about whether the rendering of the consolidated financial statements and the combined management report (hereinafter the "ESEF documents") contained in the electronic file "Suedzucker-2025-02-28-de.zip") (SHA256-Hashwert: 1df105ca6739af13958296aca2659e7adb-3ddb2b0637a67bfdb657f1818e575f)] made available and prepared for publication purposes complies in all material respects with the requirements of Section 328 (1) HGB for the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this assurance work extends only to the conversion of the information contained in the consolidated financial statements and the combined management report into the ESEF format and therefore relates neither to the information contained in these renderings nor to any other information contained in the file identified above.

In our opinion, the rendering of the consolidated financial statements and the combined management report contained in the electronic file made available, identified above and prepared for publication purposes complies in all material respects with the requirements of Section 328 (1) HGB for the electronic reporting format. Beyond this assurance opinion and our audit opinion on the accompanying consolidated financial statements and the accompanying combined management report for the financial year from 1 March 2024 to 28 February 2025 contained in the "Report on the Audit of the Consolidated Financial Statements and the Combined Management Report" above, we do not express any assurance opinion on the information contained within these renderings or on the other information contained in the file identified above.

We conducted our assurance work on the rendering of the consolidated financial statements and the combined management report contained in the file made available and identified above in accordance with Section 317 (3a) HGB and the IDW Assurance Standard: Assurance Work on the Electronic Rendering of Financial Statements and Management Reports Prepared for Publication Purposes in Accordance with Section 317 (3a) HGB (IDW AsS 410 (06.2022)). Our responsibility in accordance therewith is further described below. Our audit firm applies the IDW Standard on Quality Management 1: Requirements for Quality Management in Audit Firms (IDW QMS 1 (09.2022)).

The Company's Executive Board is responsible for the preparation of the ESEF documents including the electronic rendering of the consolidated financial statements and the combined management report in accordance with Section 328 (1) sentence 4 item 1 HGB and for the tagging of the consolidated financial statements in accordance with Section 328 (1) sentence 4 item 2 HGB.

In addition, the Company's Executive Board is responsible for such internal control as they have considered necessary to enable the preparation of ESEF documents that are free from material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB for the electronic reporting format.

The Supervisory Board is responsible for overseeing the process of preparing the ESEF documents as part of the financial reporting process.

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB. We exercise professional judgement and maintain professional scepticism throughout the assurance work. We also:

- Identify and assess the risks of material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB, design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance opinion.
- Obtain an understanding of internal control relevant to the assurance on the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.
- Evaluate the technical validity of the ESEF documents, i. e. whether the file made available containing the ESEF documents meets the requirements of Commission Delegated Regulation (EU) 2019/815, as amended as at the reporting date, on the technical specification for this electronic file.
- Evaluate whether the ESEF documents provide an XHTML rendering with content equivalent to the audited consolidated financial statements and the audited combined management report.
- Evaluate whether the tagging of the ESEF documents with Inline XBRL technology (iXBRL) in accordance with the requirements of Articles 4 and 6 of the Commission Delegated Regulation (EU) 2019/815, as amended as at the reporting date, enables an appropriate and complete machine-readable XBRL copy of the XHTML rendering.

Further Information pursuant to Article 10 of the EU Audit Regulation

We were elected as auditor of the consolidated financial statements at the Annual General Meeting on 18 July 2024. We were engaged by the Supervisory Board on 18 July 2024. We have been the auditor of the consolidated financial statements of Südzucker AG without interruption since financial year 2023/24.

We declare that the opinions expressed in this auditor's report are consistent with the additional report to the Audit Committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

Other Matter – Use of the Auditor's Report

Our auditor's report must always be read together with the audited consolidated financial statements and the audited combined management report as well as the examined ESEF documents. The consolidated financial statements and combined management report converted to the ESEF format – including the versions to be entered in the German Company Register [Unternehmensregister] – are merely electronic renderings of the audited consolidated financial statements and the audited combined management report and do not take their place. In particular, the ESEF report and our assurance opinion contained therein are to be used solely together with the examined ESEF documents made available in electronic form.

German Public Auditor Responsible for the Engagement

The German Public Auditor responsible for the engagement is Dr Stephan Kaiser.

Mannheim, 25 April 2025

KPMG AG
Wirtschaftsprüfungsgesellschaft
[Original German version signed by:]

DR STEPHAN KAISER	**HOLGER HERBEL**
WIRTSCHAFTSPRÜFER	WIRTSCHAFTSPRÜFER
[GERMAN PUBLIC AUDITOR]	[GERMAN PUBLIC AUDITOR]

Appendix to the independent auditor's report: combined management report components not audited for content

We did not audit the following components of the combined management report for content:

- the combined corporate governance declaration for the Company and the Group included in the "Corporate Governance" section,
- the "Sustainability Statement" section,
- the information extraneous to management reports on the respective segments in the "Raw materials and production" and "Volumes" subsections contained in the business report.

