

Sustainability Report 2023



BayWa

Contents

Introduction		Value Creation	48	Employees	105
Foreword	03	Flagship projects	50	Flagship project	107
Profile of BayWa	04	Sustainable products and solutions	52	Human resources strategy	108
		Energy	54	Diversity, equity & inclusion	110
Strategy	07	Agriculture	59	Learning and development	115
Group strategy	08	Building Materials	70	Occupational health and safety	118
Sustainability strategy	09	Innovation and Digitalisation	72	Social commitment to education	122
		Responsibility along the supply chain	74	Dialogue with stakeholders	124
Governance	16				
Sustainability organisation	18	Climate & Environment	82	Appendix	127
Good corporate governance	20	Flagship project	84	About this report	127
Compliance	23	Climate and energy	85	BayWa AG non-financial report	129
Opportunity and risk management	27	Environment	95	Audit note	130
Tax	31			GRI content index	133
EU Taxonomy	34			Imprint	142

Information marked with this symbol [...] in the report is part of the Combined Separate Non-financial Report and was subject to a limited-assurance review externally.

Links marked with this symbol  in the report navigate to external content, while links marked with this symbol  are internal links.

Dear Readers,



Sustainability has become strategically relevant for BayWa. We have consolidated and expanded our governance structure in order to promote the issue throughout the Group. The two ESG Boards that we established in the previous year were bolstered in 2023. Regular dialogue between those responsible for sustainability within our segments and subsidiaries is of particular value.

BayWa offers products and solutions for the basic needs of food, housing, heating, electricity and mobility. Within these fields, we strive to make a contribution to tackling global challenges. The renewable energy sector, for example, is one important area for growth: we want to triple the capacity of our own portfolio of wind and solar projects between the reporting year and 2026. In 2023 our subsidiary BayWa r.e. AG, working together with an energy supplier in Austria, completed the largest floating PV plant in Central Europe, marking another milestone for the energy transition.

We have also taken an important step within our company relating to climate change mitigation: in order to accelerate the decarbonisation of BayWa, we introduced an internal CO₂ price of €50 per tonne of CO₂ at the beginning of 2023. Through this measure, we will be able to invest an additional €19 million in climate change mitigation by 2025.

We are delighted that our commitment is also being recognised by ratings. In the CDP (Carbon Disclosure Project) rating, for example, BayWa was able to improve its rating to A- in 2023.

In the reporting year, we also worked intensively to meet new EU requirements, in particular the directive on corporate sustainability reporting (CSRD) and the regulation on deforestation-free supply chains. We believe we are well prepared for the European legislation.

BayWa has an excellent reputation as an employer and as an organisation committed to training. We are investing more in our employer brand to ensure that this remains the case. Important factors here include management culture, employee satisfaction, employee opportunities, development prospects, diversity and equal opportunities. BayWa is and always will be a company with regional roots – while at the same time being completely at home all over the world. This diversity creates exciting opportunities for employees.

I would like to express my sincerest thanks to all employees for their commitment and dedication to sustainability at many levels of our company worldwide.

I hope you find this report insightful.

Best regards,

Marcus Pöllinger | Chairman of the Board of Management of
BayWa AG

Profile of BayWa

BayWa is an internationally active group of companies with business units in Energy, Agriculture and Building Materials. Being a global player, it develops solutions for people's basic needs of food, energy, heating and mobility as well as construction and housing. The parent company, which is based in Munich, was founded in 1923.

BayWa offers many sustainable products and solutions. With BayWa r.e., the company is a leading developer, contractor and provider in the field of renewable energies. In addition, BayWa develops more eco-friendly heating and mobility solutions and provides products and services for sustainable agriculture and for energy-efficient, healthy buildings.

Action driven by values

BayWa's three business units of Energy, Agriculture and Building Materials trace their roots back to the company's origins: providing people in rural regions with everything they need. Trust, solidity and innovation are hallmarks of how the company does business. These core values at BayWa find expression in transparency, social responsibility and a commitment to global sustainability goals. The Renewable Energies segment has been an integral part of BayWa's business activities since 2009.

To promote healthy nutrition and renewable energies, the BayWa Foundation has also been supporting education projects around the world for more than 25 years. The largest shareholders of the company, which has been listed in the Prime Standard segment of Deutsche Börse since 2000, include Bayerische Raiffeisen-Beteiligungs-AG, with a 33.8 % stake, and Raiffeisen Agrar Invest AG, with a 28.1 % stake. A further 38.1 % of the shares are in free float (as at 31 December 2023).



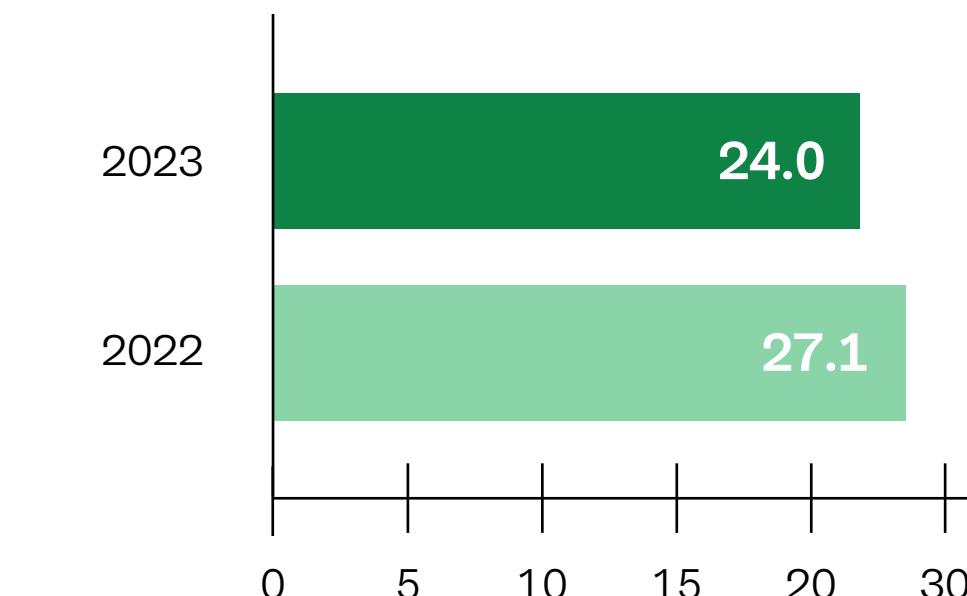
There for our customers around the globe

BayWa's roots are found in agricultural cooperative trading in Bavaria. The Group, while being based in Munich, is represented on all the world's continents today. With almost 25,000 employees (2022: 24,000), the company generated €24 billion in revenues in 2023 (2022: €27.1 billion). Its business focus is on Europe, but BayWa has also established an international trade and procurement network by maintaining important activities in the US and New Zealand and business relations from Asia to South America.

Tapping into further promising foreign markets is part of the growth strategy. A dense sales network and comprehensive digital offerings bring BayWa's products and services into remote regions as well. Customers – particularly farming and forestry businesses, food retail, the food and feedstuffs industry, local authorities and commercial and trading companies – can rely on the expertise of BayWa's employees and an extensive range of products and services.] ✓

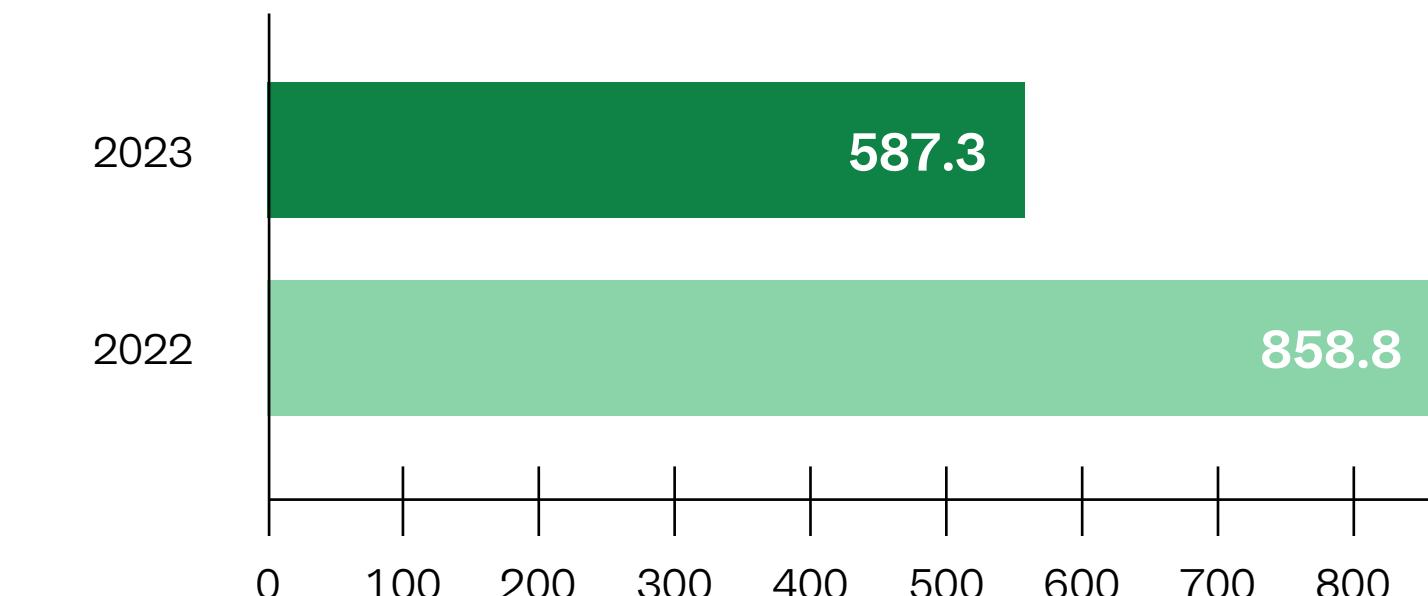
BayWa Group revenue

(in € billion)

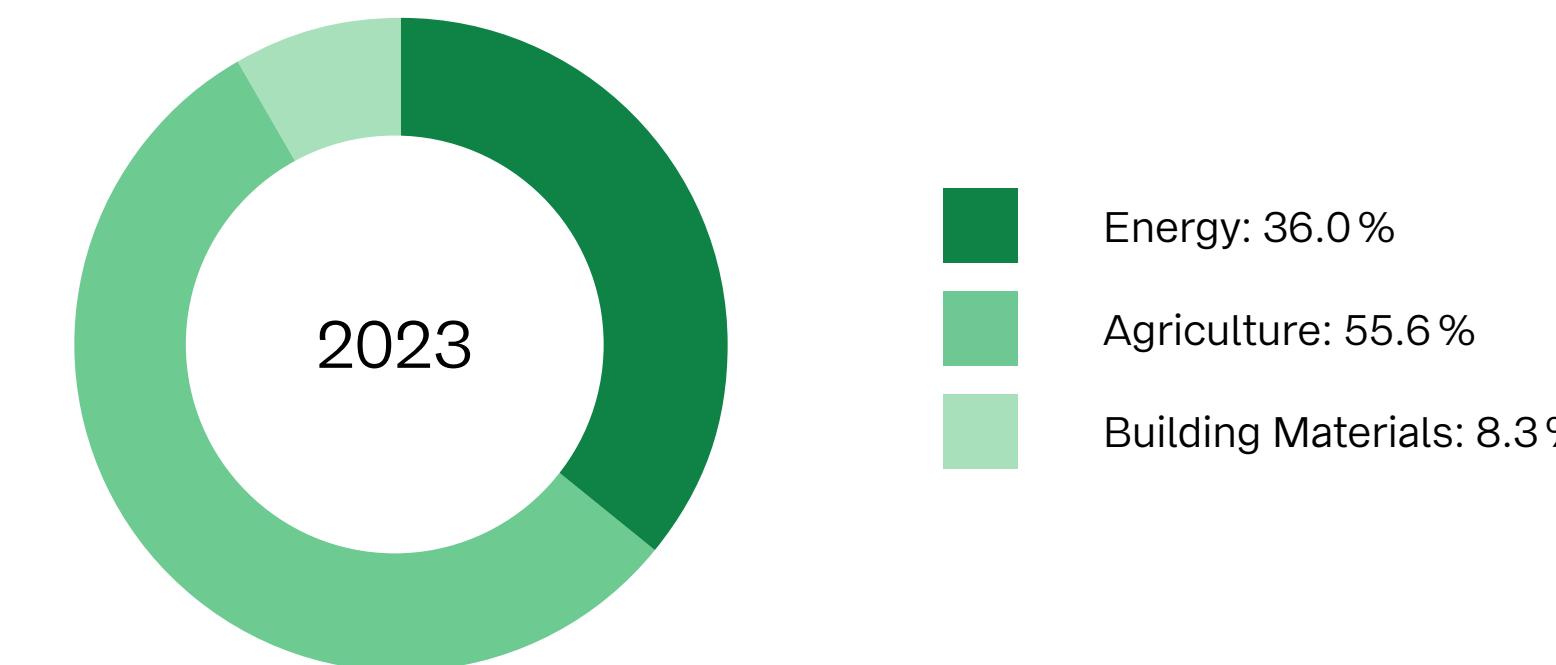


BayWa Group EBITDA

(in € million)



Breakdown of revenue



Figures rounded. The Energy business unit comprises the Renewable Energies and Energy segments. The Agriculture business unit comprises the Cefetra Group, Agri Trade & Service, Agricultural Equipment and Global Produce segments. Revenues in the Innovation & Digitalisation segment and from Other Activities make up less than 1 percent. RWA's revenues are included in the Building Materials, Other Activities, Energy, Agri Trade & Services, Agricultural Equipment and Renewable Energies segments.

[The BayWa Group's operating business activities are divided into the seven segments of Renewable Energies, Energy, Cefetra Group, Agri Trade & Services, Agricultural Equipment, Global Produce and Building Materials. In addition, the Innovation & Digitalisation segment and Other Activities are shown separately (see chart). The segments and their business activities are described in more detail in the [Sustainable products and solutions](#) section.] ✓

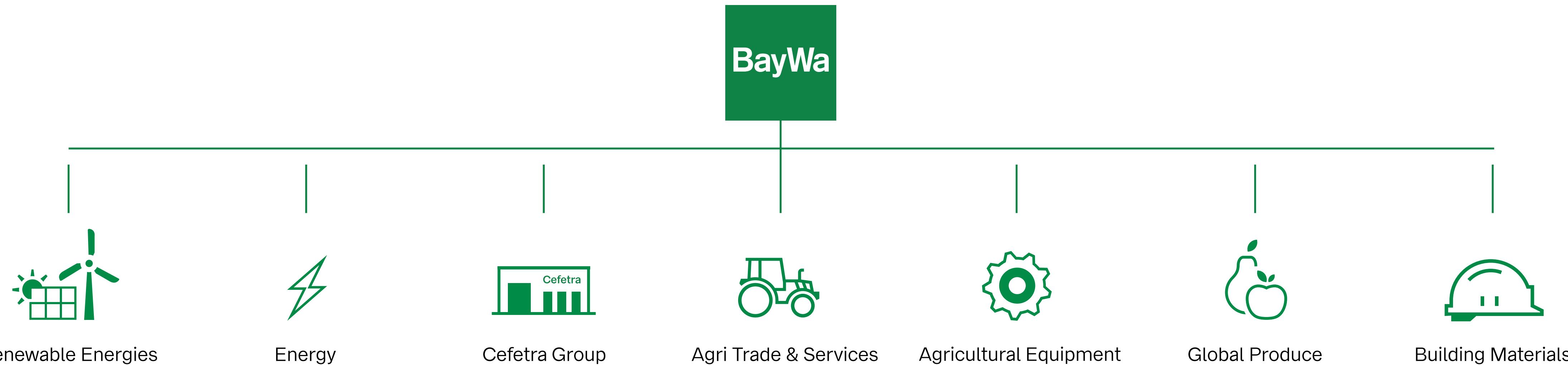
Business development

As expected, the BayWa Group recorded a decline in its three business units of Energy, Agriculture and Building Materials in the 2023 financial year compared to the record year of 2022. Negative effects came from falling prices, particularly on the market for agricultural commodities, Cyclone Gabrielle in New Zealand, which affected the Global Produce segment, and the massive weakness of the construction industry in Germany. By contrast, the Agricultural Equipment and Cefetra Group segments recorded positive performance, achieving further growth on top of the

exceptional year of 2022. The Group was able to increase revenues and EBIT compared against the years before the start of the war against Ukraine, although high interest and tax expenses led to a net loss for the year. The profitability of all segments will be sustainably improved through cost-cutting and optimisation measures.

Detailed information and descriptions on the BayWa Group's business development can be found in the [Consolidated Financial Statements 2023](#). ↗

The BayWa Group's operating segments



In addition to the operating segments, BayWa also has the Innovation & Digitalisation segment and Other Activities.

Strategy

Group strategy

BayWa has developed from a traditional trading company to a leading international group with regional ties in the business units of energy, agriculture and building materials. An efficient supply and logistics chain leads from the producer to the consumer. As a trusting partner of its customers and stakeholders, BayWa will continue to develop sustainable products and solutions for people's basic needs of food, housing, energy, heating and mobility. The Group pursues clear target criteria for solid and profitable growth. In line with its cooperative roots, for BayWa sustainability means taking corporate responsibility for the common good and the interests of future generations, driving standards forward and at the same time remaining adaptable to new circumstances, and shaping challenges and opportunities.

The shift of international political and economic power centres, climate change, new regulations, changing consumer habits and technological progress have a major influence on BayWa's business areas. The Group is positioning itself securely for the future with ongoing initiatives on operational excellence, decisive digitalisation offensives, new and diversified business models and early-stage investments in international growth fields and start-ups. The Renewable Energies segment already contributes significantly to BayWa's success.

In the next few years, innovative sustainable solutions, including in the existing portfolio and in the value chain, will have an even stronger influence on the Group's net result and thus also impact the Sustainability Strategy's targets. In the future, sustainability is going to play an even more important role, across all the segments, in developing our business models, in investment decisions and thus also in products and solutions.

Global challenges

Food, housing, heat, energy and mobility: As a provider of primary products, BayWa has always contributed to meeting human needs. But these basic needs can only be met in the long term if they are in harmony with the environment and human rights – global challenges such as climate change or loss of biodiversity not only significantly harm the basis for life but also BayWa's business. At the same time, BayWa's global operations mean it has a major impact on sustainable development and opportunities to influence it. BayWa is aware of this responsibility and therefore aims to develop sustainable solutions along the entire value chain. It dedicates itself to this task with conviction – in the full knowledge that major challenges need to be mastered here. For BayWa, doing business responsibly means it will be fit for the future and at the same time offers business and growth opportunities.

Sustainability strategy



To meet global challenges, BayWa developed a new sustainability strategy in 2021 that was adopted by the Board of Management in 2022. The strategy defines the Group's strategic direction on the topic of sustainability for the next ten years. Legal and social developments, as well as the expectations and requirements of key stakeholders such as customers and investors, have also been taken into account.

The sustainability strategy is based on four action areas: Value Creation, Climate & Environment, Employees and Society. Each action area is underpinned by relevant core topics and general objectives. Core topics such as sustainable products and solutions, sustainable procurement, climate and environment, circular economy, ecosystems, biodiversity and water indicate BayWa's strategic direction on the topic of sustainability. Measurable targets and measures have already been developed on some core topics and are still being developed for others. Information on the status quo can be found in the chapters of this Sustainability Report.

The BayWa sustainability strategy's four action areas have the following overarching objectives:

Value Creation

BayWa lives its responsibility for sustainability throughout the value chain. It wants to ensure responsible procurement and protect human rights and the environment in its supply chains. Its innovative products and services and comprehensive range of consultancy services and solutions support customers and partners in successfully implementing the requirements for doing business sustainably – environmentally, socially and economically. BayWa also wants to make its product portfolio sustainable and promote the transition to a circular economy.

Climate & Environment

BayWa wants to help create a healthy planet by reducing its greenhouse gas emissions, conserving resources and acting in a way that protects the environment and biodiversity.

Employees

BayWa creates a working environment for its employees that is respectful and diverse and actively promotes good, healthy and safe working conditions. BayWa helps and enables its employees to acquire and develop skills and expertise that equip them for working in a networked and sustainable economic world.

Society

BayWa actively plays a role in shaping the transition to a sustainable society by acting transparently, promoting networking opportunities and championing forward-looking ideas and topics. It shares its knowledge and strengthens society's awareness of sustainable living through education projects.

Value Creation

- Sustainable procurement
- Sustainable products and solutions
- Product responsibility
- Circular economy



Society

- Actively shaping sustainability
- Raising awareness of sustainable living

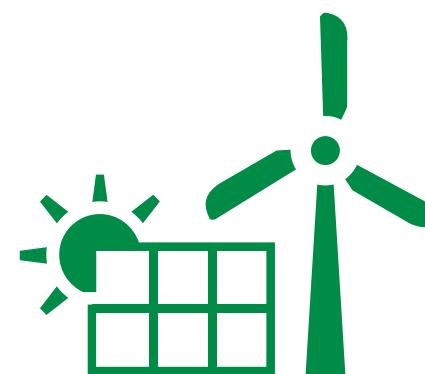
Climate & Environment

- Climate & energy
- Ecosystems & biodiversity
- Water

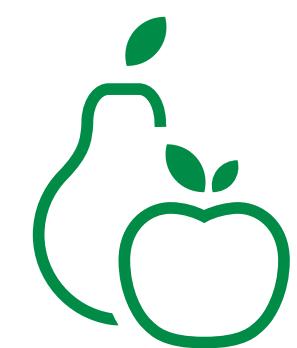
Employees

- Culture of sustainability
- Workplace health & safety
- Inclusion & diversity
- Learning & development
- Remuneration & incentives

BayWa's sustainability strategy forms the umbrella for the BayWa Group's sustainability activities. The Renewable Energies, Global Produce and Cefetra Group segments have additionally brought together their sustainability work in their own approaches. In these, they respond to regional expectations and their key business-specific challenges.



The **Renewable Energies segment** (under the umbrella of BayWa r.e.) brings together and structures its sustainability strategy in the BayWa r.e. Sustainability Framework 2025. The sustainability goals stipulated there are based on BayWa's sustainability strategy and aligned with the United Nations' Sustainable Development Goals (SDGs). Prioritised topics include the environmental and social impact of the supply chain and the planning and development of solar parks and wind farms. BayWa r.e. places considerable emphasis on involving employees in the implementation of the sustainability strategy. BayWa r.e. has published a separate [Sustainability Report](#) since the 2021 reporting period.



In 2021 and 2022, the **Global Produce segment** specifically developed a sustainability strategy for fruit trading activities that is also oriented on the Group-wide [sustainability strategy](#). The relevant social, product-specific and environmental sustainability aspects are addressed along the three pillars of people, produce and planet. These include activities in the areas of climate, diversity and workplace safety in the Group and the promotion of sustainability aspects in production and along the supply chains. Furthermore, T&G Global Limited, a company owned by Global Produce, publishes a separate annual sustainability report within its annual report.



The **Cefetra Group segment** trades in raw materials and other agricultural products internationally and has industry-specific effects in the field of sustainability. To tackle these challenges, the Cefetra Group is primarily working on making its supply chains **more sustainable**. The overall motto for [Cefetra's sustainability activities](#) is: "towards transparent, traceable, sustainable supply chains together".

Material topics

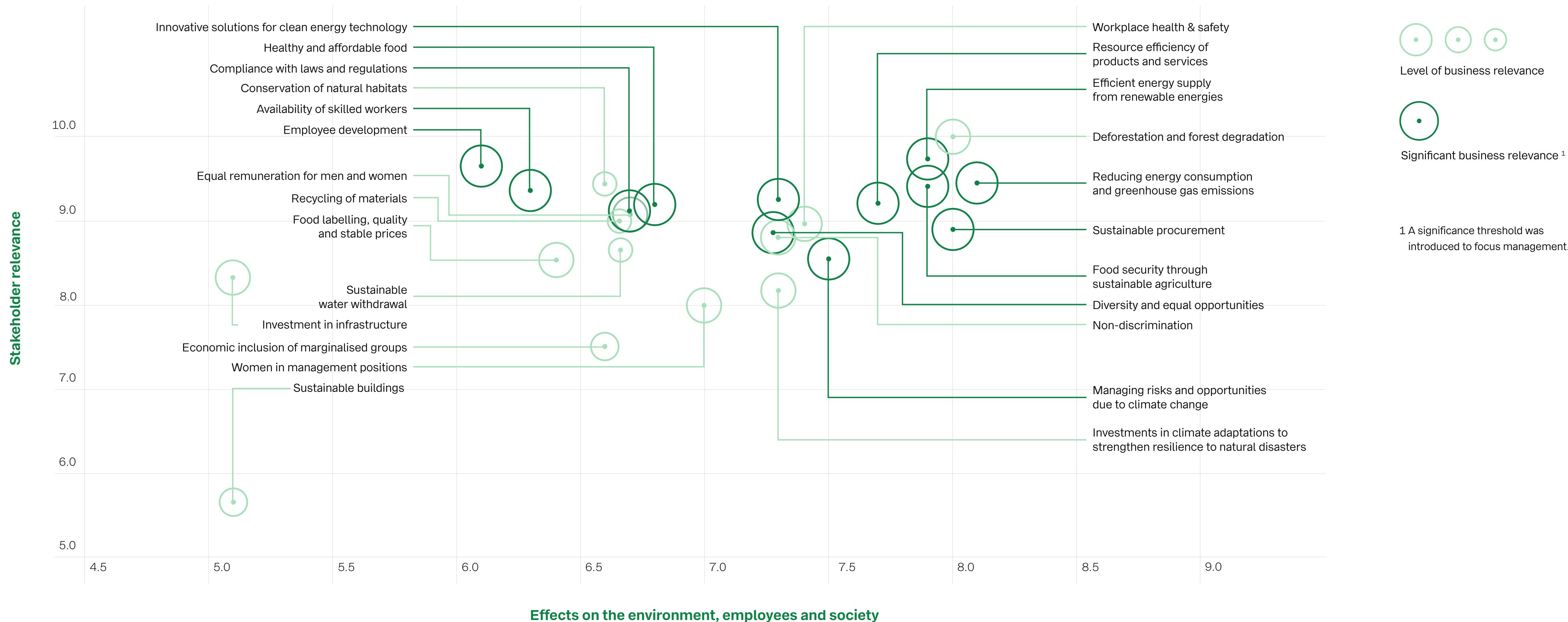
In 2021, the materiality analysis was updated on the basis of the materiality analysis from 2019. In the 2019 analysis, BayWa oriented itself with the United Nations' Sustainable Development Goals (SDGs) and assessed the relevance of the SDG business themes for the Group. The updated materiality analysis also meets the requirements of the German CSR Directive Implementation Act (CSR-RUG) and is partially aligned with the Global Reporting Initiative (GRI) standards. The materiality analysis did not make an explicit difference between potential and actual or negative and positive impacts. The currency of the material topics was reviewed in 2023 by the Operational Sustainability Board, and they remain applicable.

Specifically, BayWa assessed its material topics in 2019 with regard to the contribution it can make to achieving the SDGs and analysed the business risks and opportunities that arise for the Group. In an initial assessment of 89 of the SDG business themes, 20 were identified that were characterised by exceptional relevance for BayWa. With the help of an external moderator, these 20 themes were then discussed in the sustainability steering committee – the BayWa Group's sustainability committee at the time – and assessed in terms of their risks and opportunities and potential negative impacts on non-financial aspects in

accordance with the German CSR Directive Implementation Act (CSR-RUG). BayWa also sought the perspectives of its stakeholders (employees, suppliers, customers, investors) with an online questionnaire.

BayWa updated its selection and assessment of the themes as part of an internal workshop in 2021. The following SDG business themes were added owing to their increased relevance for BayWa: "Women in management positions", "Deforestation and forest degradation", "Sustainable buildings", "Sustainable water withdrawal" and "Recycling of materials". The theme of "Investment in infrastructure" is allocated to SDG 7 "Affordable and clean energy". The newly added themes were evaluated for classification using the same method as in the 2019 materiality analysis. The findings are presented on [page 13](#) and form the basis for BayWa's sustainability reporting.] ✓

Result of the materiality analysis 2021



Implementation of the German CSR Directive Implementation Act (CSR-RUG)

[For 2023, BayWa AG has again prepared a combined separate non-financial report within this Sustainability Report in accordance with Sections 289b para. 3 and 315b para. 3 of the German Commercial Code (HGB), by means of which it complies with its obligation to disclose non-financial information pursuant to the German CSR Directive Implementation Act (CSR-RUG) in accordance with Sections 315c in conjunction with 289c to 289e HGB. The content of the non-financial report comprises a description of management concepts for the five non-financial aspects of “environmental matters”, “employee matters”, “social matters”, “respecting human rights” and “combating corruption and bribery”. Twelve material SDG business themes, which were determined as part of the materiality analysis and are characterised by their particularly high relevance for BayWa’s business, are allocated to these aspects. The overview on [page 15](#) shows the material SDG business themes, the corresponding aspects and areas and the significant performance indicators defined. These sections were subject to a limited-assurance review by PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft and have been shown in green square brackets [...] with a green tick at the end of the closing bracket.] ✓

The annual report has been prepared with reference to the GRI Standards. The reports is also geared to the material SDG business themes. According to the GRI definition, the topics Reducing energy consumption and greenhouse gas emissions, Sustainable procurement, Deforestation and forest degradation, Efficient energy supply from renewable energies, Food security through sustainable agriculture, Resource efficiency of products and services, and Managing risks and opportunities due to climate change are classified as material. A list of material topics of the GRI standards can be found in the GRI content index starting on [page 133](#) of this report.

New materiality analysis pursuant to CSRD

Starting from the 2024 financial year, BayWa AG is obliged to report its sustainability information in accordance with the regulatory requirements of the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS). Over the past year, BayWa has already been addressing these requirements with a cross-departmental core project team consisting of Corporate Accounting, Corporate Sustainability,

Corporate Social Compliance, Corporate Risk and Investor Relations. A draft of a new materiality analysis based on the current state of knowledge of the CSRD requirements has been prepared. In addition to the “outside-in” perspective (identification of material sustainability-related risks and opportunities for BayWa), it also includes the “inside-out” perspective (analysis of the company’s impact on the environment and society). Consideration was given to BayWa’s value chain and the impacts, risks and opportunities were assessed in terms of severity and likelihood of occurrence. Experts from all segments and from the relevant Group functions were involved in the entire process. Interviews were also conducted with 12 representative external stakeholders. The results were also incorporated into the materiality analysis.

The sustainability report pursuant to the CSRD will be part of the 2024 Group management report.

Implementation of the CSR Directive Implementation Act (CSR-RUG) and performance indicators

SDG	Themes with significant importance for understanding the Group's business performance, business results and situation plus impacts on the aspects pursuant to the German CSR Directive Implementation Act (CSR-RUG)	Aspects pursuant to the German CSR Directive Implementation Act (CSR-RUG)	Corresponding areas (report chapter)	Significant performance indicators	References to content in the Sustainability Report
	Reducing energy consumption and GHG emissions	Environmental matters	Energy and emissions	Energy consumption GHG emissions (Scope 1 + 2)	Framework used p. 127 ; business model pp. 4–6 ; process and findings of the identification of reportable aspects and risks pp. 12–15 and pp. 27/28
	Managing risks and opportunities due to climate change Innovative solutions for clean energy technology Efficient energy supply from renewable energies	Environmental matters	Opportunity and risk management Energy and emissions, products and solutions Energy and emissions	– Renewable energy generation capacity Electricity from renewable energies	Management concept pp. 85–91 and significant performance indicator identified p. 89 Management concept pp. 85–91 and significant performance indicator identified pp. 90/91 Management concept pp. 27–30 Management concept pp. 54–56 , 85–89 and significant performance indicator identified p. 87 Management concept pp. 85–91 and significant performance indicator identified p. 87
	Resource efficiency of products and services Sustainable procurement	Environmental matters	Products and solutions Human rights due diligence, procurement	– –	Management concept pp. 52–73 Management concept pp. 74–81
	Food security through sustainable agriculture Healthy and affordable food	Social matters	Products and solutions	–	Management concept pp. 59–69 and 72/73
	Diversity and equal opportunities	Employee matters	Inclusion and diversity	Proportion of women in management positions	Management concept pp. 110–114 and significant performance indicator identified p. 114
	Availability of skilled workers Employee development	Employee matters	Learning and development	Training hours per employee	Management concept pp. 115–117 and significant performance indicator identified p. 117
	Compliance with laws and regulations	Combating corruption and bribery	Compliance	Number of employees trained	Management concept pp. 23–26 and significant performance indicator identified p. 26

Governance

BayWa applies the principles of good corporate governance and abides by ethical and legal principles. Through its brand concept, the Group communicates what it stands for to its employees, customers, the capital market and the general public: trust, solidity and innovation. The management of opportunities and risks is closely aligned with BayWa's long-term strategy and medium-term planning, as well as targets for the current financial year.



BayWa again received an **AA score** in the MSCI ESG rating in 2023.

81.3 %

of taxonomy-eligible **revenue** is also **taxonomy aligned**.



In **2023**, the **two sustainability committees** were reorganised and renamed. They are now called the Group Strategic ESG Board and the Group Operational ESG Board.

Sustainability organisation

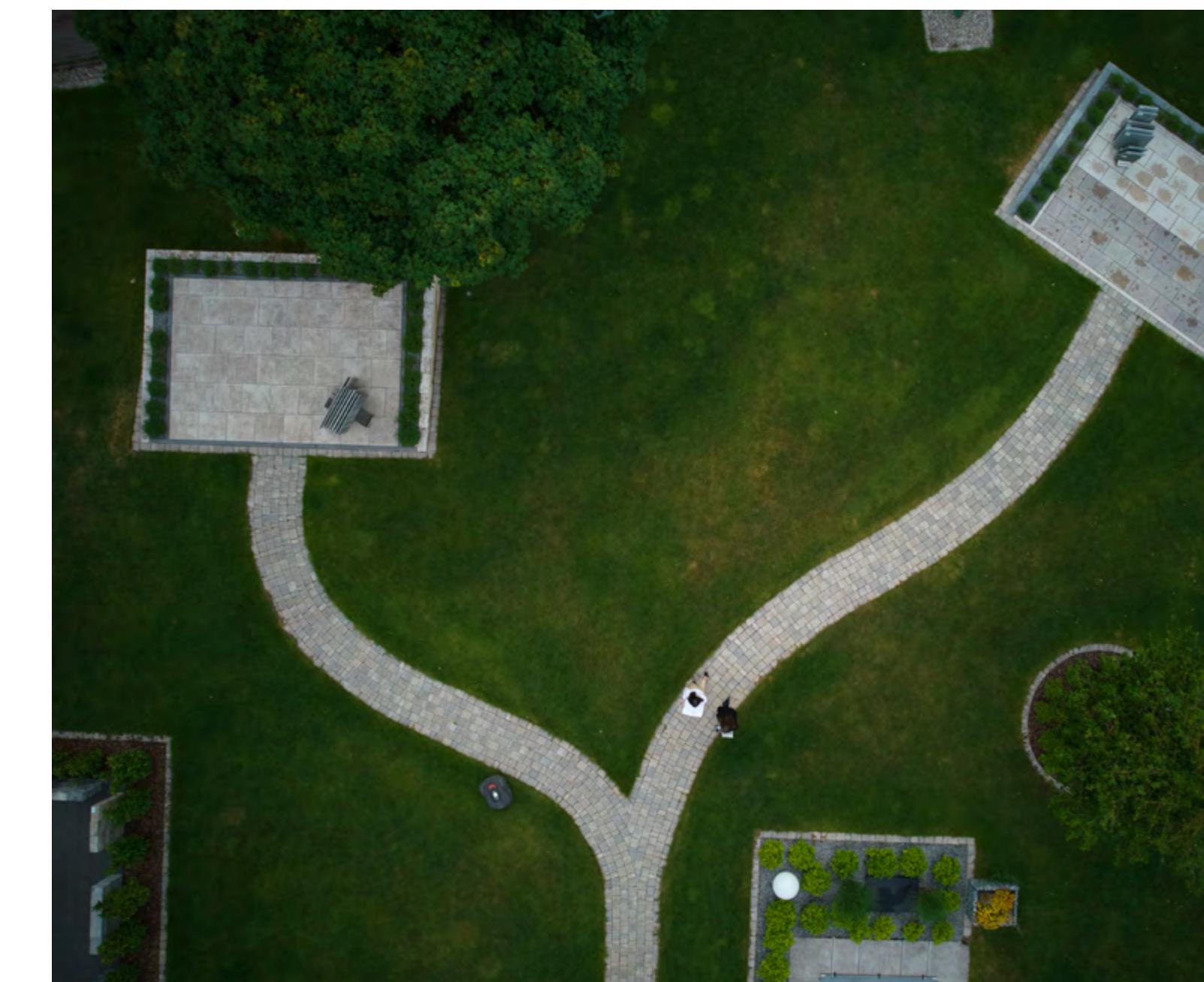
The BayWa Board of Management has overall responsibility for sustainability for the Group. BayWa AG's Corporate Sustainability division reports directly to the Chief Executive Officer, constantly develops the topic in line with stakeholder and shareholder requirements and is responsible for developing and implementing the sustainability strategy and Group-wide sustainability reporting. Corporate Sustainability is a provider of ideas for the Board of Management, the operational business divisions and the Group functions. The division works with the sustainability coordinators on shaping and implementing the Group's sustainability targets. Corporate Sustainability provides guidelines and determines the general conditions for all sustainability-related activities across the Group. The division is supported by two committees. A Corporate Sustainability representative chairs each board:

Strategic Sustainability Board¹

Comprises the heads/Board members of the segments and the heads of relevant Group functions. It meets once a quarter. Its core task is to monitor the most important sustainability targets and measures at Group level and to develop decision papers for the Board of Management.

Operational Sustainability Board¹

Comprises the sustainability managers of the segments and selected Group functions. Its core tasks are to define and develop proposals for sustainability targets, measures and KPIs and to implement them within the segments. The Operational Sustainability Board also serves to promote Group-wide networking on sustainability issues and dialogue around best practices.



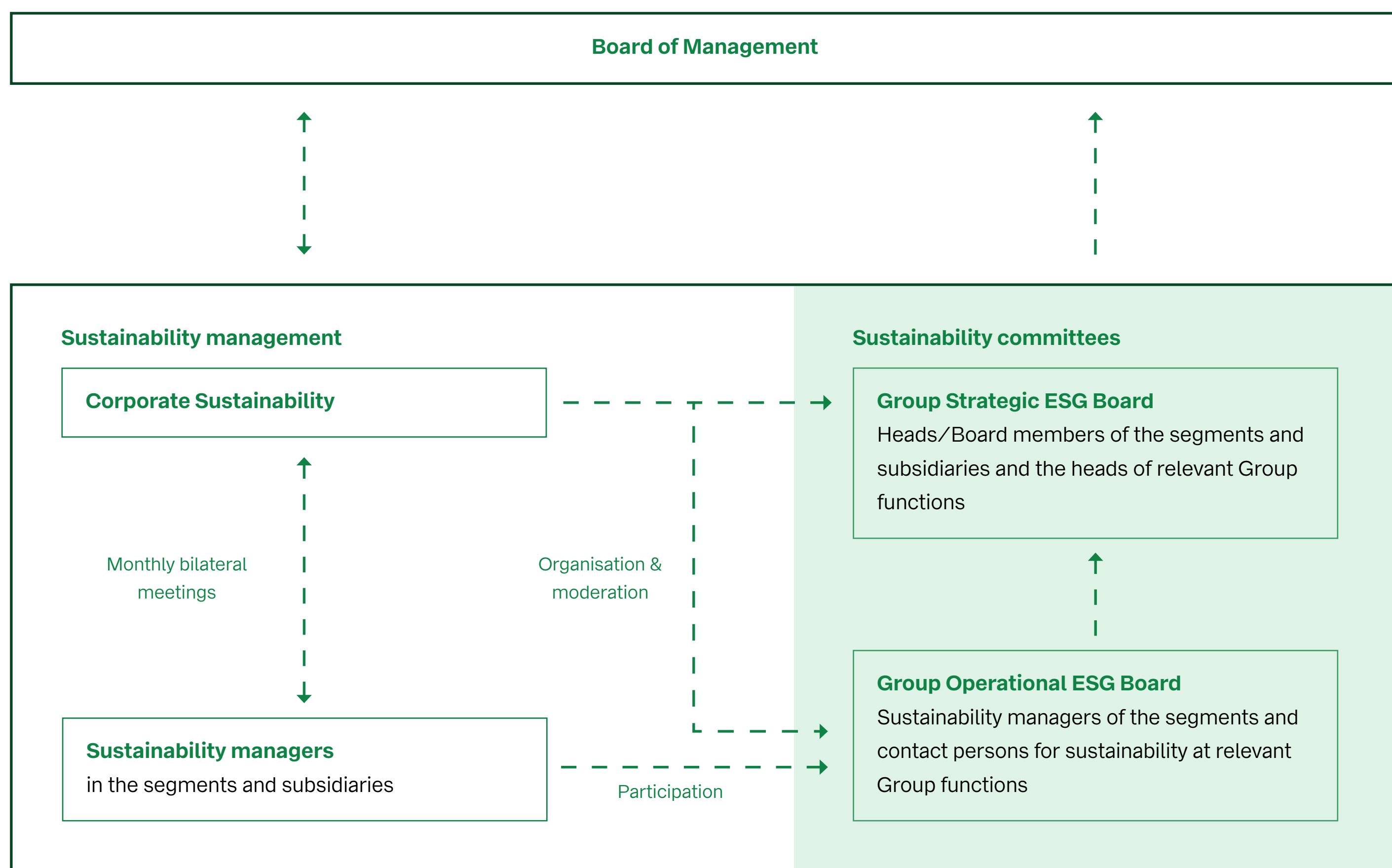
¹ At the end of 2023 the two sustainability committees were reorganised and renamed. They are now called the Group Strategic ESG Board and the Group Operational ESG Board.

In 2023, the Strategic Sustainability Board met four times and the Operational Sustainability Board met six times. The composition, objectives and working methods of the committees were restructured at the end of 2023. The committees are now known as the Group Strategic ESG Board and the Group Operational ESG Board.

The Board of Management provides information on sustainability topics to the Supervisory Board. The Corporate Sustainability division supports the Board of Management in this task. Reports are provided to the Board of Management every quarter at a minimum. The Corporate Sustainability division is also represented on the Group's Germany Board, which was introduced by the Chairman of the Board of Management in 2023. Chaired by Board of Management member Dr Marlen Wienert, this committee regularly brings together the Business Unit Managers and heads of selected corporate functions to discuss operational risks and opportunities as well as current innovations on an interdisciplinary basis. The committee meets once a month.]

In addition, the new group-wide information platform "Quarterly Update: Reporting & Regulation" will be created in 2024. In future, this platform will be used by Corporate Sustainability, Corporate Accounting and Corporate Public Affairs to present all of the Group's sustainability-related regulatory developments and their implementation status to a broad target group. This holistic approach will allow BayWa to integrate sustainable behaviour into all areas of the Group.

Sustainability committees and governance in the BayWa Group



Good corporate governance

BayWa regards acting with integrity and in compliance with the law as a prerequisite for long-term economic success. With respect to good corporate governance, the Group is guided by the recommendations of the German Corporate Governance Code (GCGC), among others. BayWa publishes information on the Group's management and supervision structure and other areas of corporate governance in the [Corporate Governance Report](#).

Binding values

As a company with cooperative roots, responsible and sustainable action has always been instrumental at BayWa. Through its brand concept, the Group communicates what it stands for to employees, customers, the capital market and the general public: solidarity, trust and innovation. BayWa expresses the core element of its brand through the claim "United for success." After all, BayWa can only act responsibly if it embraces unity on social, environmental and economic targets. Specifically, being united at BayWa means:

- Pulling together.
- Finding solutions.
- Taking responsibility.
- Performing at our best.
- Having the right attitude.
- Being flexible.
- Thinking globally – but feeling at home.

The [Code of Conduct](#) underlines BayWa's system of values and is mandatory for all affiliated companies in Germany and abroad. The Group companies are allowed to develop additional principles of conduct, but must not fall short of the BayWa Code of Conduct's minimum standards here. [RWA](#), [BayWa r.e.](#), Cefetra Group and [T&G Global](#) do this with their own codes of conduct.

The BayWa Code of Conduct applies equally to members of the Board of Management, managers and employees, irrespective of organisational unit, region or hierarchy level – and imposes a requirement for them to act with integrity, ethically and in full compliance with the law towards suppliers, customers, colleagues and society. It combines the key regulations and principles for general business conduct and covers topics including legal compliance, upholding human rights, the [whistleblower system](#), data protection and confidentiality.

Management and control

BayWa AG is headquartered in Munich. As a result, it is subject to the provisions set forth in German stock corporation law, according to which the Board of Management and the Supervisory Board form a dual-tier management and supervisory structure. By cooperating closely, the two boards ensure long-term added value.

The BayWa Group's **Board of Management**, chaired by Marcus Pöllinger, consisted of four members as at 31 December 2023 (see photo to the right). The Board of Management is independently responsible for leading the company in the company's interest, developing the strategic direction, which also means addressing the topic of sustainability; coordinating this with the Supervisory Board and ensuring that it is implemented. The Board of Management of BayWa AG is also responsible for risk management, which includes sustainability risks (social and environmental factors) and compliance risks. It meets at least once a month. After 15 years, Prof. Klaus Josef Lutz stepped down from the operational management of BayWa AG on 31 March 2023. Marcus Pöllinger succeeded him in office and took over as Chairman of the Board of Management on 1 April 2023. The Supervisory Board appointed Dr Marlen Wienert to the Board of Management with effect from 1 April 2023. For the BayWa Group, a publicly listed stock corporation (Aktiengesellschaft) subject to codetermination through equal representation of shareholders and employees on the Supervisory Board, the Second Management Positions Act requires a minimum of one woman on executive boards with more than three members. BayWa has met this requirement by appointing Dr Marlen Wienert to the Board of Management.

The BayWa Group's **Supervisory Board**, chaired by Prof. Klaus Josef Lutz, consisted of 16 members as at 31 December 2023. It monitors the management of the company and appoints the members of the Board of Management. As the company's topmost

governance body, it supervises and advises the Board of Management on its leadership, including in relation to the company's sustainability issues. It also decides on transactions that are taken by the Group and are subject to approval. In accordance with the German Codetermination Act (MitbestG), the Supervisory Board has an equal number of shareholder and employee representatives. For the purposes of efficient control, the board works in six specialised committees. Personal qualifications are a key factor for appointments to the Supervisory Board and Board of Management. Simultaneously, care is taken in the composition of BayWa's Supervisory Board to make sure that differing educational backgrounds and nationalities are considered. For listed stock corporations with equal codetermination, the statutory regulation

provides for a fixed gender quota of 30 % on the supervisory board of such companies. BayWa meets this quota.

Prof. Klaus Josef Lutz resigned as a member of the Supervisory Board and as Chairman of the Supervisory Board of BayWa AG with effect from 19 January 2024. Member of the Supervisory Board and First Deputy Chairman of the Supervisory Board Bernhard Loy took over as interim Chairman of the Supervisory Board on 19 January 2024.

Beyond the legal requirements, in accordance with its Articles of Association, BayWa AG also has a Cooperative Council that provides advice on upholding cooperative interests.



Andreas Helber, Marcus Pöllinger, Dr. Marlen Wienert and Reinhard Wolf (from left)

Remuneration and exclusion of conflicts of interest

Board of Management members are obliged to report potential conflicts of interest to the Supervisory Board and other Board of Management members without delay. Such conflicts particularly include any that could occur due to consultancy or board functions performed for customers or business partners. No acting members of BayWa AG's Board of Management belong to the Supervisory Board.

The remuneration system for the Board of Management, including key contractual components, is reviewed by the Supervisory Board once a year. The Supervisory Board pays particular attention to the target total remuneration being typical for the market and draws on the advice of an independent remuneration expert. The target total remuneration represents the sum of all remuneration elements, with 100% achievement of the predefined targets being assumed for the variable remuneration elements. The Supervisory Board utilizes a horizontal comparison as well as a vertical one to assess if the target total remuneration is typical for the market. Moreover, the Supervisory Board has taken into account not only the commercial situation and market environment, but also the success and future prospects of the company and paid particular attention to the target total remuneration being typical for the market. The sustainability targets were a direct element of the Board

of Management's remuneration during the reporting period. For example, a non-financial strategic target (ESG target: sponsoring ESG activities) was also agreed for the Board of Management member responsible for finance among the individually agreed targets. In 2023, total remuneration for the Board of Management amounted to €8.1 million (2022: €17.1 million). The remuneration of Supervisory Board members is based on their responsibilities and the scope of their tasks. In 2023, total remuneration for the Supervisory Board amounted to €1.9 million (2022: €1.4 million). In accordance with Section 162 of the German Stock Corporation Act (AktG), the Remuneration Report explains the remuneration of the current and former members of the Board of Management and Supervisory Board, taking into account the principles and recommendations of the German Corporate Governance Code (GCGC) and the amendments to the AktG (pursuant to ARUG II) during the 2023 financial year.

BayWa informs Supervisory Board members of their duties, rights and obligations, and of relevant legislative changes throughout the year. The Supervisory Board members continue to educate themselves independently. The members of the Board of Management improve their qualifications by regularly taking part in conferences and symposia.

Compliance

Compliance violations such as corruption can have far-reaching consequences – for companies and for society. As a global trading company, BayWa also operates in countries in which the risk of corruption and bribery is higher. The associated risks for companies include poorer long-term business performance, possible criminal and civil proceedings, the erosion of the corporate culture and a badly tarnished reputation. Lawful conduct is therefore essential for good corporate governance.



Guiding principles, structures and processes

Corporate Compliance is responsible for most of the BayWa Group's majority interests and is headed by a chief compliance officer, who reports directly to the Chief Executive Officer. BayWa r.e. AG, RWA AG and the non-European companies of T&G Global Limited have their own Compliance Management Systems. The compliance organisations maintain close contact on an annual or ad hoc basis.

BayWa records compliance risks of the relevant majority shareholdings as part of its risk analyses that take place every three years at each associate company. Compliance risks are recorded and assessed both at the level of the BayWa Group and at affiliated company level, and risk-mitigating measures are incorporated into the management system. Corporate Compliance's activities focus on the following areas:

- Prevention of corruption
- Antitrust law
- Combating money laundering
- Customs and export control
- Ensuring data protection]

Compliance with regulations in these areas is ensured through policies, training workshops, guidance and internal investigations. Corporate Compliance and Corporate Audit work closely together in investigations. Compliance officers in the operating segments and the operating companies in which the Group has majority ownership provide support in the Group-wide implementation of the specifications and report to Corporate Compliance.

Customer concerns, comments and complaints that BayWa receives in person or by telephone, email, fax or post are forwarded to the competent department either directly or through a complaints management system. If employees suspect that something does not comply with the law, they can report this to Corporate Compliance. Corporate Compliance will look into the tip-off and take any necessary action. A trusted third party is also available to all employees of the German companies. BayWa Group employees and business partners can also submit reports through an anonymous [whistleblower system](#) ↗. BayWa provides additional information about this system on its corporate website. All tip-offs are treated confidentially and in accordance with EU minimum standards on the protection of whistleblowers.

The information security guideline explains BayWa's objectives in this area and obliges it to operate an information security management system (ISMS). The guideline is supplemented by an obligation for IT-relevant companies to comply with BayWa AG's standards.

BayWa AG is a critical infrastructure operator (KRITIS). Because of its designation as KRITIS relevant, it applies the industry-specific standard from the food sector, which is based on the internationally recognised ISO 27001 standard. Best practices from other standards (BSI baseline protection, NIST, CIS, etc.) are also incorporated into BayWa AG's guidelines. The guidelines and associated training courses are drawn up and maintained by the Information Security organisational unit within the Compliance department, while their implementation is the responsibility of IT Security in the Corporate IT department. Corporate Audit is responsible for regularly reviewing compliance internally. This division of tasks and responsibilities as well as regular external audits contribute to the quality and continuous improvement of information security and compliance with the requirements of the German Act on the Federal Office for Information Security (in conjunction with the BSI Critical Infrastructure Ordinance).

Corporate Audit performs Group-wide compliance audits in the specified audit fields. The RWA Group and T&G Global Limited determine the focal points of audits in discussion with Corporate Audit.] ✓



Objectives

[As part of a preventative approach, the principal objective is to raise Group employees' awareness of compliance risks. By doing this, BayWa plans to avert damage caused by compliance violations and increase the Group's value over the long term. To

this end, it wants to continuously enhance existing systems in the areas of anti-corruption, antitrust law, the prevention of money laundering, customs/export controls, data protection and information security.] ✓

Compliance audit fields

Area	Audit fields
Antitrust law	Horizontal and vertical relationships (collusion among competitors or between supplier and buyer; abuse of a dominant position in the market)
Anti-corruption	Association and regional meetings Tenders Acceptance and giving of gifts Events/incentives Commissioning of agents/advisors
Other	Advertising subsidies Money laundering Data protection



Measures and results

[The BayWa Group continually takes the following measures to further enhance its existing anti-corruption, antitrust, money laundering prevention, data protection and information security systems:] ✓

[In accordance with the three core elements of the compliance management system – “Inform. Train. Advise.” – BayWa creates a common understanding and raises awareness of compliance using targeted communication measures and on-site and online training. All relevant information, such as guidelines, is available on a dedicated intranet page. Compliance training is mandatory for managers and employees who have direct contact with customers, suppliers or competitors. The training focuses on issues such as antitrust law, anti-corruption, money laundering and data protection.] ✓

Compliance audit fields

Area	Audit fields
Anti-corruption, antitrust and money laundering prevention	<p>Amendment of guidelines, instructions and guidance in line with the latest requirements and legal developments</p> <p>Adjustment of training concepts in accordance with legal developments</p> <p>Adjustment of required compliance measures in view of legal developments] ✓</p> <p>Inclusion of new companies in the structures of the compliance management system</p>
Data protection	<p>Further development of the data protection management system due to new legal requirements, such as with regard to the adequacy decision for the EU-US common framework for data protection</p> <p>Inclusion of new companies in the structures of the data protection management system</p> <p>Inclusion of new companies in the existing online training offerings on data protection law and regular updates to the training content</p> <p>Ongoing reviews with regard to the implementation of data protection law requirements</p> <p>Update of existing data protection guidelines and implementation of new ones</p> <p>Implementation of a new register of processing activities</p>
Information security	<p>Regular updates of training concepts</p> <p>Regular updates of guidelines</p> <p>Regular performance of information security risk analyses</p> <p>Adjustment or introduction of further processes within the scope of the ISMS</p> <p>Regular internal and external audits to determine the maturity level of the ISMS and to derive measures for improvement</p>



Performance indicator and results

[During the reporting year, a total of 1,094 employees (2022: 566) of the BayWa Group took part in on-site training on compliance, and 7,716 employees (2022: 5,752) took part in e-learning courses on compliance. The training covers the topics of anti-trust law, anti-corruption and money laundering. All the relevant employees are trained with a training cycle of three years for on-site training and two years for e-learning.] ✓

In addition, in 2023 a total of 6,900 employees (2022: 8,143) took part in e-learning courses on the topic of data protection and 10,382 employees (2022: 10,108) took part in e-learning courses on the topic of information security.

There were no significant breaches of laws or regulations found in the areas of anti-corruption, antitrust, money laundering prevention, data protection or information security during the reporting period. Accordingly, there were no fines issued either.

[In 2023, Corporate Audit conducted a total of 21 compliance audits at 17 companies and at 34 sites in the BayWa Group. In the compliance risk analysis conducted, no significant corruption or antitrust risks were found in the reporting period.] ✓

BayWa Group compliance training courses¹

	2021	2022	2023
Participants in on-site compliance training courses ²	444	566	1,094
Participants in compliance e-learning courses	7,544	5,752	7,716

¹ The training cycle for on-site training courses is three years, for e-learning courses it is two years. For this reason, the information for 2023 is not directly comparable to the information for previous years.

² Including virtual live training courses.



Inform. Train. Advise.

The three core elements of the compliance management system at BayWa.

Opportunity and risk management



BayWa was **rated AA** in the **MSCI ESG rating** in 2023.

The management of opportunities and risks is an ongoing area of entrepreneurial activity, which is necessary to ensure the sustained success of the Group. It is closely aligned with BayWa's long-term strategy and medium-term planning, as well as targets for the current financial year. BayWa is also bound by law to regularly use certain instruments for risk management.

[BayWa's Board of Management is responsible for handling environmental and social risks and opportunities as well as for the company's duty of care to the environment and society. Furthermore, the Corporate Sustainability and Corporate Social Compliance divisions provide the entire Board of Management with regular and ad hoc information on current sustainability issues and trends, including social risks and opportunities (in accordance with the due diligence requirements of the German Act on Corporate Due Diligence in Supply Chains).]

The risk management system is monitored and managed by a Risk Board, which is headed by the CEO. The Risk Board discusses and assesses all segments' and subsidiaries' operational opportunities and risks. It monitors business development at least once each month on the basis of Group-wide financial data, and every quarter in the form of a comprehensive business review. Extraordinary risks are discussed and assessed as necessary at ad hoc Risk Board meetings. The sustainability-related risks are also reported on and discussed within the Risk Board.

An Agricultural Risk Committee generally meets quarterly and on an ad hoc basis. It is responsible for trading activities with agricultural raw materials, fertilisers and hops in the BayWa Group. The Board of Management is informed about the market situation and significant (market) risks and decides on risk-controlling and risk-limiting measures if necessary. The Corporate Controlling department prepares a risk management report each year on the basis of the German Act on Control and Transparency in Business (KonTraG). Risk officers, who identify, assess and report operational risks, are employed for each division of the Group.

In 2021, BayWa initiated a process to integrate sustainability and human rights risks into risk management. The Corporate Risk, Corporate Sustainability, Corporate Social Compliance and Corporate Controlling departments work cross-divisionally on integrating sustainability topics into the risk management system. In the course of updating the risk management report in 2021, climate-related risks and human rights related risks were systematically identified and presented in the risk management system for the first time. Guidelines and a methodology for a uniform, Group-wide assessment standard for climate risks based on the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) were developed during the 2022 financial year. The risk officers use these to identify, assess and report on climate risks in their business units. Additional sustainability risks will be added to the guidelines and the methodology in the

coming years. At the same time, BayWa developed a methodology for recording human rights risks in 2021 that follows the SME Compass provided by the Helpdesk on Business & Human Rights and its recommendations.

Corporate Sustainability and Corporate Social Compliance are available to the risk officers at any time should they have queries regarding the operational application of the methodology. In the previous year, BayWa organised several workshops with the risk officers for training purposes. No training sessions were held in 2023 as there were no new requirements for risk officers. The methodology will be refined over the coming years based on internal feedback sessions and application experiences, with the goal of establishing a professionally designed and user-friendly process. BayWa also reviews and updates the methodology annually

with regard to changes in external reporting standards and regulations. Additionally, the risk officers are requested to disclose concrete measures for the reduction of sustainability risks. Potential opportunities resulting from them and any identified sustainability risks are analysed by Corporate Sustainability and then presented to the Group Strategic ESG Board.

When reviewing the twelve significant business issues ([see page 12](#)) with regard to potential negative impacts on the environment, employees, society and human rights, BayWa came to the conclusion that the Group does not have any material risks pursuant to Section 289c para. 3 of the German Commercial Code (HGB). Details on sustainability-related risks that are very likely to have serious consequences can be found in the Opportunity and Risk Report in the consolidated management report.] ✓

The TCFD has developed a framework for standardised climate-related risk and opportunity reporting by companies and has published recommendations for four areas: governance, strategy, risk management and metrics and targets. The content to be reported should enable market players, such as those in the financial sector, to compare climate-related data and information from different companies with each other.

By means of the TCFD reporting, BayWa creates transparency in the area of climate risk management and strategic planning and demonstrates its contribution to a climate-friendly future.