Disclosures not part of the combined management report are those disclosures that are neither required pursuant to Sections 315, 315a or Sections 315b to 315d HGB nor GAS 20 (German Accounting Standard).

ASSURANCE REPORT OF THE INDEPENDENT GERMAN PUBLIC AUDITOR

Assurance report of the independent German Public Auditor on a limited assurance engagement in relation to the Sustainability Statement

To the Südzucker AG, Mannheim

Assurance Conclusion

We have conducted a limited assurance engagement on the combined non-financial group statement, included in section "Sustainability statement" of the combined management report, of Südzucker AG, Mannheim for the financial year from March 1, 2024 to February 28, 2025. The combined non-financial group statement was prepared to fulfil the requirements of Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 (Corporate Sustainability Reporting Directive, CSRD) and Article 8 of Regulation (EU) 2020/852 as well as Sections 315b and 315c of the HGB [Handelsgesetzbuch: German Commercial Code] for a consolidated non-financial statement and Sections 289b to 289e of the HGB for a non-financial statement of the company.

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the accompanying combined non-financial group statement is not prepared, in all material respects, in accordance with the requirements of the CSRD and Article 8 of Regulation (EU) 2020/852, Sections 315b and 315c HGB for a consolidated non-financial statement, Sections 289b to 289e of the HGB for a non-financial statement of the company and the supplementary criteria presented by the executive directors of the Company. This assurance conclusion includes that nothing has come to our attention that causes us to believe that:

- the accompanying combined non-financial group statement does not comply, in all material respects, with the European Sustainability Reporting Standards (ESRS), including that the process carried out by the entity to identify information to be included in the combined non-financial group statement (the materiality assessment) is not, in all material respects, in accordance with the description set out in section "IRO-1 – Description of the processes to identify and assess material impacts, risks and opportunities" of the combined non-financial group statement, or
- the disclosures in section "Disclosures as per EU Taxonomy" of the combined non-financial group statement do not comply, in all material respects, with Article 8 of Regulation (EU) 2020/852.

We do not express an assurance conclusion on references in the combined non-financial group statement to assurance reports or reports of other assurance practitioners.

Basis for the Assurance Conclusion

We conducted our assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised): Assurance Engagements Other Than Audits or Reviews of Historical Financial Information issued by the International Auditing and Assurance Standards Board (IAASB).

The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our responsibilities under ISAE 3000 (Revised) are further described in the section "German Public Auditor's Responsibilities for the Assurance Engagement on the combined non-financial group statement".

We are independent of the entity in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. Our audit firm has applied the requirements for a system of quality control as set forth in the IDW Quality

Management Standard issued by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW): Requirements for Quality Management in the Audit Firm (IDW QMS 1 (09.2022)) and International Standard on Quality Management (ISQM) 1 issued by the IAASB. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our assurance conclusion.

Responsibilities of the Executive Directors and the Supervisory Board for the combined non-financial group statement

The executive directors are responsible for the preparation of the combined non-financial group statement in accordance with the requirements of the CSRD and the applicable German legal and other European requirements as well as with the supplementary criteria presented by the executive directors of the Company and for designing, implementing and maintaining such internal control that they have considered necessary to enable the preparation of a combined non-financial group statement in accordance with these requirements that is free from material misstatement, whether due to fraud (i.e., fraudulent sustainability reporting in the combined non-financial group statement) or error.

This responsibility of the executive directors includes establishing and maintaining the materiality assessment process, selecting and applying appropriate reporting policies for preparing the combined non-financial group statement, as well as making assumptions and estimates and ascertaining forward-looking information for individual sustainability-related disclosures.

The Supervisory Board is responsible for overseeing the process for the preparation of the combined non-financial group statement.

Inherent Limitations in Preparing the combined non-financial group statement

The CSRD and the applicable German legal and other European requirements contain wording and terms that are subject to considerable interpretation uncertainties and for which no authoritative, comprehensive interpretations have yet been published. Therefore, the executive directors have disclosed their interpretations of such wording and terms, in particular in the chapter "Disclosures as per EU Taxonomy" of the combined non-financial group statement. The executive directors are responsible for the reasonableness of these interpretations. As such wording and terms may be interpreted differently by regulators or courts, the legality of measurements or evaluations of sustainability matters based on these interpretations is uncertain. As further set forth in section "BP-2 Disclosures in relation to specific circumstances" of the combined non-financial group statement, the quantification of the non-financial performance indicators included in chapters E1 "Climate Change" (GHG emissions Scope 3), E5 "Resource use and circular economy" (packaging materials) and S1 "Own workforce" (S1-16 compensation metrics) are also subject to inherent high uncertainties due to estimation and measurement.

These inherent limitations also affect the assurance engagement on the combined non-financial group statement.