TCFD recommendation report – climate-related opportunities and risks

TCFD category	Sustainability Report	CDP Climate Change Questionnaire 2023
Governance	See "Governance", page 16–19	C1, C3, C11
Strategy	See "Strategy", page 7–15	C2, C3, C4, C10, C11, C12, C13
Risk management	See "Governance", page 27–30	C2, C3
Metrics and targets	See "GRI Content Index", page 133–141	C2, C3, C4, C5, C6, C7, C8, C10, C11, C12, C13

1. TCFD recommendation: Governance

As a globally active group operating with the business units of Energy, Agriculture and Building Materials, BayWa helps to shape the future of our world. The Chief Executive Officer has responsibility for climate-related topics within the Group; there are different bodies and responsibilities that manage sustainability-related topics operationally. Climate-related topics are an essential part of this ([see Sustainability approach sub-chapter](#) ).

2. TCFD recommendation: Strategy

Risks and opportunities identified

The BayWa Group sees the assessment and identification of climate-related risks and opportunities as an important basis for developing its strategy and business activities. The detailed process for identifying, assessing and responding to climate-related risks and opportunities is described in more detail in the “risk management” section below.

The BayWa Group is exposed to a number of concrete climate-related risks in both the short and the long term but also sees a number of opportunities:

In the long term, BayWa expects rising operating costs due to climate change, increasing carbon prices and new laws on climate protection. Logistics in particular is affected by rising average temperatures. For example, there is a danger of supply bottlenecks

due to low water in European rivers and a resulting shortage of shipping capacity. This may result in delayed deliveries and significantly higher freight prices. In addition to the impact on logistics, weather changes will lead to considerable risks in the procurement of agricultural products. In the short term, BayWa will be exposed to fluctuations in yields each year for reasons including droughts or extreme frosts. In the long term, it expects a shortage of available agricultural raw materials such as wheat, grapes and apples due to changed climate conditions in certain regions. These crop failures in conjunction with lower global production quantities overall may increase price volatility and thus the BayWa Group's market risk.

The Renewable Energies segment is affected by possible climate-related changes (wind speeds, solar radiation). When there is less wind, the generating units held by BayWa r.e.'s Independent Power Producer (IPP) produce less electricity, meaning that less revenue is generated. The value of solar parks and the electricity they produce may be subject to a significant fall in price due to the considerable expansion of this technology in combination with increased solar radiation. This occurred in spring 2023 in southern Spain. As a result, the relevance of hybrid solar projects (solar plus battery storage) increases. The BayWa Group keeps an eye on the climate-related risks described and responds to these with appropriate measures. It is constantly improving its management of climate-related risks.

While the BayWa Group faces transitory and chronic physical risks, there are simultaneously also opportunities on the horizon. They include, for example, the expansion and marketing of renewable energy sources, the development of low-emission goods and services in all business units and the marketing and usage of drought-resistant seed and planting material.

Impact of physical climate risks on business strategy and financial planning

Climate-related risks and opportunities influence the BayWa Group's strategy in many different areas. Various strategic approaches have been developed for climate-related challenges in logistics, including creating optimum distribution structures in the Group network and achieving the resulting synergies, increasing diversification of the supply chain and reducing transportation and emissions through route optimisations.

The BayWa Group has a research and development strategy. This includes the area of smart farming with solutions for efficient agricultural production, for example needs-based fertiliser application based on satellite data. In addition, the modelling and forecasting of future yields enables BayWa to react to any steady decline in production capacity as a result of climate change in good time.

In addition to ad hoc measures in response to unforeseeable events, the Agriculture segment works systematically on adapting its range of products and solutions to the expected developments and safeguarding its business activity for the long term. Changed climate conditions and the way scarce resources are used have a key role in this in particular. With its VariableRain irrigation system, BayWa enables targeted and site-adapted water usage and, in doing so, makes it possible to minimise the risk of reduced yields and failed harvests.

At its own sites, the BayWa Group uses its internal know-how in the field of renewable energies. Electricity generation capacity through the Group's own photovoltaic plants is being increased around the world. Moreover, electricity needs have been met by renewable energies across the Group since 2020 ([see Climate and energy sub-chapter](#) .

3. TCFD recommendation: Risk management

Climate-related risks are a part of risk management, as described at the beginning of this section.

Climate risks and measures are assessed once per year, with new time frames being introduced in the previous year:

- Short term: 1–3 years, quantitative assessment
- Medium term: 3–10 years, qualitative assessment
- Long term: >10 years, qualitative assessment

The methodology for identifying and assessing climate risks comprises two climate scenarios based on the IPCC models; these scenarios must be reported on for the medium-term and long-term time frames:

- 2°C heating by 2100: focus on transitory risks. The lower temperature increase in the 2°C scenario is attributable to stronger measures and regulations that pursue the goal of protecting the climate and environment.
- 4°C heating by 2100: focus on physical risks. Minimal measures to protect the climate and environment are taken, which leads to greater physical impacts.

On BayWa AG's request, the subsidiaries and reporting business entities update their risk situation and risk assessment in a central risk database in the autumn of each year. The risk catalogue consists of 7 categories and 39 subcategories, and the 8 risk types recommended in the TCFD standard are included here. Climate-related risks can be named in every category. The following parameters need to be defined for each individual risk: a subcategory of the risk catalogue, the probability of occurrence of the risk (0–100 %) and the material financial impact (size of the loss) that occurrence of the corresponding individual risk would involve.

Short-term and medium-term physical risks, such as El Niño or a drought in northern Europe, are identified and evaluated in weekly meetings of the trading, research and risk departments, and the results are used to draw up a game plan for the BayWa Group's trading activities.

4. TCFD recommendation: Metrics and targets

In 2018, the BayWa Group adopted a climate strategy with several targets for its Scope 1 and Scope 2 emissions. All the targets apply across the Group and refer to the base year 2017. Moreover, BayWa considers itself responsible for also recording and managing its material greenhouse gas emissions from the upstream and downstream value chain. Data collection is being steadily expanded, and a Scope 3 target is planned to be defined in the future ([see Climate and energy sub-chapter](#) .

Tax



Guiding principles, structures and processes

BayWa's approach as a globally active company is to fully fulfil its social responsibilities and thus also its tax obligations in the local markets and countries in which it does business. As a result, there are no tax-driven models within the BayWa Group that aim solely to reduce tax liabilities independently of the operating business.

The Board of Management as a whole is responsible for meeting BayWa AG's tax obligations. Within the Board of Management, taxes are the remit of the CFO's department. Responsibility for the subsidiaries' tax obligations lies with their respective senior management. Operational implementation and monitoring are carried out by BayWa AG's tax department (Corporate Tax), the tax departments or tax advisers of the individual subsidiaries and the service centres. Checks are also performed as part of general risk management by Corporate Audit. BayWa reports at length on its current and deferred tax assets and liabilities in the Group as part of its audited Group reports in accordance with the International Financial Reporting Standards (IFRS).

The Code of Conduct always applies to the BayWa Group. In the code, the Group commits to respecting and complying with the applicable law and following internal regulations.



Objectives

BayWa's guiding principle with regard to taxes is to comply in full with the applicable tax laws and regulations in the markets and jurisdictions in which it operates. The tax-relevant structures reflect the needs of the business activity in question, meaning that tax is declared and paid where the value creation takes place.



Measures

The parent company is currently in the process of implementing a tax compliance management system, which in Germany is aligned with IDW PS 980. Using this instrument, BayWa AG can meet its tax obligations in full, correctly and on time and therefore avoid or reduce tax risks.

Stakeholders' interests are taken into account through the risk-averse tax strategy, while the operational implementation of this strategy is also always aligned with protection of the company's assets. BayWa AG pursues transparent, regular communication with the tax authorities.

Tax-specific issues can be anonymously reported through the publicly accessible [whistleblower system](#) ↗, which is explained in more detail on [page 80](#) ↗. This system is intended to ensure the organisation's integrity with regard to tax.



Results

Within the scope of its financial reporting in accordance with IFRS, BayWa AG reports at length on the Group's tax positions. BayWa complies with all national and international reporting regulations. As the ultimate parent company, it also submits country-by-country reports annually to the Federal Central Tax Office (Bundeszentralamt für Steuern). The figures for the 2023 reporting year were not available in an adequately prepared form by the editorial deadline. At this point, BayWa therefore refers to

the country-by-country report for 2022 in order to provide full and transparent information on the BayWa Group's tax aspects. The country-by-country report for 2023 will be submitted to the Federal Central Tax Office (Bundeszentralamt für Steuern) in due time, no later than 31 December 2024.

Excerpt from the BayWa Group's country-by-country report for 2022

Measured in terms of sales revenue, the BayWa Group's main activities were concentrated within Europe (93.26 %). In addition to further business activities in the USA (3 %) and New Zealand (1.64 %), the BayWa Group also operated companies with revenues of minor significance (€286 million) in the United Arab Emirates, Bosnia and Herzegovina, Bulgaria, Chile, China, Denmark, Finland, the Republic of Fiji, Greece, Hong Kong, Indonesia, India, Ireland, Japan, South Korea, Lithuania, Malaysia, Mozambique, Nigeria, Peru, the Republic of the Philippines, Portugal, Singapore, Taiwan, Tanzania, Ukraine, Vietnam and Zambia.



The BayWa Group's country-by-country report for 2022

Country	Total revenues ¹ in € million	Pre-tax profit/loss ² in € million	Income tax paid in the financial year ³ in € million	Income tax paid and accrued for this financial year during the financial year in € million	Stated capital ⁴ in € million	Retained earnings ⁵ in € million	Property, plant and equipment ⁶ in € million	Headcount
Australia	103.3	5.0	1.1	0.2	22.6	-24.0	216.0	74
Austria	4,702.9	56.2	9.0	14.2	72.6	419.8	932.1	3,160
Belgium	75.4	6.5	1.6	1.7	0.7	9.3	26.3	34
Canada	89.0	-4.5	0.0	0.3	2.3	-18.6	50.3	112
Switzerland	292.7	24.7	0.4	1.4	0.1	43.3	96.4	58
Czech Republic	156.5	12.4	0.7	2.5	0.7	11.0	61.2	146
Germany	13,280.4	170.6	33.0	50.0	162.9	863.8	3,421.1	11,929
Spain	888.0	7.9	2.1	5.3	0.9	22.4	194.6	186
France	247.1	18.9	2.0	2.6	0.4	40.1	100.2	255
United Kingdom	1,902.7	-4.0	2.9	3.9	2.2	52.6	369.3	757
Croatia	102.2	3.1	0.2	0.9	4.0	1.0	40.6	124
Hungary	119.3	1.6	0.2	0.3	0.8	-17.9	27.3	109
Italy	1,097.8	42.6	3.9	10.6	4.9	18.4	192.3	256
Luxembourg	66.8	15.8	0.1	3.9	0.0	15.1	19.6	67
Mexico	95.9	-7.6	0.3	0.2	0.1	9.3	40.3	109
Netherlands	3,965.9	55.8	8.9	13.7	5.1	147.0	475.3	693
New Zealand	491.2	-15.9	1.8	3.8	302.6	265.6	269.7	1,356
Poland	449.1	13.0	4.1	3.9	6.1	-4.1	127.7	244
Romania	108.5	0.2	0.3	0.2	6.6	-1.3	24.9	94
Serbia	285.8	7.1	0.5	0.9	11.9	35.4	109.2	328
Slovakia	86.3	-4.3	0.1	0.0	9.8	-4.3	38.3	114
Slovenia	51.6	-0.5	0.1	0.1	0.1	4.0	15.9	55
Sweden	11.6	-1.7	0.1	0.0	0.0	9.4	16.7	28
Thailand	64.3	3.5	0.8	0.8	1.2	7.9	18.9	99
USA	897.2	-83.5	6.1	4.7	501.9	-103.4	898.0	511

¹ The revenue includes both revenue from third parties and revenue from affiliated companies. ² The pre-tax profit/loss is operating profit/loss plus net income from investments (though excluding dividends) and net interest income/expense. ³ Income tax paid in the financial year relates to income tax that was paid or received in the financial year. This may also include payments or refunds from previous years. ⁴ The stated capital relates to the share capital of the respective companies. ⁵ The retained earnings represents profit available for distribution. ⁶ Property, plant and equipment includes property, buildings and technical equipment.

EU taxonomy

General principles

[The European Commission has established a package of measures as part of its Sustainable Finance action plan, which aims to steer capital flows towards environmentally sustainable activities. Regulation (EU) 2020/852 (referred to below as the EU Taxonomy Regulation) was passed in 2020 for this purpose. It defines which economic activities can be labelled as environmentally sustainable. It also sets out the criteria that are used to classify economic activities as environmentally sustainable. Economic activities are classified according to their contribution to the following six EU environmental objectives:

1. Climate change mitigation
2. Climate change adaptation
3. Sustainable use and protection of water and marine resources
4. Transition to a circular economy
5. Pollution prevention and control
6. Protection and restoration of biodiversity and ecosystems

The EU Taxonomy distinguishes between “taxonomy-eligible” and “taxonomy-aligned” economic activities:

- Activities are taxonomy eligible when they can be associated with a description from the delegated acts of the Taxonomy Regulation, regardless of their meeting the technical screening criteria.

- Activities are taxonomy aligned when they meet the technical screening criteria for the relevant activities and therefore make a substantial contribution to one or more environmental objectives and also do no significant harm (“Do No Significant Harm” - DNSH) to any of the other environmental objectives while offering minimum safeguards.

The EU Taxonomy Regulation requires affected companies to disclose the share of their turnover derived from products or services associated with taxonomy-eligible and taxonomy-aligned economic activities (measured against total turnover). It also requires the disclosure of the share of capital expenditure (CapEx) and operating expenditure (OpEx) related to assets or processes associated with taxonomy-eligible or taxonomy-aligned economic activities.

As in previous years, BayWa's reporting covers environmental objectives 1 “Climate change mitigation” and 2 “Climate change adaptation”. In addition, environmental objectives 3 “Sustainable use and protection of water and marine resources”, 4 “Transition to a circular economy”, 5 “Pollution prevention and control” and 6 “Protection and restoration of biodiversity and ecosystems” have been included in the reports for the first time for the 2023 financial year. Reporting simplifications have been utilised for these four non-climate-related environmental objectives in the first reporting year. Only their taxonomy eligibility has been reviewed.

In addition, the changes made by the EU Commission to individual technical screening criteria for environmental objectives 1 and 2 and to the publication presentation of the templates were fully taken into account in this year's survey process.] 

Implementation at BayWa

[BayWa reports on taxonomy eligibility and alignment to the full extent under Article 8 of the EU Taxonomy Regulation (EU) 2020/852.

Annex 1 of the Climate Delegated Act (climate change mitigation activities) covers 9 sectors, Annex 2 of the Climate Delegated Act (climate change adaptation activities) covers 14 sectors. The Climate Delegated Act currently does not cover trading or sales activities. The EU has so far not defined any further criteria for the agricultural sector. Consequently, the majority of BayWa's core economic activities are not taxonomy-eligible. The complementary Commission Delegated Regulation (EU) 2022/1214, which is relevant for certain energy sectors, does not have any impact on BayWa. Accordingly, the templates that it mandates are not published either. BayWa's low share of taxonomy-eligible turnover, CapEx and OpEx is therefore largely attributable to the approach taken for the taxonomy to determine economic activities and does not conflict with BayWa's long-standing commitment to sustainability. The environment delegated act published in 2023 (Delegated Regulation (EU) 2023/2486) includes criteria for economic activities that make a significant contribution to one of

the environmental objectives 3 to 6. BayWa's taxonomy-eligible economic activities that are not already covered by the criteria of the Climate Delegated Act fall exclusively under environmental objective 4 "Transition to a circular economy".

BayWa's taxonomy-relevant economic activities presented here are in the field of renewable energies in particular. This includes the construction and operation of onshore wind farms as well as solar parks and photovoltaic systems.] 

Climate Delegated Act – Environmental objective 1 and 2

[The same activities are reported in the 2023 reporting period as in 2022. These activities all contribute to EU environmental objective 1 "Climate change mitigation". No economic activity was identified that contributes to EU environmental objective 2 "Climate change adaptation".¹ With the exception of new construction activities (economic activity 7.1)², combined heat and power generation with bioenergy (economic activity 4.20) and the vehicle fleet (economic activity 6.5), all taxonomy-eligible activities that contribute to environmental objective 1 "Climate change mitigation" also fulfil the criteria for taxonomy alignment. We also disclose the manufacture of energy-efficient doors (economic activity 3.5) as a merely taxonomy-eligible economic activity, whereas the manufacture of heat insulation products and external wall systems under economic activity 3.5 are taxonomy-aligned economic activities.] 

Environment Delegated Act – Environmental objectives 3 to 6

[For the first time, in the 2023 financial year BayWa is reporting taxonomy-aligned economic activities that can potentially contribute to environmental objective 4 "Transition to a circular economy". These activities are reflected in the Agricultural Equipment business unit in particular. They include the repair, refurbishment and remanufacturing (5.1) and the sale of second-hand goods (5.4), product-as-a-service and other circular use- and result-orientated service models (5.5), and the marketplace for the trade of second-hand goods for reuse (5.6). In the workshop service, milking and feeding equipment as well as forestry and municipal machinery is professionally repaired or refurbished, and resold. Customers are able to offer their second-hand agricultural machinery for sale via digital platforms. Another component of the broad product portfolio of the Agricultural Equipment business unit through which BayWa makes efforts to achieve a circular economy is the rental of machinery.

¹ Taxonomy eligibility under CCA is limited to certain, isolatable CapEx/OpEx that makes a specific contribution to climate change adaptation. Turnover can only be recognised as taxonomy-eligible under CCA if it relates to activities that qualify as enabling for CCA.

² In principle, the taxonomy eligibility of new construction activity is also given for CE 3.1 (environmental objective 4). However, BayWa has identified CCM 7.1 as the more relevant environmental objective (climate change mitigation) and therefore assigns turnover, OpEx and CapEx to CCM 7.1.

The following BayWa activities are defined as taxonomy eligible:] ✓



Environmental objective 1: Climate change mitigation

Taxonomy-eligible activity (number/name)	Description of the activity at BayWa
3.1 Manufacture of renewable energy technologies	Manufacture of roof hooks for installing photovoltaic panels ¹
3.5 Manufacture of energy efficiency equipment for buildings	Manufacture of thermal insulation products, external wall systems and energy-efficient doors ²
4.1 Electricity generation using solar photovoltaic technology	Construction and operation of solar parks and solar systems ³
4.3 Electricity generation from wind power	Construction and operation of wind farms, ⁴ maintenance and repair of rotor blades
4.24 Production of heat/cool from bioenergy	Construction and operation of biomass heating plants for generating heat
6.15 Infrastructure enabling low-carbon road transport and public transport	Construction, modernisation, maintenance and operation of free-standing charging stations
6.5 Transport by motorbikes, passenger cars and light commercial vehicles	Acquisition and leasing of company cars and service vehicles for the BayWa fleet
7.1 Construction of new buildings	Project development/new-build construction
7.3 Installation, maintenance and repair of energy efficiency equipment	Refurbishment and LED conversion for the purpose of increasing energy efficiency
7.4 Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	Construction, modernisation, maintenance and operation of charging stations on buildings or parking spaces attached to buildings
7.6 Installation, maintenance and repair of renewable energy technologies	<ul style="list-style-type: none"> ▪ Installation of PV systems for solar parks (on buildings) and of solar panels for customers: integrated PV & storage system solutions ▪ Installation of solar thermal energy systems and provision of advice
8.2 Data-driven solutions for GHG emissions reductions	Development of smart solutions for calculating and reducing greenhouse gas emissions in the fields of agriculture and forestry

¹ Only roof hooks are manufactured and sold. These installation systems are not components of a photovoltaic panel, but rather a standalone technology.

² The term "manufacture" is not defined in the Taxonomy Regulation or the Commission Delegated Regulation, or in Annex I or II. However, the recitals of the Commission Delegated Regulation note that applicable EU laws should be drawn on for the interpretation of the Taxonomy Regulation and Commission Delegated Regulation (Commission Delegated Regulation 2021/2139 (margin no. 5)). This also aligns with the intended consistency in the interpretation of applicable EU laws. Various EU regulations and directives view an entity as a manufacturer when (1) it manufactures a product itself or arranges the manufacturing thereof, and (2) it sells products under its own name or brand. (For example, Construction Products Regulation 305/2011 Article 2(19); Product Safety Regulation 765/2008 Article 2(3); Product Liability Directive 85/374/EEC Article 3(1).)

³ BayWa reports services as a control centre under criteria set 4.1 and 4.3, as BayWa considers these to be essential for or inseparable from operations.

⁴ BayWa reports services as a control centre under criteria set 4.1 and 4.3, as BayWa considers these to be essential for or inseparable from operations. BayWa reports the maintenance and repair of rotor blades under activity CCM 4.3. The taxonomy alignment check was based on the criteria for activity CCM 7.6.

Environmental objective 4: Transition to a circular economy



The following taxonomy-aligned and taxonomy-eligible turnover, CapEx and OpEx arise at the Group level for the 2023 reporting period:

Taxonomy-eligible activity (number/name)

5.1 Repair, refurbishment and remanufacturing

5.4 Sale of second-hand goods

5.5 Product-as-a-service and other circular use- and result-oriented service models

5.6 Marketplace for the trade of second-hand goods for reuse

Description of the activity at BayWa

Repair, refurbishment and maintenance of agricultural machinery, tractors and other technical equipment

Sale of various used and refurbished agricultural machinery, agricultural vehicles and equipment

Rental of agricultural machinery and vehicles

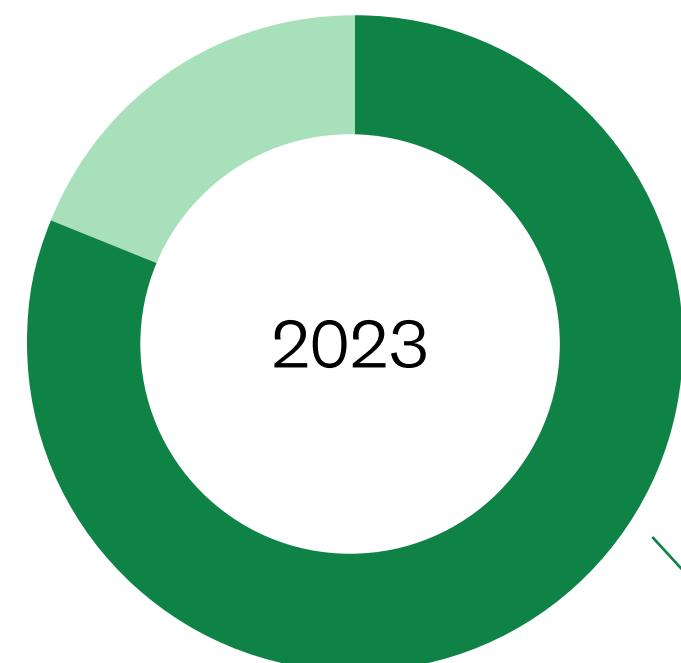
Development and operation of an online platform for the auction of second-hand agricultural machinery, vehicles and equipment

Taxonomy-eligible activities relative to the total values within the Group

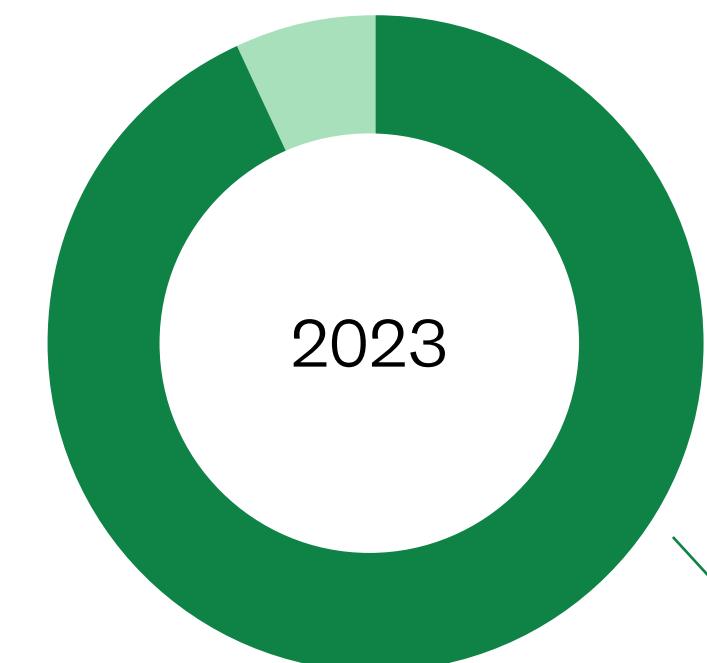
in € million	Group (denominator)	Taxonomy eligible incl. aligned	Taxonomy aligned
Turnover	23,948.2	6.48 %	5.26 %
OpEx	238.7	9.94 %	9.23 %
CapEx	861.2	61.45 %	57.17 %

The share of taxonomy-aligned turnover, CapEx and OpEx in the taxonomy-eligible turnover, CapEx and OpEx respectively is presented in the following charts:

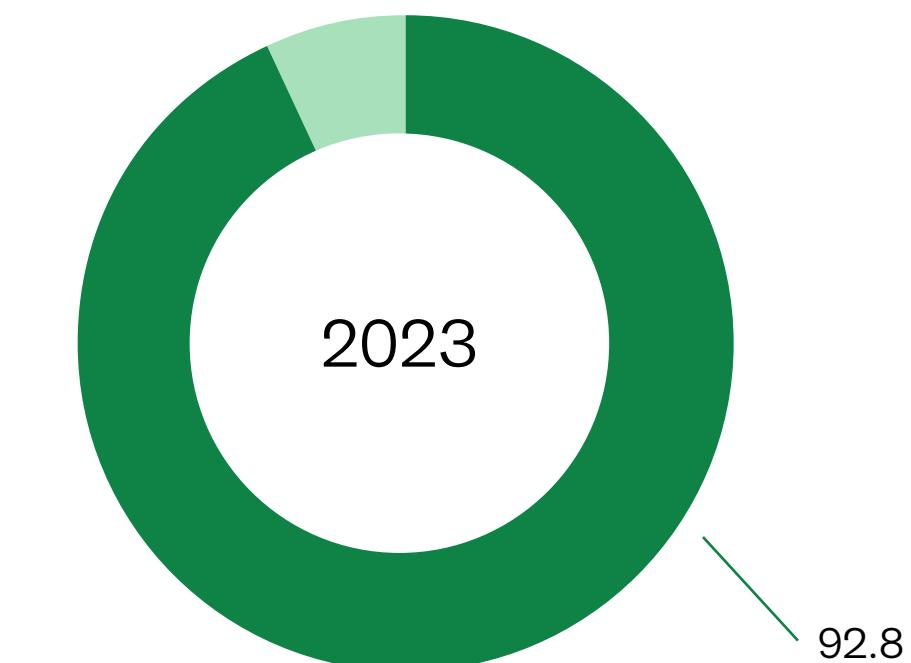
Taxonomy-eligible turnover



Taxonomy-eligible CapEx



Taxonomy-eligible OpEx



Aligned
Eligible, non-aligned

Assessment of taxonomy eligibility and taxonomy alignment of economic activities

In 2021, BayWa established a project to implement the EU taxonomy requirements. The core team consists of representatives from the Corporate Sustainability, Corporate Accounting and Investor Relations departments. First, BayWa's business activities were linked to the relevant taxonomy activities as part of an initial mapping process.

Following this, interviews and workshops were held with the relevant people responsible at the departments in the business units and at key subsidiaries. The aim behind the discussions was to analyse the business activities in these operations and assess if there were relevant economic activities (taxonomy eligible) and if the criteria and requirements defined for each of the activities were met (taxonomy aligned). The assessment of the individual business activities' taxonomy eligibility or alignment and the corresponding records and evidence were documented. This financial year, the project team checked if the economic activities' taxonomy eligibility and alignment was current.

This tried-and-tested procedure was also retained for the new economic activities published this year for the four non-climate-related environmental objectives, with the difference that the simplifications of the first reporting year were utilised for these

and only the taxonomy eligibility was considered. This approach was chosen because the strict requirements in terms of verification of the technical screening criteria require an expansion of the existing data collection processes and the EU has not given the necessary lead time.

The following approach was used for the analysis of taxonomy alignment for the climate-related business activities:

- Assessment of substantial contribution: Compliance with the corresponding taxonomy criteria was assessed individually for each of BayWa's climate-related taxonomy-eligible activities. Some activities make a substantial contribution to climate change mitigation just through the performance of the activity. This is the case for all of BayWa's taxonomy-aligned activities except for the construction and operation of biomass heating plants for generating heat (4.24), the development of smart farming solutions for agriculture (8.2) and the manufacture of thermal insulation products and external wall systems (3.5).

The following applies to this:

- 4.24: The biomass used in the cogeneration of heat and power and in heat generation meets the criteria under Directive (EU) 2018/2001. The reduction of greenhouse gas emissions achieved through the use of biomass in

CHP systems comes to at least 80 % based on the method for the reduction and the fossil fuel comparator provided in Annex VI of this directive.

- 8.2: BayWa's smart farming solutions aim to lower greenhouse gas emissions in agriculture and other domains by using data and analytics. The life cycle GHG emissions are calculated in accordance with the specifications under ISO 14064-2 2019. Using the solutions results in significant reductions of life cycle GHG emissions. The results have been reviewed by external third parties.
- 3.5: BayWa's thermal insulation products¹ have a lambda value of less than 0.06 W/mK. Its external wall systems have a U-value of less than 0.5 W/m²K.
- Assessment of doing no significant harm (DNSH) to any of the other five EU environmental objectives: The following section explains which DNSH criteria apply to the climate-related taxonomy-eligible economic activities and how BayWa meets them. The criteria are predominantly the EU's directives and regulations, which are reflected in national law. The assessable DNSH criteria are not relevant to all taxonomy-eligible activities and therefore do not need to be evaluated.

¹ This applies to the two insulation products Formel-Pro Dämmsschüttung HD 100L and Formel-Pro Dämmsschüttung WD 100L.

- Compliance with the DNSH criterion in connection with EU environmental objective 2 “Climate change adaptation” is ensured through an assessment at the level of the business activity as well as through a Group-wide approach. BayWa proceeds as follows for this: All potentially taxonomy-aligned economic activities are assessed by experts to see if they are negatively impacted by physical climate risks (table in Appendix A Annex I Section II). The analysis is based on the climate scenario analysis of the IPCC “Interactive Atlas”. This tool forecasts climate risks at a regional level using the latest IPCC climate models. Using the IPCC Interactive Atlas, the climate hazards for the regions relevant to the economic activities are analysed in a near-term time period (2021–2040) for the two concentration pathways RCP 2.6 (best-case scenario) and RCP 8.5 (worst-case scenario). If impacts were found, an assessment was made and adaptation solutions identified in order to reduce the risk. No significant climate risks were mentioned in the results of the 2023 risk survey, which covers all sites affected by the business activity. Additionally, BayWa has integrated a survey of physical climate risks into its annual Group-wide risk management (see [Opportunity and risk management section](#) ).
- In relation to EU environmental objective 3 “Sustainable use and protection of water and marine resources”, all risks of potential environmental damage in connection with the maintenance of water quality and prevention of water scarcity must be calculated and, if applicable, remedied for BayWa’s taxonomy-eligible economic activities. These requirements are mainly fulfilled by implementing legal and official specifications.
- The DNSH criteria in connection with EU environmental objective 4 “Transition to a circular economy” consist mostly of general requirements such as long service life or simple maintenance or disassembly. These requirements are particularly relevant for the manufacture of installation systems for PV panels (3.1) or thermal insulation products and external wall systems (3.5) as well as for electricity generation using PV technologies (4.1) and wind power (4.3). The large majority of components is designed to have a very long service life, is recyclable and still has monetary value at the end of the component’s service life. The DNSH 4 criteria for data-driven solutions for GHG emissions reductions (8.2) are based on statutory manufacturer obligations within the EU, which BayWa assumes to have been met.
- Compliance with statutory specifications represents the basis of the DNSH criteria for EU environmental objective 5 “Pollution prevention and control”. There are no indications at the present point in time that BayWa is in breach of relevant specifications. Compliance with requirements beyond the above, such as those arising from the European Commission’s FAQ documents published in December 2022, is ensured through individual surveys on potential substances of concern. The amendments made to Appendix C were also taken into account in the analysis in the 2023 financial year. There are no indications at the present point in time that relevant substances are being produced, marketed or used.
- In relation to EU environmental objective 6 “Protection and restoration of biodiversity and ecosystems”, BayWa carries out environmental impact assessments and comparable checks as part of its own business activity where there are legal requirements to do so.
- Assessment of minimum safeguards for human rights, corruption, tax and fair competition based on the OECD Guidelines for Multinational Enterprises and UN Guiding Principles on Business and Human Rights, including the

basic principles and rights from the eight core conventions that are set out in the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, and from the International Bill of Human Rights: For this, BayWa has implemented a Group-wide approach to ensure the minimum safeguards. The approach enables proper, complete adherence to these specifications ([see Compliance section, Human rights due diligence section, Workplace health and safety sub-chapter](#)). Content regarding the minimum safeguards for EU taxonomy reporting was collected within the Group through an additional survey. Corporate Social Compliance coordinated the survey. Relevant departments such as Corporate Tax, Corporate Compliance and Corporate Sustainability were included and questioned about the information.] ✓

EU taxonomy KPIs

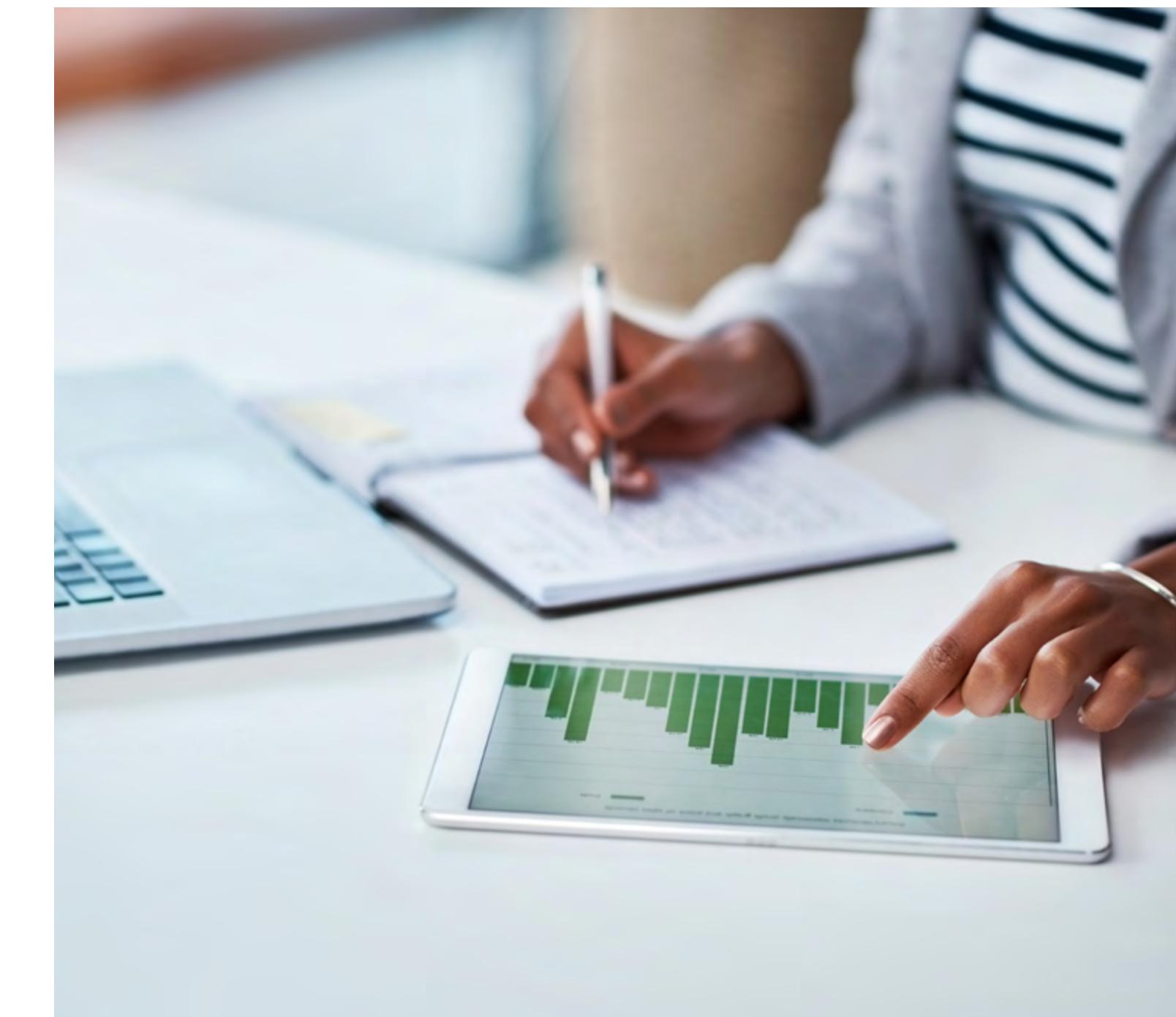
[The reporting is done based on KPIs comprising taxonomy-eligible and taxonomy-aligned turnover, CapEx and OpEx, as defined in the taxonomy's specifications.

The relevant numerators for taxonomy-eligible or taxonomy-aligned turnover, CapEx and OpEx were successfully isolated by specifically surveying the entities in which relevant economic activities were identified. This meant that the risk of duplication was avoided.

BayWa discloses the following two ratios for this as well as the taxonomy-non-eligible activities, which make up a further KPI:

1. Taxonomy-eligible activities relative to the total values within the Group
2. Taxonomy-aligned activities relative to the total values within the Group

The following details regarding the BayWa Group's taxonomy-aligned and taxonomy-eligible activities were calculated for the 2023 reporting period:¹] ✓



¹ BayWa is not affected by any economic activity in connection with the generation of energy from fossil gas or nuclear power. BayWa therefore does not provide the specific reporting forms for these activities.

Turnover ✓

Operating expenditure (OpEx)

Economic activity	Code(s)	Absolute OpEx in € million	OpEx share %	Criteria for a substantial contribution						Do no significant harm (DNSH) criteria						Taxonomy-aligned (A.1) or taxonomy- eligible (A.2) Share of OpEx FY 2022	Category (en- abling activities)	Category (transi- tional activities)							
				Climate change mitigation		Climate change adaptation		Water		Pollution		Circular economy		Biological diversity		Climate change mitigation		Climate change adaptation		Water					
				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	N;EL	Y;N	N;EL	Y;N	N;EL				
A. Taxonomy-eligible activities																									
A.1 Environmentally sustainable activities (taxonomy-aligned)																									
Manufacture of renewable energy technologies	CCM 3.1	0.6	0.26	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	1.47	E	-	
Electricity generation using solar photovoltaic technology	CCM 4.1	3.8	1.57	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	4.02	-	-	
Electricity generation from wind power	CCM 4.3	11.9	4.99	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	7.41	-	-	
Production of heat/cool from bioenergy	CCM 4.24	0.2	0.08	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	0.11	-	-	
Infrastructure enabling low-carbon road transport and public transport	CCM 6.15	0.2	0.07	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	0.09	E	-	
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	0.3	0.12	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	0.06	E	-	
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	CCM 7.4	-	0,00	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	-	E	-	
Installation, maintenance and repair of renewable energy technologies	CCM 7.6	3.3	1.36	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	1.51	E	-	
Data-driven solutions for GHG emissions reductions	CCM 8.2	1.8	0.76	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	0.73	E	-	
OpEx on environmentally sustainable activities (taxonomy-aligned) (A.1)		22.0	9.22	9.22	0.00	0.00	0.00	0.00	0.00	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	15.39				
Thereof enabling activities		6.1	2.58	2.58	0.00	0.00	0.00	0.00	0.00	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	3.86	E		
Thereof transitional activities		0.0	0.00	0.00						Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	0.00	T		
A.2 Taxonomy-eligible activities, but not environmentally sustainable (taxonomy-non-aligned activities)																									
Cogeneration of heat/cool and power from bioenergy	CCM 4.20	0.0	0.00	EL	N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	1.06				
Repair, refurbishment and remanufacturing	CE 5.1	1.1	0.45	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	EL	N/EL											0.00			
Product-as-a-service and other circular use- and result-oriented service models	CE 5.5	0.3	0.14	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	EL	N/EL											0.00			
Construction of new buildings	CCM 7.1 / CE 3.1	0.3	0.12	EL	N/EL	N/EL	N/EL	N/EL	N/EL	EL	N/EL											0.16			
OpEx on taxonomy-eligible activities, but not environmentally sustainable (taxonomy-non-aligned activities) (A.2)		1.7	0.71	0.12	0.00	0.00	0.00	0.00	0.59	0.00												1.22			
Total (A.1 + A.2)		23.7	9.94	9.34	0.00	0.00	0.00	0.00	0.59	0.00												16.60			
B. Taxonomy-non-eligible activities																									
OpEx on taxonomy-non-eligible activities (B)		215.0	90.06																						
Total (A + B)		238.7	100.00																						

Capital expenditure (CapEx)

Economic activity	Code(s)	Absolute CapEx	CapEx share	Criteria for a substantial contribution								Do no significant harm (DNSH) criteria								Taxonomy-aligned (A.1.) or taxonomy-eligible (A.2.) Share of CapEx FY 2022	Category (enabling activities)	Category (transitional activities)																															
				Climate change mitigation				Climate change adaptation				Water		Pollution		Circular economy		Biological diversity		Climate change mitigation				Climate change adaptation																													
				in € million		%		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																											
A. Taxonomy-eligible activities																																																					
A.1 Environmentally sustainable activities (taxonomy-aligned)																																																					
Manufacture of renewable energy technologies	CCM 3.1	3.8	0.44	Y	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	0.07	E	-																								
Electricity generation using solar photovoltaic technology	CCM 4.1	219.2	25.45	Y	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	4.79	-	-																								
Electricity generation from wind power	CCM 4.3	253.1	29.39	Y	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	41.99	-	-																								
Production of heat/cool from bioenergy	CCM 4.24	0.9	0.11	Y	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	0.05	-	-																								
Infrastructure enabling low-carbon road transport and public transport	CCM 6.15	0.5	0.06	Y	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	0.02	E	-																								
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	0.8	0.09	Y	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	-	E	-																								
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	CCM 7.4	0.0	0.00	Y	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	0.00	E	-																								
Installation, maintenance and repair of renewable energy technologies	CCM 7.6	11.1	1.28	Y	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	0.90	E	-																								
Data-driven solutions for GHG emissions reductions	CCM 8.2	2.9	0.34	Y	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	0.35	E	-																								
CapEx on environmentally sustainable activities (taxonomy-aligned) (A.1)		492.4	57.17	57.17	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	48.16																												
Thereof enabling activities		18.4	2.13	2.13	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	1.34	E																										
Thereof transitional activities		0.0	0.00	0.00								Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	0.00	T																										
A.2 Taxonomy-eligible activities, but not environmentally sustainable (taxonomy-non-aligned activities)																																																					
Construction of new buildings	CCM 7.1 / CE 3.1	12.3	1.43	EL	N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL	N/EL														1.21																										
Repair, refurbishment and remanufacturing	CE 5.1	1.1	0.13	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	EL	N/EL														0.00																										
Product-as-a-service and other circular use- and result-oriented service models	CE 5.5	0.9	0.10	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	EL	N/EL														0.00																										
Marketplace for the trade of second-hand goods for reuse	CE 5.6	-	0.00	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL														-																										
Cogeneration of heat/cool and power from bioenergy	CCM 4.20	0.0	0.00	EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL														0.01																										
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	22.6	2.62	EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL														2.38																										
CapEx on taxonomy-eligible activities, but not environmentally sustainable (taxonomy-non-aligned activities) (A.2)		36.9	4.28	4.05	0.00	0.00	0.00	0.23	0.00																	3.60																											
Total (A.1 + A.2)		529.3	61.45	61.22	0.00	0.00	0.00	0.23	0.00																	51.76																											
B. Taxonomy-non-eligible activities																																																					
CapEx on taxonomy-non-eligible activities (B)		332.0	38.55																																																		
Total (A + B)		861.2	100.00																																																		

Share of turnover / Total turnover

	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	5.26 %	5.36 %
CCA	0 %	0 %
WTR	0 %	0 %
CE	-	1.21 %
PPC	0 %	0 %
BIO	0 %	0 %

CapEx share / Total CapEx

	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	57.17 %	61.22 %
CCA	0 %	0 %
WTR	0 %	0 %
CE	-	1.66 %
PPC	0 %	0 %
BIO	0 %	0 %

OpEx share / Total OpEx

	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	9.22 %	9.34 %
CCA	0 %	0 %
WTR	0 %	0 %
CE	-	0.71 %
PPC	0 %	0 %
BIO	0 %	0 %

Legende

- J** taxonomy-eligible economic activity that is taxonomy-aligned with the relevant environmental objective
- N** taxonomy-eligible economic activity that is not taxonomy-aligned with the relevant environmental objective
- EL** economic activity that is taxonomy-eligible for the respective objective
- N/EL** economic activity that is not taxonomy-eligible for the respective objective
- CCM** Climate Change Mitigation (environmental objective 1)
- CCA** Climate Change Adaptation (environmental objective 2)
- WTR** Water; sustainable use and protection of water and marine resources (environmental objective 3)
- CE** Circular Economy (environmental objective 4)
- PPC** Pollution Prevention and Control (environmental objective 5)
- BIO** Biodiversity and Ecosystems (environmental objective 6)

The BayWa Group has a turnover of €24.0 billion. Of this amount, €1.6 billion, or 6.48 %, is attributable to taxonomy-eligible turnover. Of the taxonomy-eligible amount, €1.3 billion is taxonomy aligned. The remaining €0.3 billion is taxonomy eligible but not taxonomy aligned. The majority of taxonomy-aligned turnover is generated in the Renewable Energies business unit. It is attributable in particular to the activities of electricity generation using photovoltaic technology (€567.4 million), electricity generation from wind power (€366.4 million) and the installation, maintenance and repair of renewable energy technologies (€288.4 million). Furthermore, there is €9.1 million of taxonomy-aligned turnover that is generated internally within the Group and is not included in the table, which is mainly attributable to the BayWa r.e. Group (€7.4 million) and the subsidiaries FarmFacts GmbH and VISTA Geowissenschaftliche Fernerkundung GmbH. Turnover results almost exclusively from contracts with customers (IFRS 15). In sum, turnover from environmentally sustainable activities was slightly above the previous year's level (€1.2 billion). Turnover from the installation, maintenance and repair of renewable energy technologies increased by €169.4 million thanks to the expansion of the Independent Power Producer (IPP) business entity. While turnover from electricity generated from wind power increased (up €115.4 million), turnover from electricity generated using photovoltaic technology fell by €280.1 million. Turnover from environmentally sustainable activities had a 4.60 % share in the Group's turnover in the 2022 financial year. This year, a level of 5.26 % was achieved.

Of the operating expenditure (OpEx) of €238.7 million, 23.7 million or 9.94 % is taxonomy eligible. Of the taxonomy-eligible amount, €22.0 million is taxonomy aligned. The remaining €1.7 million is taxonomy eligible but not taxonomy aligned. Maintenance expenditure, at €12.6 million, made up the lion's share of taxonomy-aligned OpEx. Furthermore, the income statement includes rental and lease expenditure of €7.8 million for taxonomy-aligned activities. The remaining taxonomy-aligned expenditure is attributable to fleet operations and external personnel. Research and development expenditure in this context totalled €0.5 million. OpEx from environmentally sustainable activities exceeded the previous year's figure of €19.2 million by €2.8 million, or 14.4 %. This was primarily due to investments in expenditure relating to the business activities of electricity generation from wind power (up €2.7 million), data-driven solutions for GHG emissions reductions (up €0.9 million) and the installation, maintenance and repair of renewable energy technologies (up €1.4 million).

Of the Group's net CapEx totalling €861.2 million, €529.3 million, or 61.45 %, is taxonomy-eligible CapEx. Of the taxonomy-eligible amount, €492.4 million is taxonomy aligned. The remaining €36.9 million is attributable to net CapEx that is taxonomy eligible but not taxonomy aligned.

Most of the taxonomy-aligned CapEx results from the BayWa r.e. Group, analogously to the taxonomy-aligned turnover described above. Environmentally sustainable CapEx in the 2023 financial year went primarily towards the business activities "electricity generation from wind power" (€253.1 million) and "electricity generation using photovoltaic technology" (€219.2 million). The BayWa r.e. Group plans and constructs wind farms and solar parks with the aim of selling them. For this reason, the farms and parks are presented as work in progress in the inventories line item on the balance sheet during the construction phase. Following their completion, a decision was made not to sell certain farms and parks and instead to keep them in the portfolio and operate them. These facilities were therefore transferred to the IPP business entity in the Renewable Energies segment and reclassified from inventories to property, plant and equipment. The CapEx associated with these farms and parks accumulates to €144.4 million as at the end of the reporting period on 31 December 2023, representing a significant portion of total CapEx.

The CapEx of €436.7 million on property, plant and equipment represents a significant portion of total CapEx. Furthermore, investments of €45.5 million were made on right-of-use assets and €10.1 million on intangible assets. Investments of €9.0 million went towards company acquisitions. 

[BayWa AG issued a green bond with a total volume of €500 million during the 2019 financial year. The proceeds from the bond in the previous financial years were used to finance new and existing wind farms and solar parks across the world. The green bond was issued shortly before the introduction of the EU taxonomy, for which reason it was not designed for the sets of criteria defined in it. The cash from the green bond was therefore not incorporated in the calculation of the taxonomy-eligible/taxonomy-aligned KPIs.] 

Turnover: The Group turnover KPI corresponds to the share of net turnover associated with taxonomy-eligible or taxonomy-aligned economic activities (numerator) in the Group's total net turnover within the meaning of Article 2 (5) of the EU Accounting Directive (revenue within the meaning of IAS 1.82A) (denominator). Further disclosures of turnover can be found in chapters A.3 Accounting Policies and Valuation Methods and D.1 Revenues of the income statement in the Consolidated Financial Statements.

CapEx: The Group CapEx KPI represents the share of taxonomy-eligible or taxonomy-aligned capital expenditure. It arises from the additions of tangible and intangible assets pursuant to IAS 16.73 item (e) sub-items (i) and (iii), IAS 38.118 item (e) sub-item (i), IAS 40.76 items (a) and (b), IAS 40.79 item (d) sub-items (i) and (ii), IAS 41.50 items (b) and (e); and IFRS 16.53 item (h), plus the additions from mergers that are presented in chapter B.2 Group of Consolidated Companies – Fully Consolidated Companies Pursuant to IFRS 10. The BayWa r.e. Group plans and constructs wind farms and solar parks with the aim of selling them. For this reason, the farms and parks are presented as work in progress in the inventories line item on the balance sheet during the construction phase. Following their completion, a decision was made not to sell certain farms and parks and instead to keep them in

the portfolio and operate them. These facilities were therefore transferred to the IPP business entity in the Renewable Energies segment and reclassified from inventories to property, plant and equipment. The capital expenditure associated with these farms and parks is also taken into account when calculating the total CapEx. CapEx is calculated gross and therefore does not include any revaluations or depreciation or impairment.

In accordance with the taxonomy's specifications, BayWa also includes non-cash capital expenditure, although additions to financial assets are not taken into account. BayWa does not apply CapEx planning for the purposes of the taxonomy specifications. Further CapEx disclosures can be found in the appendix of the Consolidated Financial Statements under C.4 as appendix C.1–C.4 development of consolidated fixed assets.

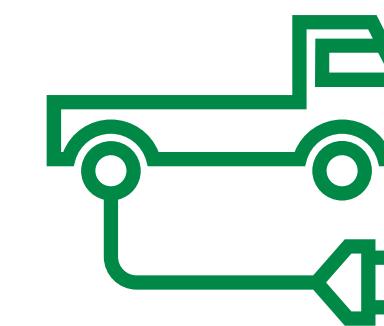
OpEx: The Group OpEx KPI corresponds to the share of individually attributable, uncapitalised, taxonomy-eligible/taxonomy-aligned expenses on research and development, building renovation, maintenance or upkeep, or taxonomy-eligible/taxonomy-aligned leasing expenses that cannot be capitalised. This mainly comprises the repair and maintenance expenses contained within the other operating expenses.

Assets and taxonomy CapEx

Activity	Criteria set	Property, plant and equipment (in € million)	Self-created or acquired intangible assets (in € million)	Right-of-use assets (in € million)	Total (in € million)	Thereof additions from company acquisitions (IFRS 3) (in € million)
CCM 3.1	Manufacture of renewable energy technologies	0.9	0.0	2.9	3.8	–
CCM 4.1	Electricity generation using solar photovoltaic technology	188.8	6.4	24.0	219.2	7.1
CCM 4.3	Electricity generation from wind power	240.2	0.1	12.8	253.1	–
CCM 4.24	Production of heat/cool from bioenergy	0.9	–	–	0.9	–
CCM 6.15	Infrastructure enabling low-carbon road transport and public transport	0.3	0.0	0.2	0.5	–
CCM 7.3	Installation, maintenance and repair of energy efficiency equipment	0.8	–	–	0.8	–
CCM 7.4	Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	0.0	–	–	0.0	–
CCM 7.6	Installation, maintenance and repair of renewable energy technologies	4.5	1.2	5.3	11.1	1.9
CCM 8.2	Data-driven solutions for GHG emissions reductions	0.2	2.4	0.3	2.9	–
Total		436.7	10.1	45.5	492.4	9.0

Value Creation

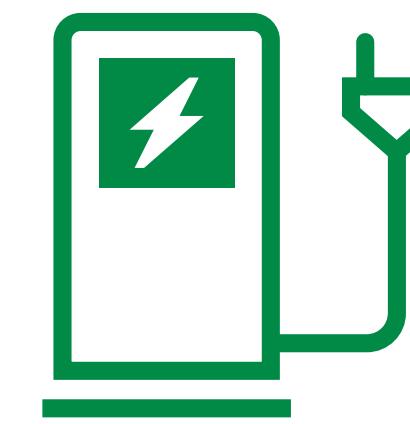
BayWa and its products and services satisfy people's basic needs. food, heating, mobility, housing. The topic of sustainability is becoming more and more important in the various business units. BayWa develops and fosters innovative solutions and establishes new partnerships for this. The company works with a number of business partners worldwide and applies various measures for responsible procurement. In addition, it values having quality and safety standards in its value chains.



The Agricultural Equipment segment offers an increasing proportion of **electrified vehicles**, particularly in the municipal, commercial and forestry equipment sectors.



T&G Global's new, **ultra-modern packing house** in New Zealand has water tanks that can collect 1.2 million litres of rainwater.



Approx. 300

charging parks were built by BayWa Mobility Solutions in 2023.



The new "**Cefetra Ecosystem Services**" initiative will work with customers and suppliers on the transition to more environmentally friendly agriculture.

Flagship projects

Developing practical solutions

The “Sustainable Agriculture” team brings together expertise in the areas of soil health, biodiversity and climate-friendly agriculture. Employees develop and validate practical solutions, for example to reduce CO₂ emissions, improve biodiversity, build up humus levels or ensure effective compliance with environmental and climate protection regulations. The team works with colleges, universities, farmers and public institutions. Concepts that result from such collaboration include the “Soil Days” or the [“Climate Agriculture”](#) project. It is also involved in the drafting of a DIN specification on “Carbon Farming” and in the practical council of the scientific project [“BEATLE”](#) that is working towards a biodiversity-friendly land use and food system.

The team offers BayWa’s customers targeted sustainable solutions and also advises traditional agricultural sales organisations on how to implement these solutions across the board. Since

2022, it has focused on the downstream value chain: How can products that have been produced in a more climate-friendly way be recorded and traced in a transparent and traceable manner? Initial tests on wheat production with an optimised CO₂ balance are already in progress. At the same time, the team is working on identifying markets for these products.



Funding of €6.5 million secured for agrivoltaics

The increasing demand for energy and a constant population growth give rise to an urgent need to utilise land as efficiently as possible. Agrivoltaics is a solution whereby land is used simultaneously for agricultural crop production and photovoltaic electricity generation. BayWa r.e. has been working on innovative solutions in this field for years. In 2023, the company secured funding of €6.5 million from the EU's "LIFE Programme" to develop six agrivoltaic projects in five countries by 2027, combining agriculture and solar power generation.

The six projects are based on an important aspect of "Farm to Fork": the need for a circular economy in land use. The data generated from the projects will be used to improve future projects so that agrivoltaics can become economically viable in the future even without subsidies. LIFE is the EU's funding programme for the environment and climate action. The programme co-finances projects that support political measures such as the "Farm-to-Fork" strategy and promote a sustainable food supply. Private-sector expertise can then be used for the benefit of the EU as a whole.



CO₂ savings in new-build construction and through renovation

The "Services and Systems" team aims to optimise climate action, energy efficiency and healthy living for customers.

Its areas of focus are:

- Construction for healthy living
- Energy consulting/obtaining grants and subsidies
- Heat load calculations, ventilation concepts
- Sustainability certification/life cycle assessment
- Project support: overall energy concepts
- Measurement services: measurement of pollutants, indoor air hygiene, blower door tests
- Healthy living and environmental databases: a wide range of certified low-emission products with the BayWa "BauGesund" seal ↗ for healthy buildings.

In addition to the "Services and Systems" team, there is another important interface when undertaking renovation work: the renovation coordinators. They support customers with a high level of consulting expertise right from the planning stage of the renovation project, as well as providing information on grants and subsidies and uncovering errors at an early stage.

Sustainable products and solutions

Climate change, loss of biodiversity, scarcity of resources – the global challenges are huge and awareness of them is growing worldwide. Moreover, legal requirements regarding sustainability are becoming increasingly complex. BayWa's products and solutions affect the environment and society in both positive and negative ways. For example, the company contributes to the energy transition through its Renewable Energies segment. Simultaneously, it also causes things such as carbon emissions through its business activity, for example by transporting goods or trading fossil fuels. In the field of agriculture, the cultivation of agricultural products forms the foundation for the supply of food. At the same time, however, agricultural production also has negative impacts on the environment ([see Ecosystems and biodiversity section](#)) BayWa is aware of its responsibility and wishes to develop more strongly in the direction of sustainable products and solutions in the future.

Guaranteeing product safety – and with it the protection of customers, employees, animals and the environment – is a key concern for BayWa and a challenging task. As a globally active group of companies, BayWa must address a very wide variety of national quality and safety standards and complex supply chains. Defective products that wind up on the market can result in a tarnished reputation and entail liability claims for the company.



Guiding principles, structures and processes

BayWa is increasingly aligning its business, products and solutions with the principles of sustainability: in terms of environmental, social and societal responsibility. For example, BayWa invested in the field of renewable energies back in 2008 and has been expanding it steadily ever since. In the future, sustainability is going to play an even more important role, across all the business units, in developing our business models, in investment decisions and thus also in products and solutions. For this reason, sustainability criteria were implemented in the merger and acquisition transaction processes of the parent company, BayWa AG in 2022. Since then all new investment by BayWa AG is examined and evaluated for impacts in the areas of environment and climate, human rights and governance.

The topic of sustainable products and solutions plays an important role in BayWa's Value Creation. The business units bear responsibility for the respective measures. Due to the wide range of products offered by BayWa's various segments, product responsibility can vary from case to case, and is accordingly managed and implemented individually.

Products containing hazardous substances are subject to special labelling obligations regarding their origins, ingredients and use, as are feedstuff and seed. The company carries out training for relevant employees on the current requirements in the corresponding departments ([see Environmental management section](#) ).



Objectives

[The BayWa Group is working more strongly on solutions that help customers and partners to contribute actively to the management of global sustainability challenges. Through them, BayWa aims to empower its customers through its products and solutions to handle resources conservatively during the usage phase.] 

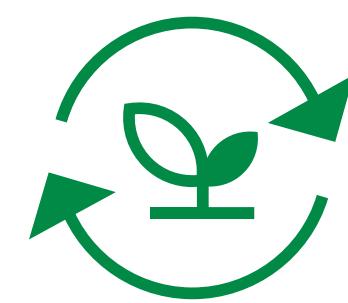
BayWa seeks to ensure responsible commodity extraction and product creation while also promoting sustainable and renewable materials and alternative products. Additionally, the Group has a goal of increasingly aligning its range with the principles of a

circular economy. The aim is to expand partnerships along the value chain. The overarching goal of product responsibility is to attach the greatest value to safety and tolerability. BayWa is also making greater efforts to sensitise its customers to the safe and sustainable application and disposal of products.] 