German Public Auditor's Responsibilities for the Assurance Engagement on the combined non-financial group statement

Our objective is to express a limited assurance conclusion, based on the assurance engagement we have conducted, on whether any matters have come to our attention that cause us to believe that the combined non-financial group statement has not been prepared, in all material respects, in accordance with the CSRD, the applicable German legal and other European requirements and the supplementary criteria presented by the company's executive directors, and to issue an assurance report that includes our assurance conclusion on the combined non-financial group statement.

As part of a limited assurance engagement in accordance with ISAE 3000 (Revised), we exercise professional judgment and maintain professional skepticism. We also:

- obtain an understanding of the process used to prepare the combined non-financial group statement, including the materiality assessment process carried out by the entity to identify the disclosures to be reported in the combined non-financial group statement.
- identify disclosures where a material misstatement due to fraud or error is likely to arise, design and perform procedures to address these disclosures and obtain limited assurance to support the assurance conclusion. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. In addition, the risk of not detecting a material misstatement in information obtained from sources not within the entity's control (value chain information) is ordinarily higher than the risk of not detecting a material misstatement in information obtained from sources within the entity's control, as both the entity's executive directors t and we as practitioners are ordinarily subject to restrictions on direct access to the sources of the value chain information.
- consider the forward-looking information, including the appropriateness of the underlying assumptions. There is a substantial unavoidable risk that future events will differ materially from the forward-looking information.

Summary of the Procedures Performed by the German Public Auditor

A limited assurance engagement involves the performance of procedures to obtain evidence about the sustainability information. The nature, timing and extent of the selected procedures are subject to our professional judgment.

In performing our limited assurance engagement, we:

- evaluated the suitability of the criteria as a whole presented by the executive directors in the combined non-financial group statement
- inquired of the executive directors and relevant employees involved in the preparation of the combined non-financial group statement about the preparation process, including the materiality assessment process carried out by the entity to identify the disclosures to be reported in the combined non-financial group statement, and about the internal controls relating to this process
- evaluated the reporting policies used by the executive directors to prepare the combined non-financial group statement
- evaluated the reasonableness of the estimates and related information provided by the executive directors. If, in accordance with the ESRS, the executive directors estimate the value chain information to be reported for a case in which the executive directors are unable to obtain the information from the value chain despite making reasonable efforts, our assurance engagement is limited to evaluating whether the executive directors have undertaken these estimates in accordance with the ESRS and assessing the reasonableness of these estimates, but does not include identifying information in the value chain that the executive directors were unable to obtain
- performed analytical procedures and made inquiries in relation to selected information in the combined non-financial group statement
- conducted site visits
- considered the presentation of the information in the combined non-financial group statement
- considered the process for identifying taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the combined non-financial group statement.

Restriction of Use / Clause on General Engagement Term

This assurance report is solely addressed to Südzucker AG, Mannheim.

The engagement, in the performance of which we have provided the services described above on behalf of Südzucker AG, Mannheim, was carried out on the basis of the General Engagement Terms for Wirtschaftsprüferinnen, Wirtschaftsprüfer und Wirtschaftsprüfungsgesellschaften (Allgemeine Auftragsbedingungen für Wirtschaftsprüferinnen, Wirtschaftsprüfer und Wirtschaftsprüfungsgesellschaften) dated as of January 1, 2024 (www.kpmg.de/AAB_2024). By taking note of and using the information as contained in our report each recipient confirms to have taken note of the terms and conditions stipulated in the aforementioned General Engagement Terms (including the liability limitations to EUR 4 million specified in item No. 9 included therein) and acknowledges their validity in relation to us.

Mannheim, 25 April 2025

KPMG AG
Wirtschaftsprüfungsgesellschaft
[Original German version signed by:]

NIELS BEYER	**TIMO WIEGAND**
WIRTSCHAFTSPRÜFER	WIRTSCHAFTSPRÜFER
(GERMAN PUBLIC AUDITOR)	(GERMAN PUBLIC AUDITOR)

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Südzucker im Internet
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Südzucker AG's fiscal year is not aligned with the calendar year. It covers the period from 1 March to 28/29 February. The numbers in parentheses in the report represent the corresponding prior year's figures or item. At the Südzucker Group level, the starch segments' third party sales revenues may differ from the revenues reported directly externally by AGRANA due to eliminated revenues within the group. Percentages represent the mathematical change based on the prior-year figure indicated. Numbers and percentages stated are subject to differences due to rounding. Typing and printing errors reserved.

Forward looking statements / forecasts

This report contains forward looking statements. The statements are based on current estimates and financial projections made by the executive board and information currently available to its members. The forward looking statements are not to be viewed as guarantees of the future developments and results presented therein. Future developments and results are in fact dependent on a variety of factors and are subject to various risks and imponderables. They are based on assumptions that could in fact prove to be invalid. The Risks and Opportunities section of this annual report provides a summary of potential risks. We assume no obligation to update the forward-looking statements made in this report.