Measures and results in Group segments

[Due to the Group's extensive and diversified product range, different aspects play a role in each case when it comes to safety, quality and sustainability. For this reason, this section does not describe measures and results for the whole Group, but instead reports them on for each segment in the following sections.] 



BayWa has a goal of increasingly aligning its range with the **principles of a circular economy**.

Energy Renewable Energies segment

Business units and entities of BayWa r.e. AG

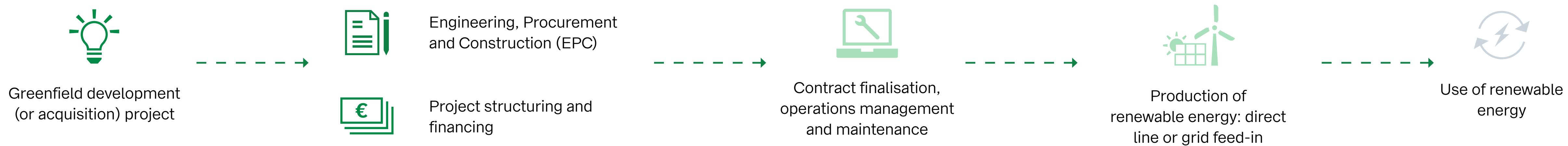
BayWa r.e. AG combines activities in the field of renewable energies. The BayWa subsidiary is a world-leading developer, contractor, photovoltaics wholesaler and provider of energy solutions and has an active influence in shaping the future of the energy industry. Through its Projects, Operations and Solutions divisions, BayWa r.e. covers the entire renewable energies value chain. At project level, the company's focus lies on photovoltaic and wind energy. Its services comprise the technical and commercial management of wind farms and solar parks, as well as energy trading.

BayWa r.e. is one of the world's leading wholesalers of PV components and provides comprehensive energy solutions for commercial and industrial customers. It is also active as an Independent Power Producer (IPP). In 2023, BayWa r.e. announced that the BayWa Group plans to sell the international solar trading business "Solar Trade" in order to focus on the international project business and further expansion as an independent power producer.



Renewable Energies segment value chain – business units and entities of BayWa r.e. AG

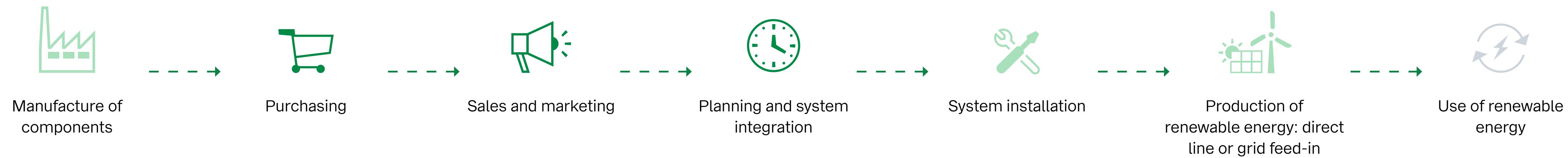
Projects: wind and solar



Operations: IPP*, including energy trading and services (technical and commercial management)



Solutions: solar trading and energy solutions





Measures and results

[BayWa r.e. enabled a further 4.36 gigawatts (GW) of generation capacity for renewable energies globally during the reporting period. This was achieved through the construction and installation of wind farms and solar parks and through the sale of solar modules. Consequently, BayWa r.e. makes an important contribution to the energy transition.] ✓

A milestone in 2023 was the completion of the largest floating PV system in Central Europe, constructed in Austria by the BayWa r.e. subsidiary ECOwind together with the energy supplier EVN.

BayWa r.e. is also working on improving the environmental impacts of projects in the field of renewable energy and increasing the acceptance of new projects among local stakeholders, which involves measures to involve and include them. A working group with members from various industries systematically tracks sustainability initiatives in relation to the respective project. Application of this “project sustainability checklist” was piloted in nine projects worldwide in the reporting period. The intention behind it is

to integrate socially and environmentally friendly measures into project development more strongly whilst also increasing transparency surrounding the positive effects of wind and solar projects.

In future, the team will develop an implementation plan for the project sustainability checklist, with details on technical implementation, communication and training for project developers.

4.36 GW

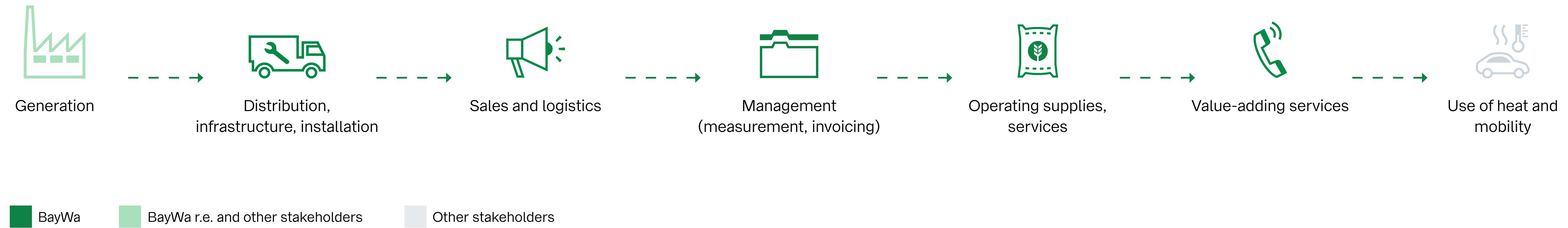
of additional **renewable energy** generation capacity enabled globally in 2023.

Energy segment

BayWa's Energy segment offers products and solutions in the fields of heating and mobility, primarily in southern Germany and Austria. It supplies customers with products that include heating oil, diesel, operating supplies, lubricants, wood pellets and heating concepts. With BayWa Mobility Solutions GmbH, the segment provides solutions in the field of electric mobility, while BayWa Power Liquids GmbH stands for an open-minded approach to technology in mobility solutions for heavy-goods transportation. Such solutions include liquefied natural gas (LNG) and bio-LNG and hydrogen.

Energy segment value chain

Heating and mobility: relevant energy sources (diesel, heating oil, wood pellets, LNG)





Measures and results

The Energy segment has implemented the ISO 9001 quality management standard. Wood pellets, a renewable energy source, have developed into an important alternative to fossil fuels. A large share of the pellets sold by BayWa are PEFC-certified, which means they come from sustainable plantations. The pellets are made from either sawmill wood waste or wood that cannot be used to manufacture other wooden products.

In 2023, BayWa Energie Dienstleistungs GmbH began expanding its heating network, which is connected to the biomass heating plant it operates in Neustadt an der Waldnaab, in order to supply heat to more buildings. This expansion is being funded by the Federal Ministry of Economics and Climate Protection's "Federal funding for efficient heating networks" programme.

In addition to a biodegradable product line, BayWa also sells a "re:source" line in the Lubricants business entity. It comprises recycled lubricants, formulated from base oils which are produced in a way that optimises their environmental footprint. This significantly reduces resource consumption and CO₂ emissions. For example, using 1,000 litres of the equivalent hydraulic oil (re:HYD HV) saves around 1,186 kg of CO₂ equivalents.

The subsidiary BayWa Mobility Solutions has a mobility offering with an integrated advisory service, for example, for a fleet solution for companies, for agriculture or for private individuals. In the field of electric mobility, it focuses on advice and planning, and the installation and operation of charging infrastructure. More than 2,100 charging points have been set up in public and semi-public spaces since 2020. Of this number, 1,800 were quick charging points for a variety of customers. BayWa Mobility Solutions built and installed approximately 300 charging parks in 2023, featuring predominantly quick charging points. Furthermore, the subsidiary is now increasingly present in the charging point operator business. It has won the tender for the German network from the Federal Ministry of Transport and Digital Infrastructure and will construct and operate 20 charging parks by the end of 2026.

For heavy-goods vehicles running on LNG, the subsidiary BayWa Power Liquids operates a network of 12 LNG stations, which in future will be able to supply pure bio-LNG. Green LNG or bio-LNG is liquefied biomethane made from residual and waste materials.

BayWa now offers gas leak testing as a new service. Operators of biogas plants, sewage treatment plants or municipal waste fermentation plants are obliged to carry out such testing every three years in order to ensure occupational health and safety, plant safety and climate protection. Minor damage or leaks in biogas plants can lead to the escape of methane. Special cameras are used to visualise even the smallest gas leaks.



In **2023** BayWa Mobility Solutions built **approximately 300 charging parks**.

Agriculture

Cefetra Group segment



The new “**Cefetra Ecosystem Services initiative**” seeks to work with customers and suppliers on the transition to **more environmentally friendly agriculture**.

The Cefetra Group (Cefetra) is a global supplier of agricultural ingredients for the feed, food and fuel industries. The Cefetra Group markets more than 250 different agricultural products, procures them worldwide and distributes them to all customers, with just-in-case or just-in-time delivery. The synergy between the various brands, companies and partners enables the entire Group to adapt quickly to changing customer needs. In addition to the broad product portfolio, the company has a strong focus on providing services such as quality control and sustainability consulting.

The Cefetra Group has firmly integrated the topic of sustainability into its five-year corporate strategy for the years 2019 to 2024.

Cefetra B.V., a subsidiary of the Cefetra Group traded some 1.6 million tonnes of soya in 2023 (2022: approximately 1.4 million tonnes). A volume of 1.7 million tonnes was certified according to the CRS, RTRS or ProTerra sustainability standards during the reporting period (2022: approximately 1.4 million tonnes). The percentage of non-GMO soya certified by ProTerra stood at around 4.4 %.

Measures and results

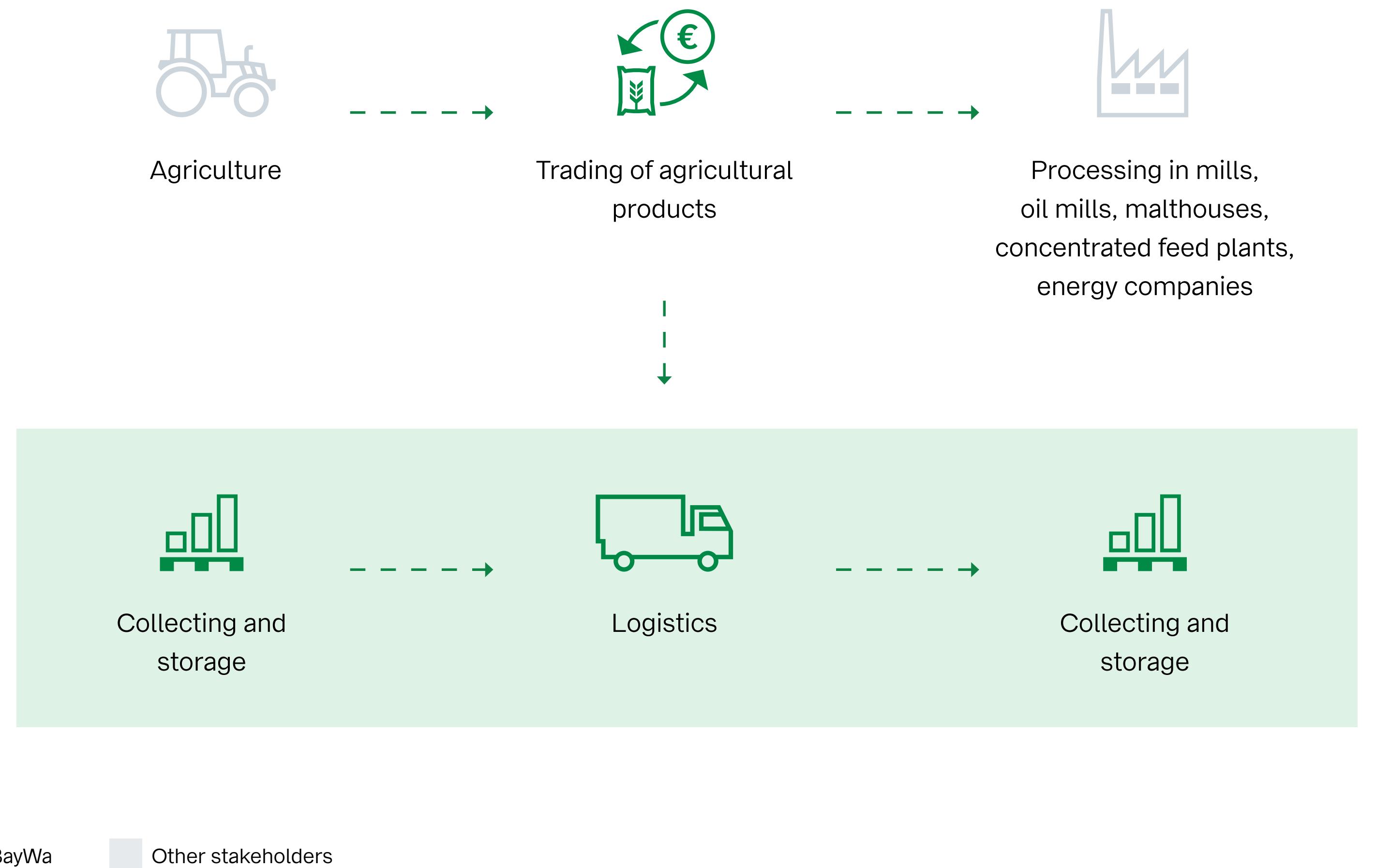
Cefetra B.V. is audited due to its membership in the Roundtable on Sustainable Palm Oil (RSPO) and the Round Table on Responsible Soy Association (RTRS). Cefetra Limited (UK), Cefetra B.V. (NL) and Cefetra Feed Services B.V. (NL) have been entitled since 2021 to trade RSPO-certified palm oil products based on the mass balance supply chain model.

Cefetra B.V. is also involved in numerous initiatives and several working groups:

- UK Roundtable on Sustainable Soya;
- Dutch Soy Platform Initiative;
- Coceral Food and Feed Safety Working Group;
- Coceral Joint Sustainability Group;
- MVO Food and Feed Safety Working Group;
- MVO Working Group Sustainable Sourcing;
- ProTerra Stakeholder Council;
- Roundtable on Sustainable Palm Oil (RSPO);
- OECD-FAO Multi-Stakeholder Expert Working Group on Business & Deforestation, and
- EU Multi-Stakeholder Platform on Protecting and Restoring the World’s Forests.

Cefetra B.V. has developed the [Certified Responsible Soya \(CRS\) standard](#) ↗.

Cefetra Group segment value chain



In 2022 and 2023, Cefetra looked into opportunities to play an active role in emissions trading. The main conclusion was that efforts will primarily focus on insetting, i.e. identifying reduction potential in Cefetra's own supply chains.

In 2022, Cefetra began carrying out life cycle assessments (LCA) for a broad range of its products. These were originally intended for internal purposes to raise awareness among employees and subsequently customers. Since then, internal and external demand for these assessments has been growing.

To improve transparency in the complex supply chains for agricultural commodities such as soya, Cefetra participates in several projects with other stakeholders in the company's upstream and downstream supply chain. Cefetra also works closely with its direct suppliers to obtain a better insight into where and how the commodities are produced.

In one project, Cefetra uses a mass balance system to track the origin of soya beans. It is proven for these farms that no deforestation has taken place since 2019. In another project approach, Cefetra certifies farms that supply beans to the crushers, from which soya meal is sourced.

Furthermore, Cefetra is involved in several projects to improve EU legislation and works with other companies to ensure that the upcoming new legislative measures can be implemented. For example, Cefetra was selected by the European Commission as a pilot partner to test its information system in connection with the EU regulation on deforestation-free products (EUDR). Cefetra is also a selected member of a special working group within the European Commission's deforestation platform, in which the membership base of [Coceral](#) is represented.

- High ≥ 70 %
- Medium = 5–70 %
- Low ≤ 5 %

Sustainability certificates and standards for subsidiaries of the Cefetra Group

Certificate/standard in the field of sustainability	Description	Valid for the following Cefetra Group subsidiaries	Prevalence of standard within the Cefetra Group
GMP+ FRA ↗	Quality standard	Cefetra B.V.	○
International Sustainability and Carbon Certificate (ISCC) ↗	Sustainability standard	Cefetra B.V., Cefetra Feed Service B.V., Cefetra Iberica	●
KZR INiG ↗	Sustainability standard	Cefetra Polska	○
Organic standard (EU Organic Production Regulation, USDA Organic) ↗	Eco-friendly farming	BioCore B.V., Royal Ingredients Group B.V., Cefetra Dairy, Cefetra Feed Service B.V., Cefetra Iberica, Cefetra Limited, Cefetra Italy, Cefetra Polska, Heinrich Brüning GmbH	●
Roundtable on Sustainable Palm Oil (RSPO) ↗	Supply chain certification for site sustainability	Cefetra B.V., Cefetra Feed Service B.V., Cefetra Limited	●
SMETA ↗	“Sedex Members Ethical Trade” audit	Cefetra Limited	○

Sustainability certificates and standards for selected products at the Cefetra Group

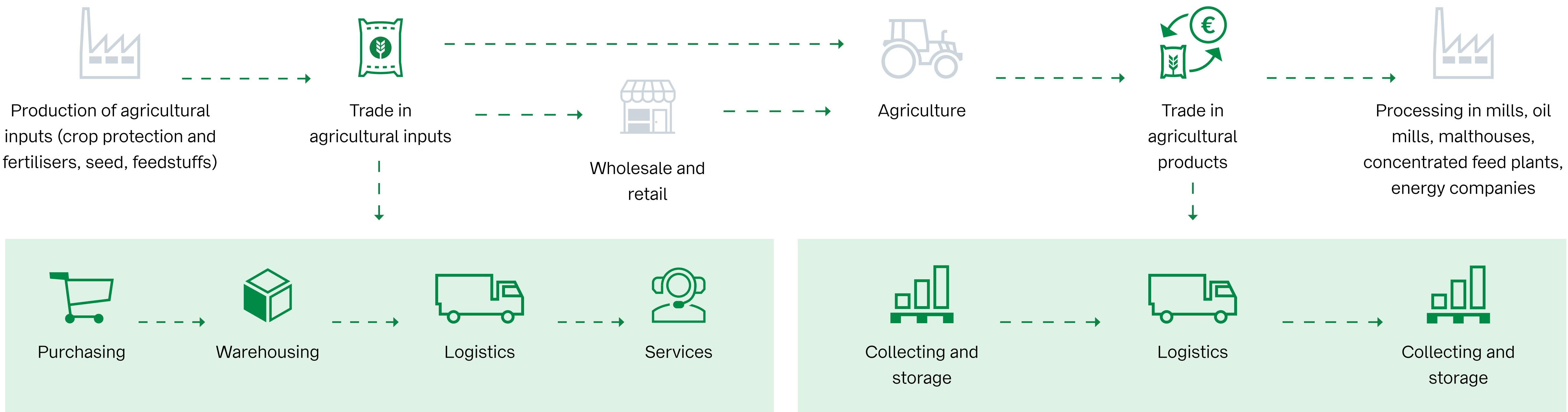
Certificate/standard in the field of sustainability	Description	Valid for the following Cefetra Group products	Prevalence of standard within the Cefetra Group
Standard Certified Responsible Soya (CRS) ↗	Sustainable soya sourcing guideline	Soya	●
Roundtable on Responsible Soy Association (RTRS) ↗	Sustainability standard and quality management	Soya	●
ProTerra Standard ↗	Sustainability standard	Soya	●
Roundtable on Sustainable Palm Oil (RSPO) ↗	Sustainability standard for palm oil	Palm oil products (incl. palm kernel expeller)	●

Agri Trade & Service segment

The focus of the Agri Trade & Service segment is direct trading business with farmers. It supplies farming customers in Germany and Austria with agricultural inputs. These inputs include seed, fertiliser, crop protection products and feedstuff and hygiene products for animal husbandry. At the same time, the segment

collects products such as grain, oilseed and hops after they are harvested and markets them to local and regional processors, as well as in export markets.

Agri Trade & Service segment value chain





Measures and results

[BayWa AG counted¹ just under 1.06 million tonnes of grain (wheat, barley, corn, rye, triticale) and approximately 170,678 tonnes of oilseed (rapeseed, soya beans) in Germany in 2023. Approximately 57% (2022: almost 60%) of the grain and 98% (2022: 98%) of the oilseed has EU certification under the RED-cert sustainability standard. With the exception of rapeseed, it also met the GMP+ B 3 feedstuff safety standard. The share of non-genetically-modified soya meal sold in the Agri Trade & Service segment at BayWa AG was around 37% in 2023 (2022: 32%). This means that 63% (2022: 68%) of the soya meal sold was genetically modified, a characteristic which is subject to a special labelling requirement. Moreover, 86 sites (2022: 83) in Germany have “GMO-Controlled” certification and are therefore recognised by the German Association for Food without Genetic Engineering (Verband Lebensmittel ohne Gentechnik e.V., VLOG). This makes it possible for farmers who participate in non-GMO programmes to supply certified feedstuffs.] ✓

Many farmers in Germany want and need to apply higher animal welfare standards in the future. BayWa AG supports its customers with corresponding offers. This includes advice about animal welfare measures as well as the planning and construction of more

animal-friendly stalls and further development of adjusted feeding and hygiene protocols. With its own brand Bonimal, BayWa has created a system solution that meets the increasing demands for animal welfare, hygiene and feeding. Data on cattle activity can be collected and analysed using sensor technology and data processing. In 2023, BayWa integrated an offering for the automated acquisition of animal health information into its product portfolio. Furthermore, BayWa supports dairy farmers with its herd management advisory service with measures to increase animal welfare and use resources sustainably. Customised feeding concepts are developed for pig farming, in part to reduce the input of nutrients into the environment. BayWa also offers a product intended to reduce the outgassing of methane and CO₂ from liquid manure. In particular, the comprehensive view of ways to reduce emissions on farms was taken up in 2023 and is being continuously developed.

[BayWa AG’s Agri Trade & Service segment has been supporting organic farmers with the BayWa Öko concept through a comprehensive range of products and advice. There are 108 sites (2022: 106) that are certified for trade in packaged organic agricultural inputs and feedstuffs, while 6 sites (2022: 6) also collect loose organic agricultural products.] ✓ A team of regional organic

experts is on hand to advise organic farmers. It works closely with colleagues from conventional sales, as products and solutions from organic farming are also increasingly being used in conventional agriculture, such as the use of mechanical hoeing equipment instead of crop protection products. In addition, RWA AG’s “Unser Bio” range has been exclusively offering products that comply with the European Council regulation on organic production.



The “BayWa Öko” concept offers a comprehensive range of **products and services** for organic farmers.

¹ Refers to the physical receipt of goods at BayWa locations.

Sustainability certificates and standards for sites in the Agri Trade & Service segment

Certificate/standard for quality or sustainability	Description	Valid for the following sites in the Agri Trade & Service segment	Prevalence of standard within the Agri Trade & Service segment
Donau Soja ↗, Europe Soy Standard	Feedstuff safety standard for trading, collecting, warehousing and cargo handling	2 sites	○
EU Organic Production Regulation ↗	Feedstuff safety standard for trade	108 sites	●

Figure: Sustainability certificates and standards for products in the Agri Trade & Service segment

Certificate/standard for quality or sustainability	Description	Valid for the following products in the Agri Trade & Service segment	Prevalence of standard within the Agri Trade & Service segment product class
REDcert ↗	Sustainability certification for biomass	Grain, oilseed	●
EU Organic Production Regulation ↗	Certificate for organic products	Feedstuffs, grain, seed, hops, fruit for juicing	○
Donau Soja ↗, Europe Soy Standard	Certification for non-GMO and source-identified, high-quality soya from Europe	Soya and soya products	○

● High ≥ 70 %

○ Medium = 5–70 %

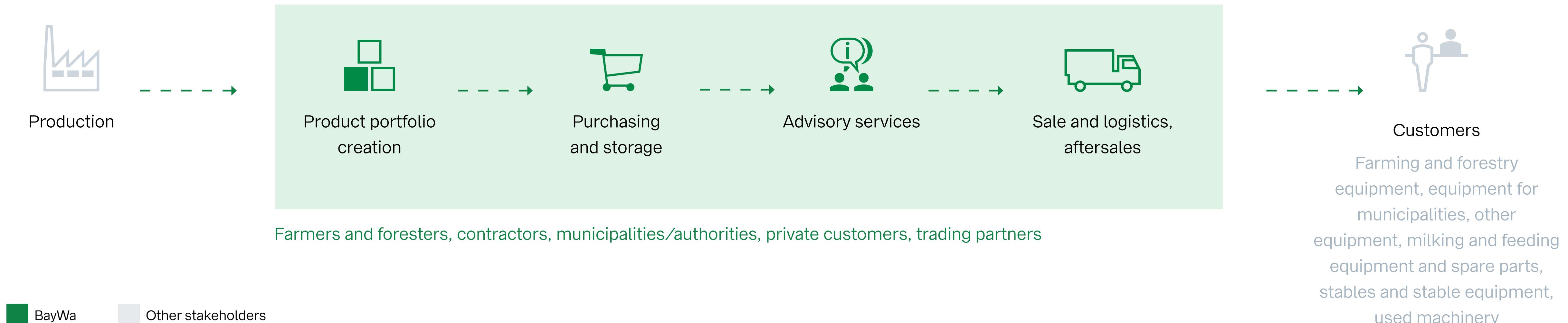
○ Low ≤ 5 %

Agricultural Equipment segment

The sale of machinery, equipment and systems for agriculture, forestry and the public sector in Germany and Austria is pooled in the Agricultural Equipment segment. It is responsible for the sale of new and used machinery, as well as maintenance and repair services, including spare parts. Its services are provided at approximately 212 workshops or directly on site by over 687 mobile service vehicles.

Customers include farms and forestry operations, as well as vineyards, fruit farmers, municipalities and commercial enterprises. The segment also offers various brands of vehicles for sweeping, cleaning and winter services, as well as mowing and sporting venue technologies.

Agricultural Equipment segment value chain

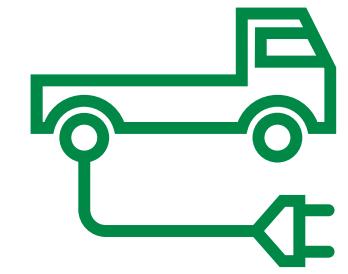




Measures and results

The Agricultural Equipment segment has a variety of product solutions in its portfolio that help to reduce impacts on the environment. To reduce the use of agricultural inputs (such as crop protection products), the range includes smart machinery and device programmes. Additionally, BayWa offers a wide range of products and services for tilling fields mechanically for eco-friendly farming, including technology for weed control. IT-supported guidance systems in tractors and harvesting machines, as well as autonomous field robots, enable optimum use of vehicles while streamlining work processes.

BayWa keeps its customers' machinery and vehicles operational in the long term through professional repairs and services. The company also professionally reconditions second-hand machinery for the next customer in order to maintain the machines' operational and performance capabilities.



The Agricultural Equipment segment offers an increasing proportion of **electrified vehicles**, particularly in the municipal, commercial and forestry equipment sectors.

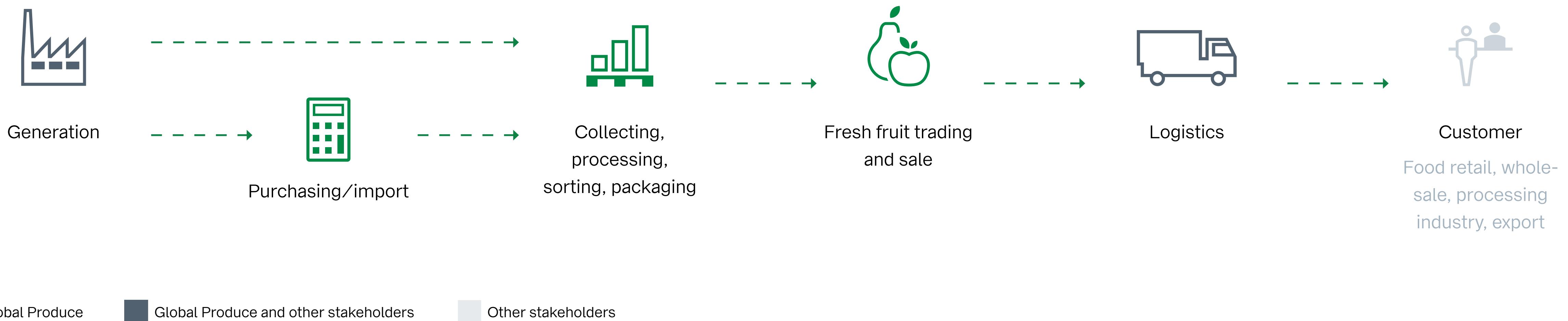


Global Produce segment

BayWa Global Produce GmbH (BayWa Global Produce) is a leading global provider of fruit and vegetables. This BayWa segment has its roots in trading fresh products from Germany and New Zealand. Today, the product variety ranges from local apples and summer fruits to products from all over the world. In its international pome fruit business, BayWa maintains global trade links to the Americas, Asia, Australia, the UK and Europe through its subsidiary T&G Global Limited (T&G Global).

Through its majority stake in Netherlands-based TFC Holland B.V., BayWa also carries exotic speciality fruits. Global Produce stands for innovative, long-term business relationships and trust-filled alliances in both the southern hemisphere and the northern, be it as a strong-performing partner for farmers or as a supplier of speciality products.

Global Produce segment value chain





Measures and results

Food safety and quality are the top priority at BayWa Global Produce. That is why both its sites and its products meet a wide variety of international quality and sustainability standards (see next page).

With regard to responsible supply chains, for example, T&G Global's suppliers of products and packaging services must be able to demonstrate that a large number of evaluations have been fulfilled.

At T&G Fresh, suppliers must comply with globally recognised food safety standards accredited by the Global Food Safety Initiative (GFSI). Suppliers must meet the minimum standards of New Zealand Good Agricultural Practice (NZGAP) to ensure the quality and safety of the products they supply. The farms that grow citrus fruits, tomatoes and berries meet the standards of Global G.A.P. and GRASP. In addition, the berry farms are SEDEX/SMETA certified, which emphasises the commitment of T&G Global to ethical and social standards in production.

All T&G Global apple producers (its own and independent) are certified according to the New Zealand Food Act 2014, Global G.A.P. and GRASP. Of T&G Global's apple producers, 79 % are SEDEX-registered.

All warehouses and processing facilities supplied by T&G Global post-harvest (its own and independent) are GFSI and BRC food safety certified and SEDEX-registered.

In Great Britain, all Worldwide Fruit Limited suppliers are required to demonstrate the ethical performance of their supply chains by being active SEDEX members, whereby all relevant packing plants must be registered.

In Germany, producers also meet the requirements of regional quality seals, such as the Regionalfenster, which informs consumers of a product's origin and the region in which it is sold. In the previous year, BayWa Obst GmbH invested in new packing and sorting equipment at the Ravensburg site to increase sales of organic products. In 2023, BayWa Obst GmbH continued with its project to replace refrigerants that are damaging to the environment in order to avoid risks.

A further measure that was carried out in the Global Produce segment in 2022 and 2023 was a pilot ecological assessment of T&G Global's Jazz™ brand apple for multiple supply chains. It mapped the baseline situation and CO₂ emissions across multiple supply chains to better understand the factors of apple cultivation and the post-harvest footprint. Since 2021, T&G Fresh



A pilot ecological assessment for T&G Global's Jazz™ brand apple has been underway since 2022 for multiple supply chains.

has additionally offered Fairtrade-certified bananas with a carbon footprint that is offset with credits from an organisation that is committed to long-term rainforest protection in Ecuador.

In 2023, BayWa Global Produce worked on setting climate targets for the Science-Based Targets Initiative (SBTi), with plans for these to be validated and adopted in 2024.

The following tables provide an overview of selected sustainability standards and certificates for sites and products.

Sustainability certificates and standards for selected sites in the Global Produce segment

Certificate/standard for sustainability	Description	Valid for the following BayWa Global Produce GmbH sites
Organic standards (e.g. EU Organic Production Regulation ↗, Demeter ↗, Naturland ↗, Bioland) ↗	Quality standard for eco-friendly agricultural products	BayWa Obst GmbH and TFC Holland B.V., and Worldwide Fruit Limited packing sites. Two of the packing houses of T&G Global are registered with BioGro NZ.
Social standards (e.g. SEDEX/SMETA Fairtrade)	Social and ethical standards in agricultural production and processing	TFC Holland B.V., Worldwide Fruit packing sites (each farm must be SEDEX-registered) and T&G Global's own farming and packing sites for apples and berries. Bananas are Fairtrade.

Sustainability certificates and standards for selected products in the Global Produce segment

Certificate/standard for sustainability	Description	Valid for the following BayWa Global Produce GmbH sites	Prevalence of standard within the Global Produce ¹ segment product class
GLOBAL G.A.P. ↗	Quality assurance system and certification system for agricultural production	Across multiple product categories (e.g. apples, pears, stone fruit, avocados and berries)	
Social standards (e.g. Fairtrade ↗, SEDEX ↗, QS Voluntary Inspection of Working and Social Conditions ↗, GLOBAL G.A.P. GRASP ↗)	Social and ethical standards in agricultural production and processing	Across multiple product categories (e.g. apples, pears, stone fruit, avocados, bananas, mangos)	
Organic guidelines (e.g. EU Organic Production Regulation ↗, Demeter ↗, Naturland ↗, Bioland) ↗	Environmental standards in agricultural production and processing	Across multiple product categories (e.g. apples, pears, berries)	

¹ Due to complex global supply chain structures, this data is based on quantitative sources (data exports) as well as qualitative ones (estimates). BayWa Global Produce GmbH is currently developing a systematic data collection process for the entire segment



High $\geq 70\%$



Medium = 5–70 %



Low $\leq 5\%$

Building Materials



The Building Materials segment covers the complete spectrum of building materials, ranging from subsurface construction, surface construction, new-build construction, renovation and modernisation to horticulture and landscaping as well as solution packages for energy and healthy buildings. BayWa serves the entire planning and construction process (specialised trade, services, systemic construction as well as project development and realisation).

The innovative portfolio of products and services across the value chain is oriented towards the future of construction, with a special focus on energy efficiency, healthy housing and resource-conserving, climate-friendly construction.

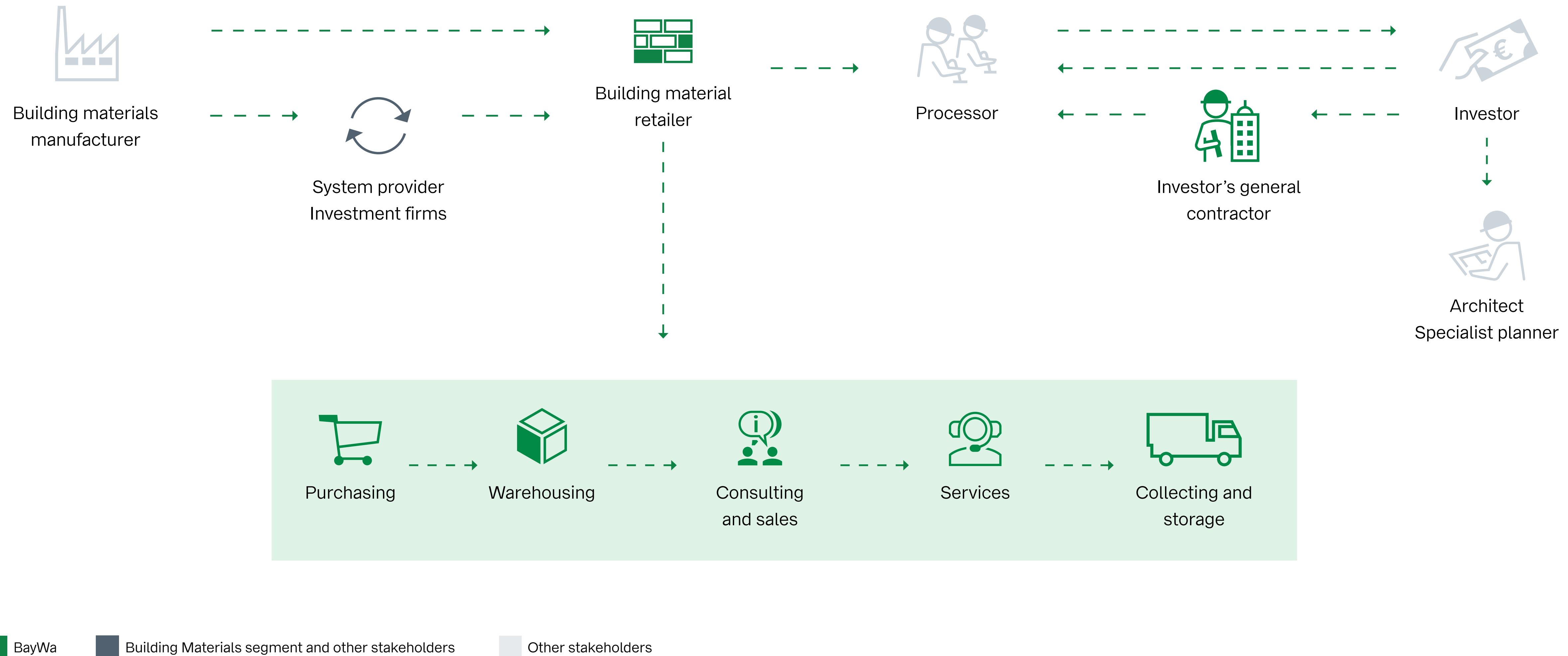
The product spectrum is aimed at all stakeholders in the property industry, including construction companies, local authorities, tradespeople and private builders and renovators. BayWa also offers its customers numerous specialisations, a wide range of services and support for innovative topics such as healthy construction and energy efficiency. Digital solutions can also make everyday working life and working on the move easier. With this diversified service spectrum, the Building Materials segment supports its customers in actively influencing change in construction and successfully becoming a master of it.



Measures and results

Through a wide range of products and services, BayWa makes safe, healthy and environmentally friendly construction a reality for customers. As in the previous year, these products and services include planning for healthy homes, consultation on energy standards and a financial support service, which provides advice about modernisation measures. Sustainable construction solutions range from radiant cooling and heating solutions, which moderate room heating and temperature naturally, to newly developed high-efficiency houses classed as sustainable. This requires things such as the Sustainable Buildings quality label. The BayWa subsidiary H2X also combines sustainable technologies with the conventional building trade, resulting in an efficient, dual-system construction method that combines solid cross-laminated timber wall elements with reinforced concrete ceilings. Serial prefabrication increases efficiency in the construction process. By making use of renewable resources, the H2X system can satisfy the increased demand for sustainable living.

Building Materials segment value chain



Innovation and Digitalisation



Digital farming portfolio allows smaller and medium-sized farms to use modern **productivity-boosting technologies**.

In its Innovation & Digitalisation segment, BayWa not only leverages the potential of advanced digitalisation, but also underlines the strategic importance of innovation for the entire company. The segment brings together digital activities and the further development of innovative approaches. Currently, it is focusing on projects in the areas of digital farming and eBusiness. Digital farming creates new opportunities for agriculture to make business more cost-effective and sustainable.

Through its investment in FarmFacts GmbH, BayWa offers a farm management system that makes digital benefits available to farmers regardless of their farm's form or size. A further approach is to use satellite data for agriculture. VISTA Geowissenschaftliche Fernerkundung GmbH, a Group subsidiary, has launched solutions on the market that are having a positive impact on the consumption of agricultural inputs and water resources, as well as on crop yields. The eBusiness sector involves linking digital services such as online procurement with bricks-and-mortar retail, and pushing further ahead with advisory apps and optimising them.



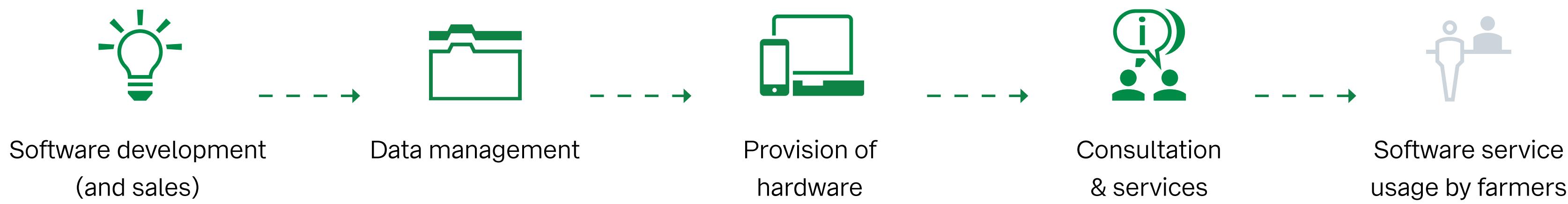
Measures and results

Innovative technologies and products can help the agriculture sector to do business in a way that consumes fewer resources. The examples from BayWa's range of products and services include high-performing product varieties, electronic seed treatment as an alternative to chemicals, using drones to apply beneficial insects or to sow seeds, geo-referenced soil sampling, field robots, various water management technologies, or needs-based fertilising. These solutions are complemented by an extensive sales and consulting network.

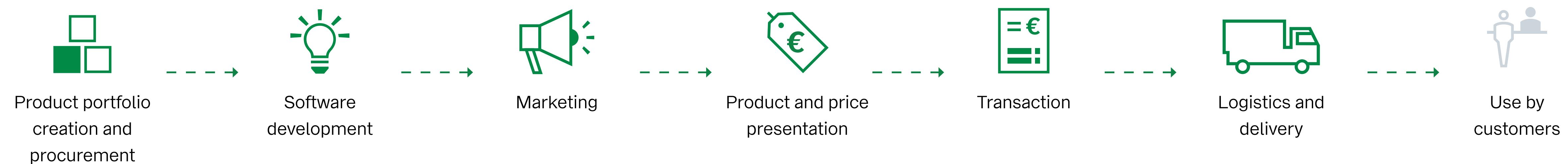
BayWa's digital farming portfolio allows smaller and medium-sized farms to use modern productivity-boosting technologies. Using satellite data, BayWa is able to offer agricultural advisory services to farmers around the world from Germany. In 2023, it was therefore engaged at sites in Germany, Zambia, South Africa and Argentina.

Innovation & Digitalisation segment value chain

Digital farming



eBusiness



BayWa



Other stakeholders

Responsibility along the supply chain

Procurement

With approximately €21 billion being spent on procurement each year, the BayWa Group's purchasing patterns have an impact on people and the environment. This influence extends from the Group's own area of business to its suppliers and the deeper supply chain. Accordingly, responsible procurement from suppliers that do business in accordance with environmental and social standards can minimise risks and make a positive contribution in the supply chain. However, if there are significant breaches of these standards by direct suppliers or in the deeper supply chain, this can inflict great damage at the place where these breaches occur. What's more, they can influence BayWa's reputation. Simultaneously, businesses are increasingly required by legislative developments nationally and internationally to fulfil human rights due diligence obligations in their supply chains ([see Human rights due diligence section](#) ).



Guiding principles, structures and processes

BayWa maintains business relationships that are, above all, long-term and stable. The Group's segments and their subsidiaries primarily have their own responsibility for procurement processes for goods and services and apply these processes by themselves. To standardise these processes, a Strategic Purchasing department was started at the parent company, BayWa AG, in 2021. Since then, the department has professionalised and managed overarching procurement processes, including in relation

to contracts, supplier evaluation, statutory specifications and sustainability. Furthermore, due to the diversity of the Group's product portfolio, the segments use different, segment-specific certification standards ([see Sustainable products and solutions sub-chapter](#) ).

During the reporting period and the two previous years, the BayWa Group developed processes and implemented measures that are intended to ensure fulfilment of human rights due diligence obligations, as required by the German Act on Corporate Due Diligence Obligations in Supply Chains (LkSG) ([see Human rights due diligence section](#) ). These measures include obtaining self-disclosures from suppliers with an increased risk profile and the integration of clauses in all contracts to require suppliers to abide by human rights and environmental requirements in the BayWa Supplier Code of Conduct and to address these requirements adequately in their own supply chains. BayWa composed the [Supplier Code of Conduct](#)  in 2021.

In the Energy segment, a dedicated purchasing and management manual governs procurement. Furthermore, the purchasing team requires its suppliers to provide a self-disclosure in line with the quality management requirements. The self-disclosure also covers sustainability aspects such as environmental protection, as well as workplace health and safety. In the BayWa AG Agri Trade & Service segment, sustainability-related topics have been incorporated into the supplier assessment for feedstuff products – this applies to private-brand suppliers as well as core suppliers.

In the food industry, transparency, traceability and optimum process management play a particularly key role in procurement processes. The Global Produce segment has implemented, among other things, a quality management system for procurement. Global Produce's suppliers also make a pledge as part of a self-disclosure obligation to comply with relevant laws and standards as well as quality and safety requirements. Moreover, a significant proportion of suppliers in the segment meet the social standards ([see Global Produce segment section](#)).] ✓

Additionally, the BayWa segments have various environmental and social standards depending on their product ranges, and a portion of the respective products are certified according to these standards ([see Sustainable products and solutions sub-chapter](#)).



Objectives

[The BayWa Group has a goal of embedding aspects of sustainability into its purchasing practices and decision-making. In the previous year and the reporting year, important steps here were to enquire about these aspects with strategic suppliers by means of self-assessments and to incorporate the results into a supplier scorecard. The scorecard will then be used for purchasing decisions. BayWa AG and its subsidiaries inform existing and new

suppliers of its sustainability expectations by means of contractual assurances in accordance with criteria pursuant to the Act on Corporate Due Diligence Obligations in Supply Chains.

Central Strategic Purchasing will also issue a Supplier Guideline by the end of 2024 that summarises all the core principles and objectives of BayWa AG's collaboration with its suppliers. This will be made available to every supplier. In addition, Central Strategic Purchasing is developing a purchasing sustainability strategy that will serve as a framework for the individual divisions by June 2024.

A long-term goal of the BayWa Group is to increase transparency throughout global supply chains in order to contribute to improved human rights and environmental conditions, even among upstream suppliers.] ✓



Measures and results

[The BayWa Group reviewed its value chains in relation to social and environmental issues as part of a comprehensive risk analysis from 2020 to 2022 ([see Human rights due diligence section](#)). Building on this risk analysis, an annual risk analysis will be carried out for BayWa AG and its subsidiaries under a decisive influence in the context of the supply chain due diligence legislation (LkSG) from 2023.

The Supplier Code of Conduct has been integrated into all contract templates of the parent company, BayWa AG, and its subsidiaries under a decisive influence as per the LkSG criteria. This means that all new contracts include the requirements. Existing suppliers of BayWa AG have received a supplement to their contract. All subsidiaries under a decisive influence as per the LkSG criteria have received the contractual clauses on the Supplier Code of Conduct with a request to implement them and are progressively implementing these clauses (for more about the subsidiaries [see Human rights due diligence section](#)).

In 2023, the parent company BayWa AG implemented an evaluation system for the ongoing evaluation and development of suppliers in relation to sustainability criteria, which is to be rolled out at BayWa AG by the first quarter of 2024. In addition, as planned in the previous year, an overarching purchasing manual for BayWa AG was developed in 2023, which addresses the topic of sustainability and the increased requirements for human rights due diligence. Among other things, it defines the obligation for strategic suppliers to complete a self-disclosure form on sustainability issues.

In the reporting year, BayWa AG also defined criteria according to which products can be classified as sustainable for the procurement of advertising materials and its own requirements. Sustainability principles are also currently being developed on the basis of the evaluation system for the parent company's trading business. These principles are to be applied to BayWa's strategic suppliers.

Many business units at BayWa take a local approach to procurement. Of the direct suppliers to the parent company BayWa AG in 2023, 95 % came from Germany (2022: 95 %), and around 99 % came from Europe (2022: 99 %).

In the reporting year, BayWa r.e. AG continued to establish processes and put in place measures to ensure the fulfilment of human rights due diligence obligations as required by the German Act on Corporate Due Diligence Obligations in Supply Chains (LkSG). This includes a corresponding social compliance management system (SCMS), which is currently being established and implemented. The company is also involved in dialogue within the energy industry that addresses respect for human rights along the supply chain. BayWa r.e. is also holding talks on key sustainability issues with its main suppliers. In the reporting year, dialogue was established or continued with two wind turbine manufacturers to discuss innovative concepts for sustainable production that avoids carbon emissions and that promotes recycling. More in-depth discussions and, if appropriate, the realisation of projects are planned for the coming year.

The New Zealand subsidiary T&G Global Limited, which is part of the Global Produce segment, similarly introduced a [Supplier Code of Conduct](#) ↗ in the previous year. It builds on the one that BayWa AG has.

The Cefetra Group updated its existing Supplier Code of Conduct in the previous year in line with the tightened Group requirements. All Cefetra subsidiaries have a Supplier Code of Conduct that is closely aligned with that of the Cefetra.] ✓



BayWa AG implemented a **supplier evaluation system** in relation to **sustainability criteria** in 2023.

Human rights due diligence

As an international corporation that trades goods and operates sites on all continents, the BayWa Group is heavily involved in complex, global supply chains. It purchases commodities, goods and services from suppliers in over 75 countries (2022: over 70 countries). Upholding human rights throughout these supply chains as well as in its own area of business is a core element of the BayWa Group's corporate responsibility. With its Energy, Agriculture and Building Materials business units, BayWa operates in highly labour-intensive fields where there is an increased risk of being linked to a human rights violation. In creating its Social Responsibility and Human Rights Policy Statement, BayWa has committed to being an advocate of human rights in its supply chains.



Guiding principles, structures and processes

The BayWa Group continuously implements the human rights due diligence obligations set out in the German Act on Corporate Due Diligence in Supply Chains Act (LkSG). BayWa is also subject to further national provisions such as the UK Modern Slavery Act. The Social Responsibility and [Human Rights Policy Statement](#), updated in 2023 and adopted by the full Board of Management, is based on international conventions and guidelines. In conjunction with BayWa's two codes of conduct (the [Code of Conduct](#) and the [Supplier Code of Conduct](#)), the policy statement summarises the key principles for the Group's conduct and the requirements for the conduct of business partners.

BayWa's guiding principles for its conduct are:

- Upholding human rights
- Mutual respect and integrity
- For equal opportunity, against discrimination
- Commitment to workplace health and safety
- Conscious consumption of resources
- Responsibility in the supply chain
- Social responsibility
- Ethical business conduct

The goals and requirements that are formulated in the guiding principles are managed through the BayWa social compliance management system (SCMS), which was been in place since 2021.

The entire Board of Management bears responsibility for dealing with human rights risks. The Corporate Social Compliance department has three employees to ensure compliance with legal requirements. The scope of Corporate Social Compliance comprises BayWa AG and the companies in which it holds an equity interest and a decisive influence within the meaning of LkSG. These companies include most entities in which BayWa has shareholdings, including the major Cefetra Group and BayWa Global Produce GmbH. BayWa r.e. AG and RWA AG are not subject to decisive influences as per the LkSG criteria, for which reason they implement their own guiding principles and processes in close coordination with Corporate Social Compliance. Corporate Social Compliance works in close dialogue with Corporate Compliance, Corporate Sustainability, Corporate Legal and the purchasing departments.

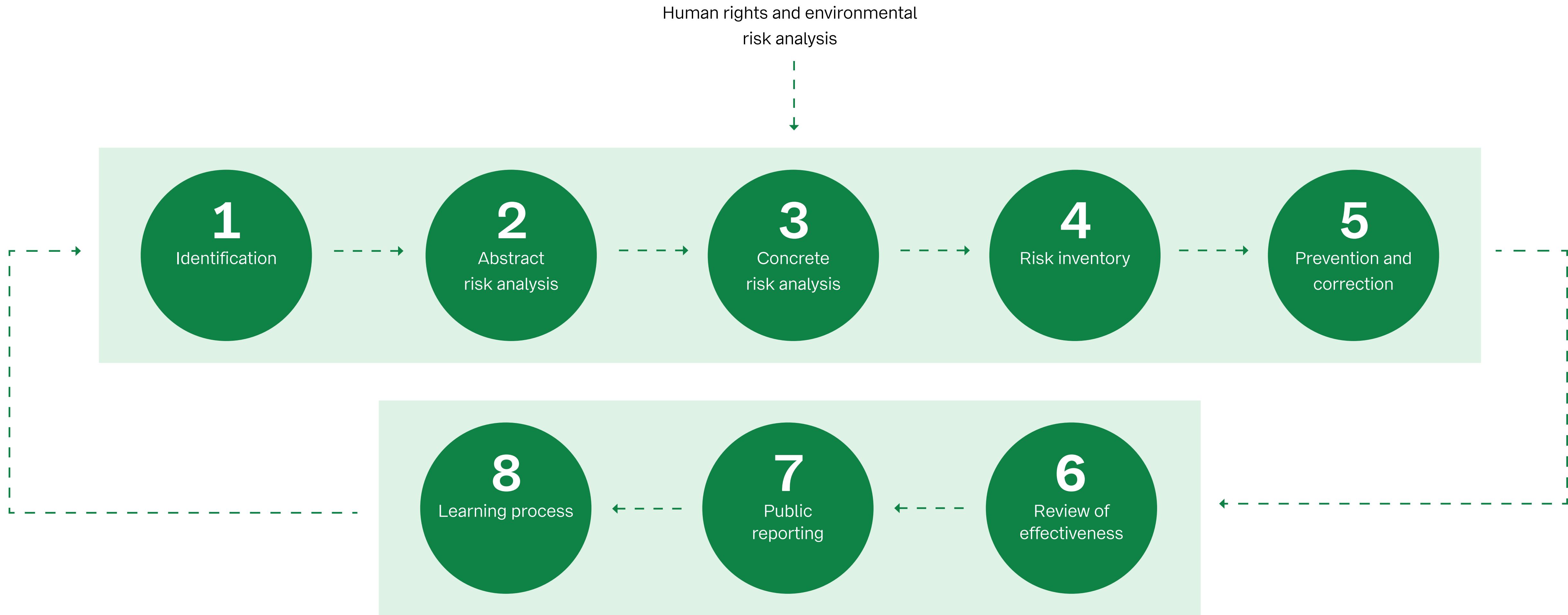
In the reporting year, direct suppliers of BayWa AG and the companies in which it holds an equity interest and a decisive influence within the meaning of the LkSG were evaluated on the basis of country and sector risk. The evaluation is based on a risk model that is adopted from Research Report 543, Die Achtung von Menschenrechten entlang globaler Wertschöpfungsketten (“The upholding of human rights across global value chains”), by the German Federal Ministry of Labour and Social Affairs. In addition, all suppliers of BayWa AG and the aforementioned affiliated companies regularly undergo adverse media screening¹. Self-disclosures on the topics of human rights, the environment, ethics, workplace safety and responsibility in the supply chain are sent out with the help of an external contractor to suppliers who have an increased risk profile and high relevance (measured by revenue).

The results of the above value chain risk analyses act as a basis for the integration of the risks into the BayWa Group's overall risk management ([see Opportunity and risk management section](#) ). The Group's risk managers now evaluate and prioritise the assessed risks each year. The resulting risk inventory forms the basis for prioritised audits and corresponding preventive and corrective measures in the following financial year.



¹ Adverse media screening is a process in which publicly available news sources, media reports and social media are systematically searched to identify negative information about companies.

Risk analysis for direct suppliers



If a human rights or environmental risk or a breach by a supplier is identified as part of the screening process, risk analysis, complaints procedure or other processes, corresponding corrective actions are immediately initiated in conjunction with the departments concerned to rectify the deficiencies. Risks and breaches among indirect suppliers are followed up if there is substantiated knowledge of such risks and breaches and remedies implemented either independently or in conjunction with industry initiatives and associations. Pursuant to the LkSG, the business relationship can only be terminated if the breach is very serious or if the supplier does not remedy the failing with suitable measures and an increase in the extent of BayWa's influence does not appear promising. No such cases occurred in the reporting period.

BayWa's existing Group-wide [complaints procedure](#) was enhanced in previous years in accordance with the requirements of the LkSG and published in 2023 on all websites of BayWa AG and of its subsidiaries under a decisive influence within the meaning of the LkSG. Tips can now be reported online in nine different languages. The report categories have also been revised and now include the subjects of human rights, environmental and climate breaches, discrimination and workplace safety, among others. A coordinator is defined for each report made, depending on its nature and scale. At buyer training, the employees are informed about this whistleblower system. Business partners are also made aware of the anonymous whistleblower system in the contractual assurance on the Supplier Code of Conduct.] ✓



Objectives

[The BayWa Group continually fulfils its human rights due diligence obligations and applies the following targets and measures for this:

- Further development of risk management for the (early) detection of human rights and environmental risks in the Group's area of business and among direct suppliers
- Continuous development and updating of the risk inventory based on a concrete risk analysis according to severity (scale, scope, irreversibility) and likelihood, and additionally for direct suppliers according to potential influence and cause contribution
- Increase in response rate to requested self-disclosures, especially from strategic suppliers
- Trigger-based risk analyses going beyond direct suppliers in particularly risky supply chains
- Increase in transparency in the supply chains for BayWa private brands and in risky supply chains in trading business
- Expansion and further development of Group-wide preventive measures and corrective actions, including a training protocol for buyers and suppliers
- Ongoing review of the effectiveness and adequacy of the risk management system by Corporate Audit] ✓



Measures and results

[Human rights and environmental risks were identified in the Group's own area of business in the 2022 financial year. These were subjected to a specific risk analysis in the 2023 financial year and the appropriate preventive measures together with the responsible (specialist) departments were assigned to them. The majority of the risks identified in 2023 can be assigned to the following categories: environmental pollution, poor workplace health and safety, greenhouse gas emissions and climate change, and health risks for the population. Risks identified in BayWa's supply chains also relate to the categories of biodiversity loss and land expropriation, changes in land use and forced resettlement.

In 2023, BayWa continued to update supplier agreements in accordance with the requirements of the German Act on Corporate Due Diligence Obligations in Supply Chains (LkSG) and having them countersigned by the counterparties. Revision of the corresponding contractual templates was completed in 2022. The contract clauses are based on the Supplier Code of Conduct, which meets the requirements of the LkSG and internationally applicable conventions for compliance with human rights provisions.

Since November 2023, the Code of Conduct e-learning course has been raising awareness of human and environmental due diligence obligations and expectations among employees of BayWa AG and its subsidiaries under a decisive influence within the meaning of the LkSG.

Furthermore, BayWa's SCMS was audited by Corporate Audit on behalf of the Human Rights Officer. This audit did not result in any material findings.

Adverse media screening and terrorist/sanctions screening at the BayWa Customs & Export department identified three breaches of human rights among direct suppliers in 2023. Together with the relevant specialist departments, Corporate Social Compliance contacted the suppliers and asked them to rectify the failings. Two cases were closed in the 2023 financial year, while one case is still in progress.] ✓

BayWa r.e.: dealing with human rights risks in the supply chain

BayWa r.e. strongly believes that additional industry-wide efforts and political commitment are needed to increase transparency and address social and environmental due diligence obligations along the supply chain. Following reports by human rights groups, including those from the solar industry, highlighting a possible connection with forced labour in production processes in the region of Xinjiang in northwest China, BayWa r.e. had commented on the issue and potential mitigation measures in its annual sustainability reports. In 2023, BayWa r.e. continued its efforts to minimise human rights risks and to work on measures together with suppliers in industry initiatives. Public reports from subsequent initiatives have shown that the risks of human rights violations have since been reduced through a gradual reduction of production processes in the region in question and that the industry has continued to broaden its due diligence obligations. BayWa r.e. therefore continues to be actively involved in both the [Solar Stewardship Initiative](#) ↗, which in collaboration with suppliers to the solar industry has developed an overarching ESG standard specifically for the solar supply chain, and the [Energy Sector Dialogue](#) ↗, which identifies and specifically addresses human rights-related risks in the energy industry.



Climate & Environment

Through its international business activities in the areas of energy, agriculture and building materials, BayWa has an influence on the environment and climate. The company seeks to reduce negative impacts as far as possible and to help protect the foundations of people's lives, including with its climate strategy and environmental management. BayWa has access to important levers for reducing carbon emissions, especially in the field of transport and logistics. Along with climate and energy, the company has also defined water as well as ecosystems and biodiversity as core topics in its sustainability strategy.

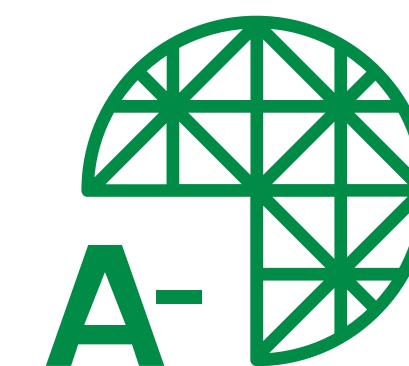


2023

BayWa organised its first internal **water symposium**.



As part of the CO₂ price budget, €4.5 million was invested in **CO₂ reduction measures**.



BayWa improved its CDP climate rating by **one grade (from B to A-)** in 2023.

53 tonnes

of used agricultural plastics were taken back by BayWa in 2023 on behalf of RIGK as part of the [ERDE Recycling](#) concept.

Flagship project

Completion of largest floating PV system in Central Europe

ECOwind, a subsidiary of BayWa r.e. Group, has worked with the energy supplier EVN to complete a floating solar park with a capacity of 24.5 MWp in Grafenwörth, Lower Austria. The facility is the largest of its kind in Austria and the fourth largest floating PV system in Europe, after three projects in the Netherlands, which were also built by BayWa r.e. The innovative application makes it possible to generate green electricity on previously unused bodies of water. At approximately 14 hectares in size, the PV system in Grafenwörth floats on two lakes situated in a former sand and gravel pit. The solar park will produce 26,700 MWh of green electricity per year, supplying around 7,500 Austrian households with green energy. The 45,304 solar modules were installed in just ten weeks.

In order to ensure that the system is optimally integrated into the surrounding ecosystem, regular surveys of the fish population and the local dragonfly fauna will be carried out over the next few years. With this project in Grafenwörth, BayWa r.e. has now completed a total of 15 floating PV projects around the world with capacity of more than 230 MW.



Climate and energy

Energy and emissions



4 out of 5 goals of the Climate Strategy 2025 **were achieved in 2023.**

BayWa is aware of its responsibility to protect the climate and wishes to contribute to the Paris Climate Agreement. As a globally active group trading goods and providing services, BayWa consumes energy and produces greenhouse gas (GHG) emissions at its sites and across the value chain. The company wants to reduce its emissions and cut its energy costs at the same time. In our direct business operations, our fleet of cars and heavy-goods vehicles, the operation of equipment and the supply of heat to buildings are the main consumers of energy. GHG emissions are also produced beyond the confines of BayWa in its value chains, particularly in purchased goods and services and upstream transportation, through the processing, use and disposal of products. BayWa is broadening the consideration of these emissions in its sustainability-related activities with the aim of blanket management of GHG emissions.



Guiding principles, structures and processes

The BayWa Group laid the foundations for its contribution to the limiting of global warming through the climate strategy that it adopted in 2018. BayWa orients itself towards a “well below 2°C” target and is striving for climate neutrality for Scope 1 and 2 emissions by 2030. The climate strategy is comprised of five targets ([see illustration on page 86](#)). The Group Operational ESG Board contributes to the achievement and implementation

of these targets ([see page 18](#)). It consists of sustainability representatives from subsidiaries and representatives from specialist areas. There is a climate strategy manual that aims to support subsidiaries and specialist areas with implementation. In addition to providing technical and professional oversight when planning and implementing measures for reducing energy and/or GHG emissions, the Corporate Sustainability organisational unit monitors progress towards the climate targets.

Since 2023, the internal carbon pricing (ICP) instrument has been supporting the decarbonisation of the company’s own processes and the achievement of the current climate strategy. In the reporting period, pricing each tonne of CO₂ equivalent at €50 resulted in a budget of €4.5 million to be reinvested in measures to reduce greenhouse gas emissions ([see also page 88](#)). The operational areas have responsibility for choosing the measures. They collaborate with Corporate Sustainability to focus on particularly efficient measures with high savings potential.

In addition to preventing and reducing emissions, offsets based on carbon credits are a useful instrument for BayWa. The corporate policy on carbon offset certificates and electricity guarantees of origin governs the company’s responsibilities and minimum requirements for the purchase of carbon credits and guarantees of origin for green power. The policy specifies that the only emissions that can be considered for offsetting are those that cannot

be prevented or reduced further at this point in time. The quality requirements concern, for example, criteria on the project standard and, if applicable, additional standards; on the project size (including the maximum annual saving); on the project location and on the year of issue of the carbon credits. The criteria are evaluated with the help of an additional evaluation schema for each project. BayWa puts value on having a diversified project portfolio, alongside its high quality requirements.] ✓



€4.5 million was reinvested in GHG reduction measures through **internal carbon pricing**.

Climate targets and status progress



¹ Base year: 2017. Taking into account green electricity certificates of origin. ² In terms of EBITDA. ³ BayWa defines climate neutrality as the avoidance, reduction and offsetting of remaining Scope 1 and 2 greenhouse gas emissions (CO₂ and other relevant gases with an impact on climate). Offsetting is achieved through investments in high-quality carbon credits.



Objectives and assessment of progress

[In its climate strategy, BayWa has set itself the objective of covering 100 % of its own electricity needs with renewable energies from 2020 onward – a goal that has been reached again in 2023.¹

Beyond that, the company has also set itself the goal of reducing the greenhouse gas emissions of BayWa's locations, company cars and own logistics by 22 % compared to 2017 by 2025.

BayWa reached its target again in 2023. These GHG emissions within the BayWa Group had, by 2023, fallen by 23 % compared to the base year used for the climate strategy (2017) (until 2022: fallen by 23 %). BayWa endeavours to maintain the reduction in the long term, including through further reduction measures within the framework of the internal carbon pricing instrument. Additionally, BayWa had in its climate strategy set itself a relative energy target: a 22 % reduction of energy intensity per euro of EBITDA by 2025, using the 2017 level as a basis. Thanks to cost-cutting measures, this target of minus 50 % (2022: minus 65 %) in relation to EBITDA was achieved and exceeded in 2023.

The target was reached ahead of schedule in 2022. Similarly, BayWa had also set a target of creating an additional 10 gigawatts of capacity to generate renewable energies by 2025. The capacity achieved in the reporting period was 16.33 gigawatts (2022: 11.97 gigawatts).

The long-term target is climate neutrality for Scope 1 and 2 emissions by 2030.

BayWa is aware of its responsibility for the GHG emissions that arise in the upstream and downstream value chain (Scope 3). It was not possible to finalise the definition of a Scope 3 target planned for the reporting period, as a complete Scope 3 inventory first needs to be drawn up. This is planned for 2024 in conjunction with an expansion and review of the Group's current climate strategy.]

Collecting and calculating emissions of greenhouse gases

[With its large number of administrative centres, warehouses, service locations, workshops and cold stores, BayWa has an extremely diverse end consumer structure. The segments and subsidiaries collect consumption data by themselves and report it in the Group-wide energy and climate management system.

The Corporate Sustainability organisational unit helps the companies to collect consumption data by providing relevant tools, a manual and training opportunities. The data collected is checked for plausibility at subsidiary level and then consolidated at Group level. BayWa has chosen the financial control approach as its consolidation approach. To this end, BayWa continued to include energy and emissions data from all fully consolidated subsidiaries

during the reporting period, reaching 100 %² coverage for Scope 1 and 2 emissions and for some of the upstream and downstream emissions, such as those from purchased goods and services, purchased energy, transportation, business travel and investments. The BayWa Group's GHG emissions are calculated in line with the internationally recognised Greenhouse Gas (GHG) Protocol Corporate Standard.

The following emissions are reported:

Scope 1: direct emissions from combustion processes of stationary systems (natural gas, heating oil, wood chips and wood pellets) and mobile systems (fuel from procurement and distribution shipments and other logistics using own and leased passenger cars) and direct emissions of volatile gases (e.g. coolants and refrigerants, methane loss)

Scope 2: indirect emissions from purchased electricity and district heating

Scope 3: indirect emissions from purchased goods and services (3.1), fuel and energy related activities (3.3), upstream transportation and distribution (3.4), business travel (3.6), employee commuting (3.7) and, since 2022, investments (3.15).

¹ Taking into account green electricity certificates of origin.

² Group of consolidated companies as at 30 September 2023.

In accordance with the GHG Protocol guidelines regarding Scope 2 emissions, BayWa reports its greenhouse gas emissions from electricity in two ways: the “location-based” method using the emissions factors of the respective national electricity mix, or the “market-based” method using the specific emissions factors under the contracts with electricity providers for all the electricity used (if available).

BayWa carried out a Group-wide materiality analysis for Scope 3 emissions in 2022 to identify the relevant Scope 3 categories. This resulted in the following main categories: 3.1 (purchased goods and services), 3.4 (upstream transportation and distribution), 3.10 (processing of sold products), 3.11 (use of sold products), 3.12 (end-of-life treatment of sold products) and 3.15 (investments). The following categories are reported for the 2023 financial year: 3.1 (purchased goods and services), 3.3 (fuel and energy related activities), 3.4 (upstream transportation and distribution), 3.6 (business travel), 3.7 (employee commuting) and 3.15 (investments). BayWa will continue to intensify its efforts in 2024 to set up consistent calculations for all material Scope 3 categories and integrate them into its climate strategy.] ✓



Measures

[Numerous segments and their subsidiaries continued to identify and implement measures to implement the Group-wide climate strategy during the reporting period. They converted heating systems to renewable heat, created additional thermal insulation and took energy efficiency into account when renovating their office buildings. They also brought additional photovoltaic systems online. Due to changes in the composition of the group of consolidated companies, however, the total value of electricity and heat from our own renewable energy sources has fallen. BayWa therefore places a higher priority on self-generation rather than purchasing green electricity or guarantees of origin. Employee training on energy-saving measures was also organised. Actions taken to this end, as in 2022, included replacing existing lighting systems with more energy-efficient alternatives. They also optimised car, truck and forklift use from an ecological standpoint by doing things such as conserving fuel or switching to electric models ([see also the Logistics and mobility section](#) ⓘ).

Various CO₂ reduction measures were implemented in 2023 as a result of the ICP introduced in the reporting year. For example, the subsidiary T&G Global Limited invested in heat screens for greenhouses in New Zealand, which will reduce heat losses and

thereby also greenhouse gas emissions. The subsidiary Cefetra invested in the replacement of a grain dryer with an energy-saving dual-burner dryer. At BayWa AG, the ICP was used to expand the electrification of the vehicle fleet. In addition to expanding the charging infrastructure for electromobility, BayWa AG was able to offer the use of electric cars in its own vehicle fleet at favourable conditions.

BayWa complements its reduction measures by offsetting GHG emissions through the purchase of carbon credits that comply with the internal corporate policy. Only carbon credits that can be assigned to one of the following categories are permitted:

- Projects for reforestation and land-use change (LULUCF)
- Projects to prevent deforestation (REDD+)
- Projects for the generation of renewable energies, energy efficiency and transport

Projects in these three categories must also be audited by a third party, for example in accordance with the Gold Standard. BayWa r.e. AG offsets all operational Scope 1 and 2 emissions and emissions from business travel using carbon credits (Gold Standard). The companies BayWa Obst GmbH and TFC Holland B.V. have also implemented reduction measures and acquire carbon credits for the remaining emissions in their operations.] ✓



Leistungsindikatoren und Ergebnisse

Energy consumption

[The BayWa Group's energy consumption during the reporting period fell to 625,055 megawatt-hours (2022: 649,277 megawatt-hours¹). Since 2020, 100 % of the BayWa Group's electricity needs have been covered by renewable energies. The share of green power with guarantees of origin was just under 21.2 % during the reporting period (2022: 17 %). In-house electricity and heat generation from renewable energy sources rose to 1,490,850 megawatt-hours Group-wide in 2023 (2022: 1,157,739 megawatt-hours). Of that amount, 6,237 megawatt-hours was used by BayWa itself (2022: 12,705 megawatt-hours). The sharp reduction is thanks to organisational changes.] Per-employee² consumption within the Group rose to 27.3 megawatt-hours (2022: 26.9 megawatt-hours). The key figures are reported on the basis of the group of consolidated companies as at 30 September 2023.

¹ Changes to figures for the previous year due to adjustments to the data

² Figures for both the environmental data and the HR data relate to the group of consolidated companies as at 30 September 2023.

³ Figures according to the group of consolidated companies of the respective year. Previous year's figures have been updated due to data corrections.

⁴ Heating oil for heating and drying purposes.

⁵ Natural gas for heating, drying and other purposes.

⁶ Diesel, petrol, propane, LPG and CNG.

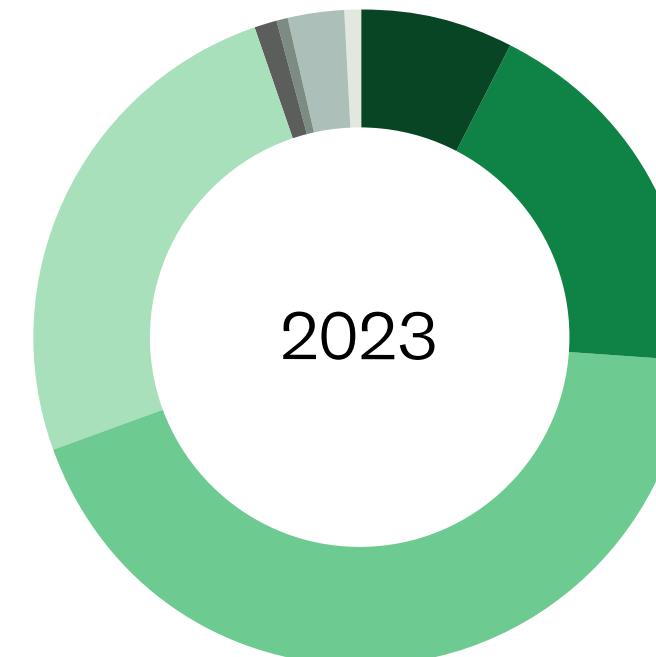
⁷ Including electricity for cars.

⁸ Previous year's figures have been updated due to data corrections.

⁹ Wood pellets and wood chips. Previous year's figures have been updated due to data corrections.

¹⁰ Previous year's figures have been updated due to data corrections.

Energy consumption by energy source for the BayWa Group



In megawatt-hours	2021	2022	2023
Total³	772,001	649,277	625,055
Heating oil ⁴	80,316	52,862	47,542
Natural gas ⁵	193,791	118,994	116,534
Fuels ⁶	257,066	265,703	270,664
Electricity ⁷	188,323	171,030	158,504
Electricity and heat from our own renewable energy sources ⁸	22,406	12,705	6,237
Biogenic combustible ⁹	3,680	4,639	3,757
District heating	25,882	16,649	16,791
Other energy consumption ¹⁰	537	6,695	5,026

Greenhouse gas emissions

[Within the BayWa Group, greenhouse gas emissions (Scope 1 and 2) amounting to 114,024 tonnes of CO₂e were generated in 2023 (2022: 114,924 tonnes¹) ✓ corresponding to 5 tonnes of CO₂e² per employee (2022: 4.8 tonnes). [This means that 99% (2022: 99%) came from Scope 1, meaning that these emissions came from the burning of heating oil, natural gas, biogenic combustibles and fuels and from volatile gases.] ✓ The 2,878 tonnes of CO₂e in 2023 (2022: 3,059 tonnes) from volatile gases came from things such as refrigerants.³ GHG emissions have fallen mainly through the energy saving measures, the reduction of heating oil consumption and initiatives to reduce volatile gases.

1 Adjustment of the previous year's figure due to adjustments to data that led to a change of > 5 %

2 Value corresponds to group of consolidated companies as at 30 September 2023, market-based, excluding Scope 3

3 Stated in CO₂ equivalents (CO₂e)

4 Figures according to the group of consolidated companies of the respective year. Previous year's figures have been updated due to data corrections.

5 Combustion of heating oil for heating and drying purposes.

6 Combustion of natural gas for heating, drying and other purposes.

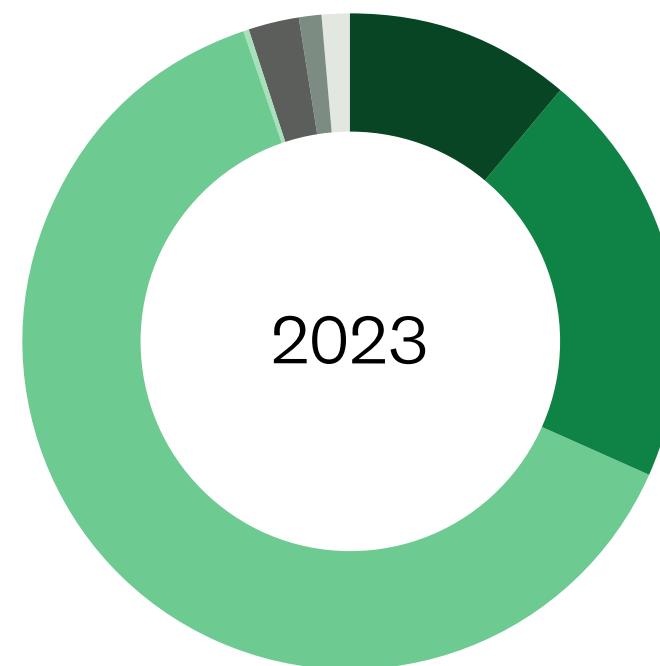
7 Combustion of diesel, petrol, propane, LPG and CNG.

8 CO₂ emissions from the combustion of biogenic combustibles are recognised as zero in accordance with the GHG Protocol. Other GHGs are taken into account in the calculation. Previous year's figures have been updated due to data corrections. Out-of-scope emissions for biogenic combustibles: 1,315 t CO₂e.

9 Previous year's figures have been updated due to data corrections.

10 The market-based method was used for the calculation; change in previous year's figures due to methodological adjustments. Figures according to the location-based method: electricity 43,191 tCO₂e (2022: 73,511 tCO₂e), district heating 3,017 tCO₂e (2022: 2,843 tCO₂e).

Greenhouse gas emissions due to energy consumption (Scope 1 + 2) at the BayWa Group ✓



in t CO ₂ e	2021	2022	2023
Total Scope 1+2⁴	138,513	114,924	114,024
Scope 1	135,745	113,591	112,578
■ Heating oil ⁵	21,318	14,046	12,772
■ Natural gas ⁶	39,219	24,031	23,450
■ Fuels ⁷	68,789	70,601	72,090
■ Biogenic combustibles ⁸	56	70	40
■ Volatile gases ⁹	6,363	3,059	2,878
■ Other energy consumption	0	1,784	1,348
Scope 2¹⁰	2,768	1,333	1,446
■ Electricity	0	0	0
■ District heating	2,768	1,333	1,446

[The Scope 3 emissions calculated in 2023 were 36.4 million tonnes of CO₂e (2022: 38.4 million tonnes)¹. The majority of Scope 3 emissions came from purchased goods and services (Scope 3.1) due to the large amount of trading activities within the company. These emissions amounted to approximately 35.3 million tonnes of CO₂e (2022: 37.0 million tonnes). Contracted transportation (Scope 3.4) resulted in 944,552 tonnes of CO₂e Group-wide (2022: 1,174,642 tonnes)². The fuel- and energy-related emissions (Scope 3.3)³ were calculated for the whole Group and came to 23,285 tonnes of CO₂e for 2023 (2022: 23,610 tonnes). The BayWa Group offset 13,985 tonnes of CO₂e in its Scope 1, 2 and 3 emissions by purchasing carbon credits in accordance with its corporate policy during the reporting period.] ✓

¹ Changes to figure for the previous year due to adjustments to the data

² Adjustment of the previous year's figure due to adjustments to emissions factors (from tank-to-wheel to well-to-wheel)

³ Upstream chain emissions from Scope 1 and 2 energy sources, excluding other energy consumption.

⁴ The figure for 2023 is not comparable with prior-year figures. The data covers more than half of the Group's companies. Packaging materials are largely excluded. Services are only partially covered. Data may contain double counts due to intercompany sales; these are eliminated each year as far as possible.

⁵ Pre-chain emissions from all energy sources (excluding pre-chain emissions from "other energy consumption") used from Scope 1 and 2.

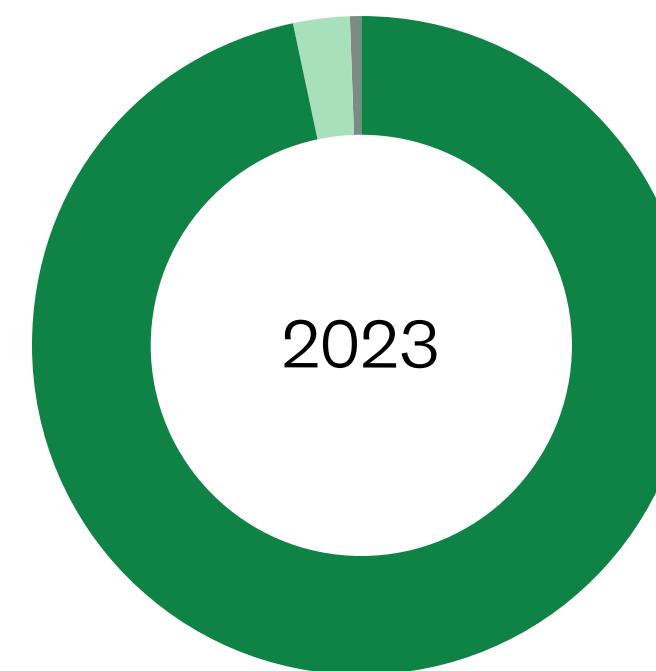
⁶ Quantity-based calculation of contracted transportation based on collected tonne-kilometres; the disclosures include estimates.

⁷ Adjustment to emission factors (from tank-to-wheel to well-to-wheel) for 2021, 2022 and 2023, therefore previous year's figures amended.

⁸ Modal split from primary data (Germany) and secondary data (partly country specific). Disclosures according to well-to-wheel include estimates.

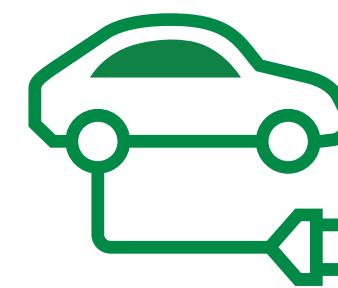
⁹ Reported for the first time in 2022. The methodology was adjusted in 2023, so the prior year's figure was also adjusted. Calculation based on revenue figures with group of consolidated companies as at 31 December 2023.

Greenhouse gas emissions (Scope 3) at the BayWa Group



in t CO ₂ e	2021	2022	2023
Total Scope 3	44,316,967	38,358,420	36,438,523
3.1 Purchased goods and services ⁴	43,217,265	37,006,538	35,285,398
3.3 Fuel and energy related activities ⁵	29,408	23,610	23,285
3.4 Transportation and distribution (upstream) ^{6,7}	1,030,483	1,174,642	944,552
3.6 Business travel ⁷	2,698	8,196	10,536
3.7 Employee commuting ⁸	37,113	26,575	27,744
3.15 Investments ⁹	–	118,859	147,008

Logistics and mobility



By 2025: BayWa AG fleet to comprise at least **20 % electric and hybrid vehicles**.

BayWa is a trading company and moves a large number of goods with heavy-goods vehicles, trains, ships and aeroplanes, which produces greenhouse gas (GHG) emissions. The optimisation of logistics activities therefore plays a key role in reducing the company's GHG emissions.

The majority of transportation activities at BayWa Group are provided by external contractors, with only a small portion being carried out with the Group's own heavy-goods vehicles. One of the challenges in reducing emissions is the low availability of low-emission alternatives for long-distance cargo routes and of charging infrastructure, especially in rural areas and some countries.

When it comes to logistics and mobility, employee commutes also play a role in the reduction of GHG emissions.



Guiding principles, structures and processes

[All matters relating to the vehicle fleet are organised at the parent company, BayWa AG, through its Fleet Management department. This department has the task of managing the Group's fleet efficiently, optimising processes, lowering costs and operating sustainably. It accomplishes this task with the help of a vehicle fleet policy, company car rules and a car policy. The German

subsidiaries are largely also guided by Fleet Management at BayWa AG. The international subsidiaries each organise operational transport and logistics by themselves.] ✓

The BayWa Group generally pursues the following strategic approaches to reducing emissions in the field of logistics:

- Creating optimal distribution structures through network planning
- Increasing the number of shipments by rail and inland waterways
- Emission reductions from route optimisation, driver training and fleet modernisation
- Conversion to alternatives with lower emissions



Objectives

[BayWa is taking measures such as gradually converting its vehicle fleet to alternative drive technologies while taking into account the availability and suitability of such technology for the respective application. As a result, BayWa is currently focusing on vehicles with hybrid and electric motors. The parent company BayWa AG aims to ensure that at least 20 % of the diesel vehicles in its fleet are replaced with electric and hybrid vehicles by 2025. In 2023, this share was approximately 15 %.

Some subsidiaries have set their own targets and are similarly making greater efforts to convert their fleets to lower-emission electric vehicles. At BayWa r.e. AG, for example, only electric vehicles have been allowed to join the vehicle fleets in Germany since 1 January 2023. The use of alternative drive systems is being investigated for commercial vehicles in the service sector.

T&G Global Limited is currently testing pilot projects for electrified agricultural equipment to validate the possibility of replacing diesel and petrol vehicles on its farms.] ✓



Measures

[To reduce environmental impacts from its own transportation processes, BayWa is implementing a range of activities and measures.

The parent company, BayWa AG, has used intelligent route planning that calculates the shortest routes possible for a number of years now. All its own heavy-goods vehicles as well as some heavy-goods vehicles of partner companies are fitted with telematics equipment. To guarantee the best utilisation and route planning possible, a number of companies cooperate with specialised logistics service providers, with distribution processes steadily being made leaner. The employees of BayWa AG regularly receive driver training to learn how they can reduce GHG emissions by driving in a way that conserves fuel.

The Building Materials segment and the Agricultural Equipment business unit use forklift trucks with electric drives – the aim is to gradually replace diesel technology with electric technology for heavy forklift trucks as well. In the Building Materials Segment, approximately 71 % of the lift and powered industrial trucks in 2023 (2022: 67 %) had an electric motor, which corresponds to 417 trucks (2022: 400 trucks). In 2023, around 35 % of forklift trucks and industrial trucks in the Agricultural Equipment business unit used electric drives. This corresponds to approximately 245 vehicles. The electricity used for the batteries comes from the sites' own photovoltaic systems or from contracts for green power.

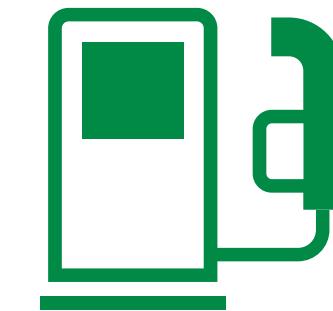
For company cars at the parent company, the BayWa car policy allows a maximum of 120g CO₂e per kilometre for carbon emissions, apart from a few exceptions (e.g. towed loads). BayWa is also constantly modernising its own fleet with more efficient motors.]

The BayWa head office in Munich provides 145 charging points for employees' electric vehicles. There are additionally multiple public quick charging stations.

The BayWa subsidiary Pellog GmbH, which delivers wood pellets, was able to reduce the average kilometres driven per delivered batch by 4.3 % in 2023, saving over 20,000 litres of diesel.

Among the international subsidiaries, there have been initiatives similar to those at BayWa AG, e.g. intelligent route planning, driver training and pilot projects for switching drive technologies and the addition of electric vehicles to the vehicle fleet. Cefetra has started to record the GHG emissions of company cars and is examining how the vehicle fleet can be made more sustainable and how alternative means of transportation for commuting to work can be promoted. Since 2022, Cefetra Benelux has been carrying out all contracted transportation by heavy-goods vehicles in the Netherlands with the fossil-free fuel HVO100, which causes up to 90 % lower CO₂ emissions.

T&G Global used more fuel-efficient heavy goods vehicles in its fleet in 2023, with the aim of reducing emissions until other low- or zero-emission technologies become available and practicable in New Zealand.



All heavy-goods vehicles **that**
Cefetra Benelux has contracted
to transport goods since 2022
ran on fossil-free HVO diesel fuel.



Results

[In the 2023 reporting year, the BayWa Group caused GHG emissions of 39,321 tonnes of CO₂e from fuel consumption for the use of its own and leased trucks (2022: 39,524 tonnes).

The majority of goods from BayWa were transported by transport and logistics service providers. To calculate greenhouse gas emissions caused by logistics service providers, BayWa consistently records the transport service provided in tonne-kilometres. A total

of 55.49 billion tonne-kilometres (2022: 55.44 billion tonne-kilometres) resulted from truck, rail, air or ship transport by service providers in 2023. This resulted in the emission of approximately 944,552 tonnes CO₂e (2022: 1.174,642 million tonnes) through outsourced logistics activities.] ✓

The fleet during the reporting period included 1,025 vehicles with alternative drive systems across the Group (2022: 715 vehicles), equal to a share of 23 % (2022: 13 %). The alternative drive systems used were hybrid, gas and electric.

The key figures are reported on the basis of the group of consolidated companies as at 30 September 2023.

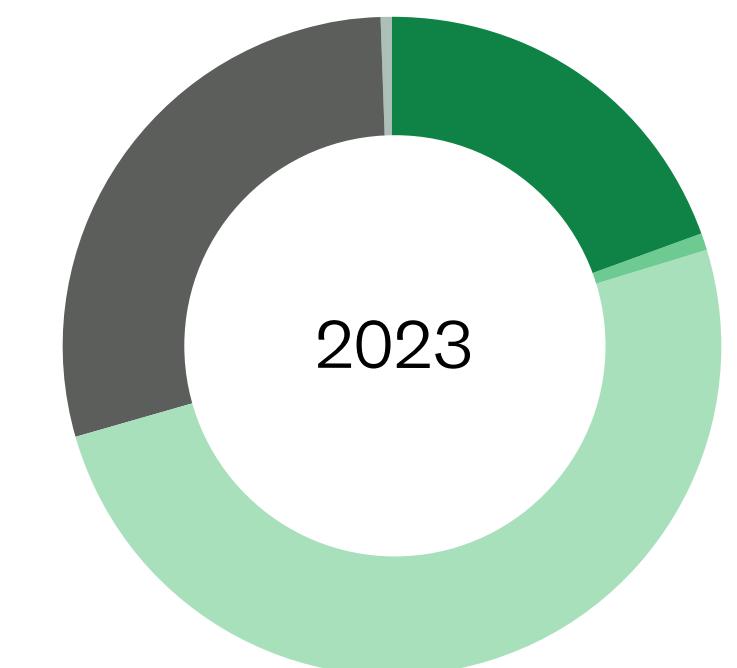
Greenhouse gas emissions from transport at the BayWa Group

in t CO ₂ e	2021	2022	2023
Own and leased trucks ^{1,2}	42,139	39,524	39,321
Contracted transportation (Scope 3.4) ³	1,030,483	1,174,642	944,552

¹ Diesel combustion in own and leased trucks.

² Quantity-based calculation of contracted transportation based on collected tonne-kilometres.

³ The disclosures include estimates.



Contracted transportation by type of transport at the BayWa Group

in tonne-kilometres	2021	2022	2023
Total	56,018,698,652	55,438,422,329	55,486,073,079
Truck	3,425,760,757	4,840,923,053	3,882,243,894
Train	384,374,412	198,104,110	219,650,945
Bulk cargo carrier	46,812,287,092	44,726,422,595	45,526,889,873
Ship	5,309,054,778	5,597,842,839	5,800,782,676
Air freight	87,221,613	75,129,732	56,505,691

Environment Environmental management



Guiding principles, structures and processes

The Corporate Environment, Health & Safety (EH&S) organisational unit makes sure that all BayWa companies comply with the relevant national requirements on environmental protection. The EH&S coordinators and managers are responsible for the operational implementation of the standards in the segments. Corporate EH&S advises and supports those responsible within the segments and at subsidiaries and reports regularly on developments and legal provisions on environmental protection.

As a trading and services company, BayWa's business activities have an impact on the environment in many ways. For example, direct impacts may arise at its own sites or when transporting goods.

To prevent environmentally harmful incidents, and to limit their scope in case of damage, BayWa observes specific standards pertaining to such things as the transport of hazardous goods, waste law and the warehousing and storage of hazardous substances. Corporate EH&S is responsible for developing and standardising Group-wide standards. For sites that fall within the scope of the German Hazardous Incident Regulation (Störfallverordnung), there is a uniform safety management system. At 10 subsidiaries of BayWa r.e., environmental management is done through an environmental management system certified according to ISO 14001.

1,059

employees of BayWa AG participated
**in training on environmental man-
agement** in 2023.



Objectives, measures and results

Corporate EH&S has a hazardous substance management section that drives Group-wide content management for the collection of product data for hazardous substances and goods. It implements structures for the correct handling of hazardous substances within the company and the safe transportation of hazardous goods. It obtains, among other things, safety data sheets from manufacturers and suppliers and manages them.

The safety data sheets at BayWa AG are automatically sent to customers in a digital format in order to meet the legal requirements when hazardous substances are put on the market. Customers and employees also have access to the documents via the internet and intranet.

BayWa continues to pursue two aims: the first is sensitising employees more strongly to the issues and challenges surrounding environmental management. The second is to continuously improve training on environmentally relevant processes in the transportation of hazardous goods, the storage of hazardous substances and on waste management. The training courses are offered by the EH&S Academy ([see the Workplace health & safety section](#)).

The parent company, BayWa AG, conducted the following in 2023:

- 67¹ training courses on environmental management (2022: 83 training courses)
- 1,059¹ employees who participated in these training courses (2022: 1,782)

BayWa also has the objective of digitalising all environmentally relevant documentation and simplifying processes for the implementation of environmentally relevant measures. The parent company BayWa AG has already successfully digitalised the documentation and will push ahead with further digitalisation of environmentally relevant processes in the coming years.

Altogether, 135 claims involving damage (such as heating oil or fuel that leaked) were responsible for total expenditures (including clean-up and compensation) at the parent company of approximately €397,000 in 2023 (2022: 105 claims, approximately €305,000).



¹ Number cannot be compared year on year as there is no yearly training schedule.

Waste and recycling



BayWa launched a **green IT project** in 2023: The aim is to see whether old appliances can be **reused or returned to the market** after having been **refurbished**.



Guiding principles, structures and processes

Waste management at the parent company, BayWa AG, is the responsibility of Corporate Environment, Health & Safety and is overseen by three employees. Ongoing training ensures that the employees possess the necessary expertise. The subsidiaries are independently responsible for the implementation of guidelines and measures. Clear lines of responsibility and central management also ensure effective waste management in this area. BayWa uses the following waste hierarchy for orientation: prevent, recycle, dispose.

Standardised BayWa AG instructions on dealing with waste and proper disposal channels ensure that environmentally harmful incidents, either at its locations or when transporting waste, are avoided and the impact of incidents is limited. These instructions usually pertain to a type of waste or to entire waste categories. Long-term partnerships with carefully selected disposal companies that operate nationally make it easier to monitor and control the processes. The subsidiaries are responsible for their own corresponding instructions for dealing with waste.



Measures and objectives

BayWa aims to continuously reduce the amount of waste generated throughout the Group while increasing the recycling rate. A further aim is to design packaging that is recyclable and to reduce the amount of packaging material. BayWa wants to progressively design its own-brand packaging in such a way that resources are conserved by using recyclable materials and efficient design.

BayWa AG launched a project on the topic of optimising and standardising delivery packaging materials in the previous year. One of its aims is to ensure that new variants are more sustainable when there are changes in the packaging. In the reporting year, BayWa collected relevant data, conducted a trial phase and issued a call for tender for strategic suppliers. New packaging variants are to be implemented in the first half of 2024.

To reduce the occurrence of waste and increase the recycling rate, the parent company, BayWa AG, prepares interactive information about waste management on the intranet continuously and communicates it to employees in a targeted fashion. This is aimed at raising their awareness concerning the issues of waste and recycling and motivating them to take action. For example, building on a project by trainees from the Building Materials division, potential savings were identified and discussed as part of “Paper Week” at BayWa. The subsidiaries are also making their own efforts to reduce the volume of waste they accrue.

In the Global Produce Segment, suitable packaging for fresh products is essential. Firstly, the products must be packed safely and in a way that keeps them fresh for a long time. BayWa Global Produce GmbH simultaneously endeavours to reduce its volume of packaging material as well as to make the material that is used more sustainable. The German subsidiary BayWa Obst GmbH, for instance, can offer plastic-free packaging such as cellulose nets or FSC-certified cardboard packaging for organic products.

In the previous year, T&G Global switched to industrially compostable labels with PLU (price look-up code) numbers for apples in Europe. In accordance with legal requirements, compostable plastic labels were introduced for products in New Zealand by the

end of 2023. The aim is to switch to domestically compostable labels by 1 July 2025 at the latest. The company is working with its label manufacturer and the industry to test compostable adhesive options for domestic use.

BayWa r.e. looks continuously for optimisation options for improving its products’ recyclability and for using recycled material.





Results

The Group-wide waste occurrence fell to 26,434 tonnes in 2023 (2022: 47,912 tonnes), with roughly 41 % (2022: 54 %) being recycled.

Across the Group, 892 tonnes (2022: 1,169 tonnes¹) of hazardous waste (hazardous substances such as oils for machines, gears and lubrication; oil filters, starter batteries or other dangerous substances such as fuels, contaminated packaging and solvents) were disposed of professionally in accordance with instructions during the reporting period. Just under 4,878 tonnes of hazardous waste were recycled.

BayWa AG received 7.4 tonnes of waste in 2023 (2022: 2.2 tonnes¹) through its provided return facilities and at waste collection points set up at the sites.

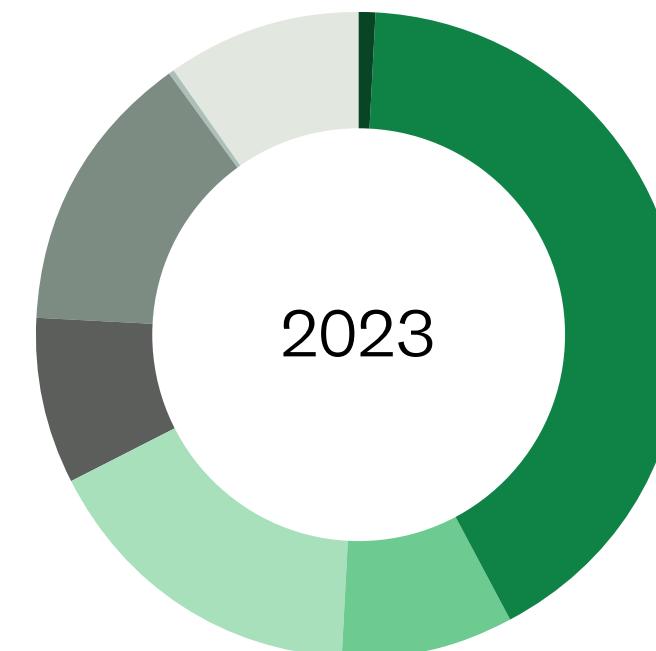
¹ Changes to figures for the previous year due to adjustments to the data.

² As in previous years, the figures do not include any hazardous waste.

³ The following values for 2021 have been revised due to adjustments of the data: recycling, reuse incl. combustion with energy recovery, thermal treatment and other methods of disposal.

⁴ The value for landfill in 2022 has been revised due to data adjustments.

Waste by disposal method at the BayWa Group²



in tonnes	2021 ³	2022	2023
Total	44,217	47,912	26,434
Reuse	738	1,048	241
Recycling	15,771	25,738	10,923
Composting	4,464	4,245	2,336
Reuse incl. combustion with energy recovery	14,730	8,940	4,400
Thermal treatment	1,805	1,949	2,149
Landfill ⁴	3,540	2,326	3,804
Warehousing	49	41	44
Other methods of disposal	3,121	3,625	2,538

Ecosystems and biodiversity

Threats to ecosystems and biodiversity are major global challenges. The causes of the growing loss of species diversity include changes in land usage due to urban sprawl and agriculture, climate change and nutrient and pollutant levels. BayWa is aware that it has an influence on ecosystems and biodiversity with its business activity. This influence comes directly from its sites as well as the value chain, through the commodities and products that are traded. Biodiversity, for example through insect pollinators, also represents a key foundation of food production and therefore BayWa's business in the field of agriculture.



Guiding principles, structures and processes

BayWa has defined ecosystems and biodiversity as a core topic in its sustainability strategy. The company wishes to support the protection of biodiversity and the creation of near-natural spaces at its sites, including through its product range in conjunction with its suppliers. A Group-wide biodiversity concept has not yet been established at BayWa. The segments and subsidiaries have so far implemented a variety of individual measures to protect species diversity.



Objectives

BayWa has laid out the following strategic objectives:

- Management of biodiversity and land at sites: BayWa seeks to commit to protecting biodiversity and using land efficiently through projects and measures at its sites.
- Management of biodiversity in supply chains: BayWa seeks to work in partnership with focus suppliers on approaches and strategies to protect biodiversity when manufacturing/using products.
- Agricultural supply chains with no deforestation and no land conversion: In accordance with the requirements of the EU Regulation on deforestation-free supply chains, in 2024 BayWa will implement a management system to ensure that its products originate from supply chains with no deforestation and no land conversion.



Measures

The Agri Trade & Service segment offers products, advice and services to help its customers carry out agricultural production while simultaneously preserving high biodiversity. It offers, among other things, special seed mixtures for cultivating flowering plants, seed for diversified crop rotations and satellite-based soil analysis, which helps to cultivate biodiverse land.

Another important approach is digital solutions for agriculture. With precision farming, for example, the focus is on using fertiliser, crop protection products or water more efficiently. In the smart farming sector, BayWa offers a biodiversity-friendly method of pest control, namely the application by drone of the beneficial insect Trichogramma. The Agri Trade & Service segment has a “BayWa Öko” concept, offering a fully extensive range of products and advisory services to organic farmers. The “Sustainable Agriculture” team develops, tests and sells holistic solutions ([see also page 50](#)).

The BayWa subsidiary BayWa r.e. takes a two-pronged approach to how its business activities affect biodiversity. Firstly, the expansion of renewable energies fundamentally helps to lessen climate change, which in turn has an impact on biodiversity. Secondly, the construction and operation of wind farms and solar parks directly affect the habitats of animals and plants. There exist legal provisions to protect species diversity. Furthermore, ground-mounted

solar systems in particular can make a positive contribution to local species diversity with appropriate planning and maintenance.

Cefetra trades feedstuff ingredients, including soya. During the reporting period, Cefetra obtained certification for 1.7 million tonnes of soya according to sustainability standards, one of them being the Certified Responsible Soya (CRS) standard ([see Sustainable products and solutions sub-chapter](#)). The CRS standard is made up of the following principles: The producers take measures to limit the potential negative impacts on the land used for soya production and on biodiversity in the direct surroundings of the production location. These measures include a commitment to production with no deforestation or land conversion since May 2009.

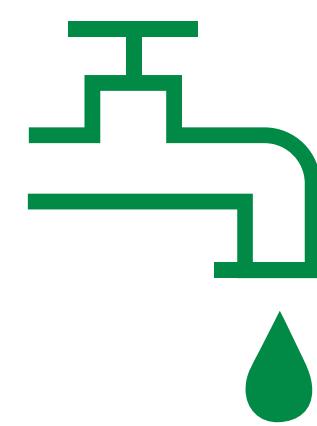
The fruit producers in Global Produce’s supply chains use modern production methods, especially integrated production, in which organic, technical and chemical processes are balanced and optimally combined. Furthermore, BayWa Obst GmbH processes a significant portion of fruit that is produced according to the guidelines for organic farming, which means without using chemical and synthetic fertilisers or crop protection products that could be harmful to beneficial organisms. Roughly 25% of the trees grown by fruit growers in Germany who supply goods to BayWa Obst GmbH are grown according to organic standards. T&G Global is

currently implementing a number of projects to reduce the impact on biodiversity. In one of these, the company has teamed up with the marketer Zespri and the organisation Plant & Food Research to gain a better understanding of regenerative horticultural practices. T&G Global is also involved in “A Lighter Touch”, a programme run by the New Zealand government and the primary sector to investigate biological crop protection products.

The planting of riparian zones in some of T&G Global’s fruit plantations helps to improve native vegetation, habitats and biodiversity along watercourses.

Worldwide Fruit Limited, the British subsidiary of Global Produce, was launched in 2022. Under this initiative, the current situation is being analysed and measures developed to adapt farming methods. In addition, suppliers are to apply practices that protect and actively improve the environment in their production areas. This includes integrated plans for pest management, as well as the monitoring and management of waste, water consumption, soil conditions and biodiversity.

Water and waste water



In 2023 **BayWa** organised its first **water symposium**.

Water is the basis for the majority of BayWa's economic activities – and the basis for life on earth. Rising water consumption and climate change are causing increasing water scarcity in many of the world's regions. At the global level agricultural irrigation consumes the most water, with approximately 2 % of water intake in Germany being for this purpose according to the German Federal Environment Agency (2019).

The subject of water also has business risks. Water scarcity, contamination and distribution problems as well as statutory regulations can result in shortages in supply or production, outages, reduced product quality or even a decline in product demand.

BayWa is able to counter these risks with its expertise as a solution provider along the value chain in order to improve water quality and water efficiency, both at its own sites and among its customers.



Guiding principles, structures and processes

For BayWa, a trading company in the fields of energy, agriculture and building materials, having clean and abundant water is heavily important. It is a resource that is particularly relevant to agricultural production. It affects BayWa directly through its Global Produce segment and indirectly throughout the entire agricultural industry. However, water-related risks can exist even outside of agriculture, so these risks must be avoided and reduced accordingly.

The central Corporate Sustainability department is in charge of ensuring sustainable water management for the BayWa Group. Measures are implemented jointly with the operational segments and the cross-section functions that are close to the topic. Proper waste water handling is also important and BayWa naturally sees this as essential.



Objectives

BayWa has defined water as a core topic in its sustainability strategy and in the future will analyse water risks and establish relevant management systems ([see Strategy section](#)). BayWa aligns itself with the UN Global Compact and WWF recommendations for context-based water management and water stewardship. It has set the following strategic targets for this:

- An analysis of water-related risks at sites and in key supply chains is planned to be carried out by 2025.
- Building on it, BayWa wishes to establish management systems at the relevant sites with corresponding measures for the topic of water by 2030. It plans to employ context-based water management adapted to local conditions.
- Additionally, BayWa wishes to implement a water stewardship strategy by 2025, and reduced the identified water-related risks across the value chain together with its partners.



Measures and results

In 2023, BayWa organised its first internal water symposium, which brought together all relevant stakeholders in the area of water. The aim was to identify and expand synergies in this field and to record water risks within the Group and work on solution strategies. In addition, working groups have been formed to reduce water consumption along the value chain, optimise existing resources and offer customers solutions for the efficient use of water.

The Global Produce segment recognised the relevance of water to its business very early on and has been implementing various measures for some time. Water treatment plants at the two sorting facilities of BayWa Obst and at the T&G Fresh tomato farms in New Zealand ensure that some of the process water is recycled. In T&G Global's new apple packing house, the water is reused and treated in the packing plant before being discharged into the waste water system. Water tanks with a capacity of 1.2 million litres also allow the collection of large quantities of rainwater.

Worldwide Fruit Limited, a UK subsidiary of T&G Global, has had a water stewardship programme and a partnership with WWF and the British NGO WRAP (Waste and Resources Action Programme)

in water catchment areas in South Africa since 2018. This provides the company with insights into cooperation with large producers regarding water pollution.

In 2022, Worldwide Fruit Limited conducted studies with its Spanish suppliers, which showed that good water management practices are already in place, but that there is room for further improvement. The company discussed these opportunities and challenges with participants in 2023. Suppliers and farmers were made aware of water risks in the supply chain, such as water scarcity and water quality, and of the need to carry out water risk analyses. Farmers manage their water consumption efficiently. Measures are also being taken to implement appropriate water management practices. On this basis, cooperation with municipalities on major issues of water utilisation was discussed internally, whereby greater involvement of central players and stakeholders would be helpful. In future, Worldwide Fruit Limited will continue to encourage its suppliers to co-operate and conduct annual risk assessments in water catchment areas where they grow and source fruit. This provides information about suppliers' strategic risk management as well as about specific risks associated with the catchment area and illustrates changes in the risk level from year to year.

With its “ViWA” project, the subsidiary VISTA Geowissenschaftliche Fernerkundung GmbH enables satellite-based observation of water resources and sustainable management of water utilisation in agriculture. The high-resolution observation data allows “ViWA” to take into account both the global perspective and local conditions when developing, formulating and analysing solutions for a more sustainable and efficient use of water resources. This includes more environmentally friendly trading in virtual water.

In the Agri Trade & Service Segment, BayWa offers various products that help customers to reduce their water usage when farming. They include, for example, the satellite-based VariableRain system for targeted irrigation or micro-irrigation. In the previous year, BayWa also invested in the start-up Spherag, which has developed a solution that can be used to digitalise existing irrigation systems.

Water withdrawal in BayWa’s own business totalled approximately 957,580 cubic metres across the Group (2022: approximately 1.8 million), of which 89 % (2022: 29 %) was recycled or reused. The sharp increase in recycled or reused water is due to new filter systems at two BayWa Obst sites. Firstly, this led to a reduction in water consumption, and secondly to the reuse of large quantities of water.





Employees

BayWa is an international employer with 24,967 employees. Its cooperative roots and regional unity continue to shape how it sees itself. BayWa places a particular focus on diversity, equity and inclusion as well as training and personnel development in its HR work.

The company also takes responsibility beyond its core business and is committed to the BayWa Foundation. The projects promote knowledge about healthy nutrition and renewable energies and help people to help themselves at an international level.



The BayWa Academy offers **around 540** training courses.



The BayWa Foundation supports the introduction of **sustainable cooking pits** in India.



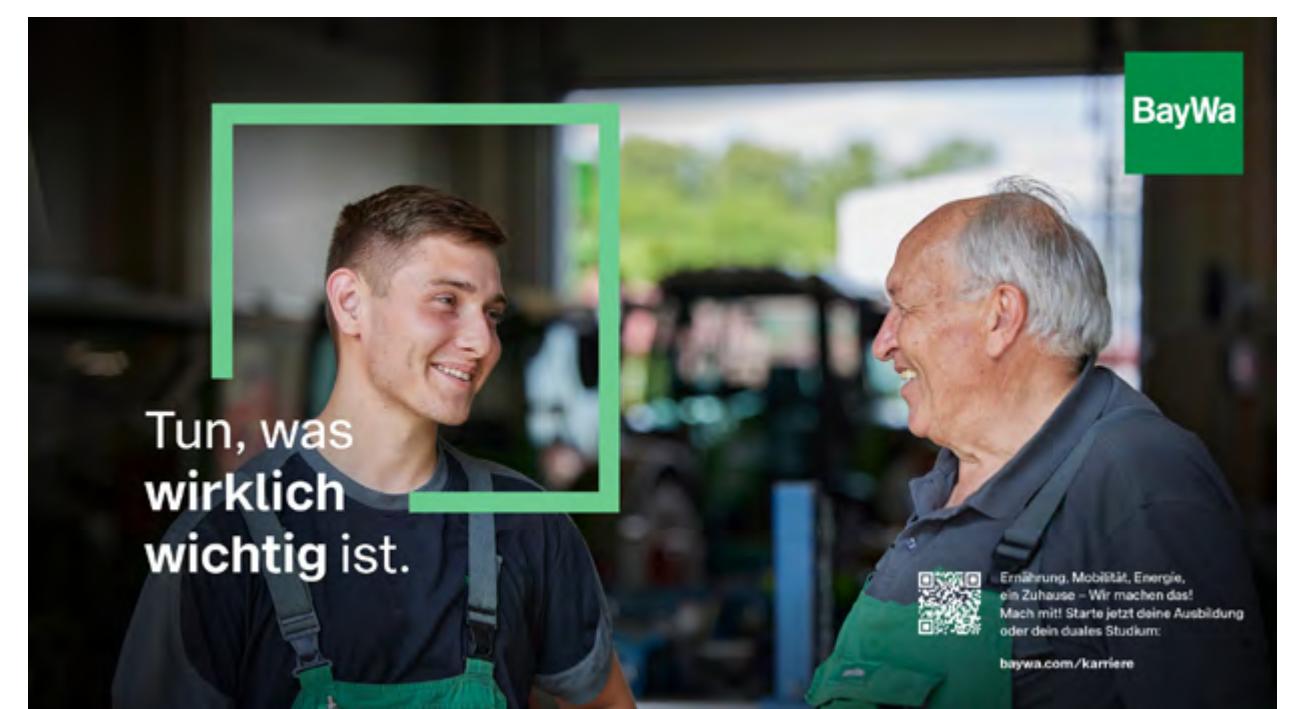
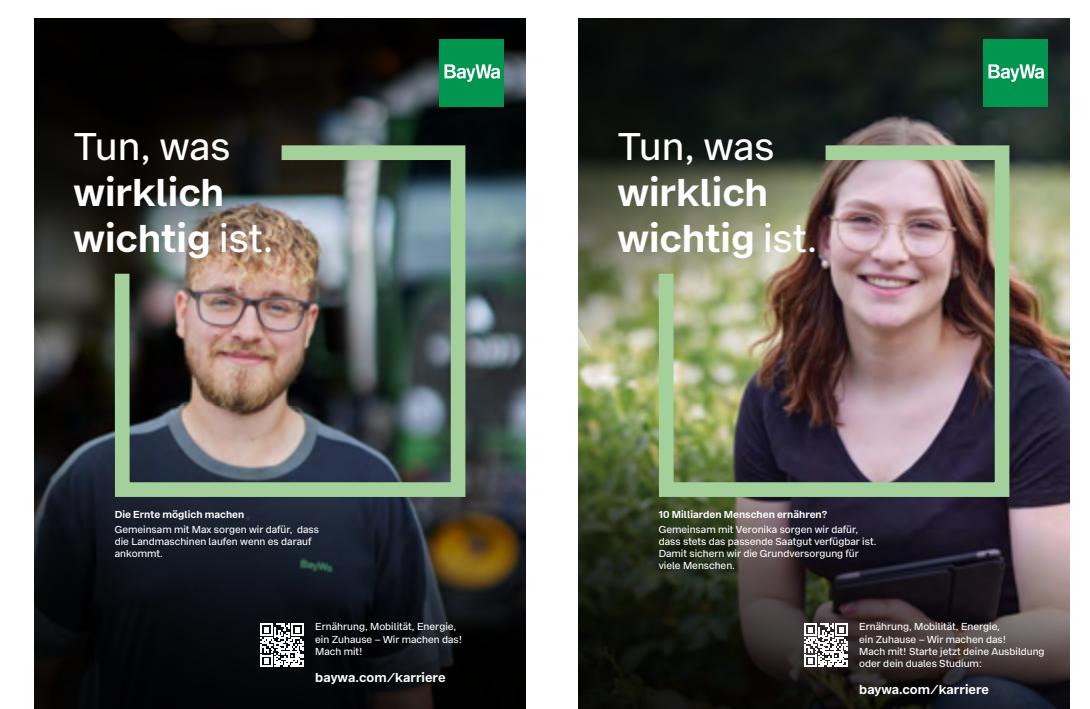
The [EH&S strategy](#) provides a clear direction for the targets set for 2030.

Flagship project

New claim: “Doing what’s really important.”

In 2023 BayWa developed a new “Employer Value Proposition”. The new claim “Doing what really matters.” is intended to do justice to BayWa’s activities as a company with business units that cover basic human and social needs. The task for Corporate HR was to work out the employer brand core – the Employer Value Proposition (EVP) of BayWa AG – and to reflect the company in the best possible way. This brand core is based on the corporate values of trust, solidarity, innovation and the central aspect of unity. This forms the foundation for the entire internal and external employer image. The goal is to convey that working at BayWa is valuable and meaningful. BayWa fulfils basic needs: food, housing, mobility. We do what’s really important!

The objective of the campaign is to motivate and retain employees and to attract new employees to all parts of the company. When creating and developing the entire visual and text language, BayWa therefore relies wholly on its own employees – and their diversity. Diversity in profession, age, education, background, location, language, culture, gender, religion, sexuality and all other factors that make the company diverse and special.



Human resources strategy



Guiding principles, structures and processes

[All HR activities are aligned with the strategic goals and needs of the BayWa Group. HR is a key force driving corporate culture and a strategic partner to the business units.

The HR structure is aligned with the requirements of operational business and the corporate strategy. The BayWa Group's activities are focused on Germany. Corporate HR has responsibility for the implementation of these activities.] ✓



Strategic directions of Corporate HR in 2023

Employer branding

- Employer branding project: BayWa's positioning as an employer
- Portfolio expansion in the areas of compensation & benefits, HR systems, global mobility, new work, inclusion & diversity

HR Business Partnership & Recruiting

- Support for structural adaptation
- Employee life cycle support

HR support among senior leadership

- Cooperation with the General Works Council, Works Council and new General Works Council Chairman
- Standardisation of operational integration management processes, including for German subsidiaries (excluding BayWa r.e.)
- Discussion of the reorganisation in collective bargaining
- Influencing other areas relevant to HR

Learning and development

- Training project focusing on the following topics:
 - Trainee support, ▪ , Training planning, ▪ , Trainers,
 - Internal development, ▪ Employer branding, ▪ - Measurability and analysis
- Projects, career paths

Labour law and fundamental issues

- Supervisory Board election 2023
- Collective agreement negotiations 2023
- Digitalisation of employee share programme
- Implementation of new laws and case law in practice

BayWa Academy

- Review of the structure and processes, and adjustment if necessary
- Expansion of BayWa Academy portfolio, with focus on the criteria for career paths
- Review and, if necessary, adaptation of the learning platform
- Measurability: KPIs/dashboard for the BayWa Academy



Objectives

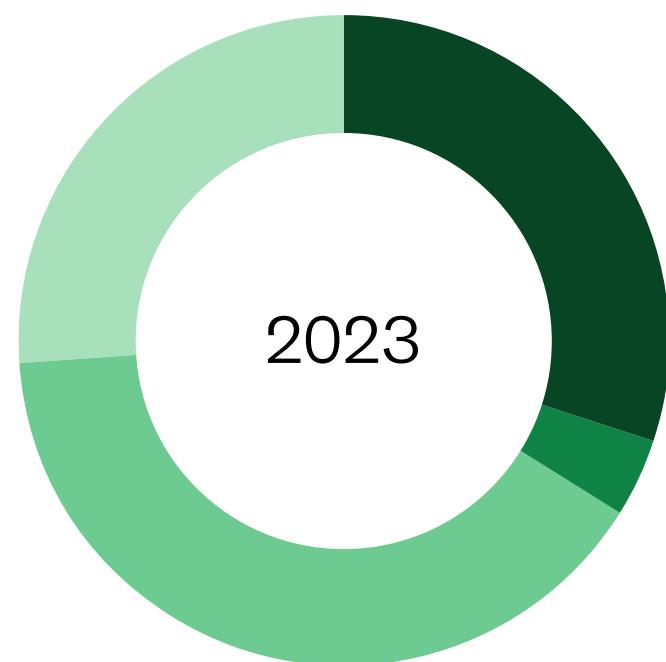
BayWa primarily follows strategic topics and objectives in the fields of diversity, equity and inclusion, and training and development ([see page 110 and page 115](#)). Due to the shortage of skilled labour, the topics of diversity, equity and inclusion, as well as training and development are highly relevant for positively influencing employee loyalty and satisfaction and for identifying development opportunities. BayWa seeks to counteract the labour shortage in the long term by pursuing these objectives. The following pages provide an overview of where the company stands on the various issues as well as measures and results from the reporting period.

Employee structure¹

The number of employees at the BayWa Group increased again in 2023. At the end of the year, the Group employed 24,967 people in 47 countries worldwide (2022: 24,287). Across the Group, 11.6 % of employees work part-time (2022: 11.5 %) and 13.5 % on a temporary contract (2022: 15.2 %). The share of employees who are male is 70.0 % (2022: 70.4 %), while 68.1 % of employees are aged between 26 and 54 (2022: 66.9 %). A share of 0.04 % of employees have reported as being gender-diverse.

Length of service and employee turnover

The average length of service within the BayWa Group in 2023 was 8.6 years (2022: 8.8 years). The employee turnover across the Group was 10.8 % (2022: 12.5 %). There were 5,178 new recruits (2022: 5,293) compared to 2,469 employees who left.

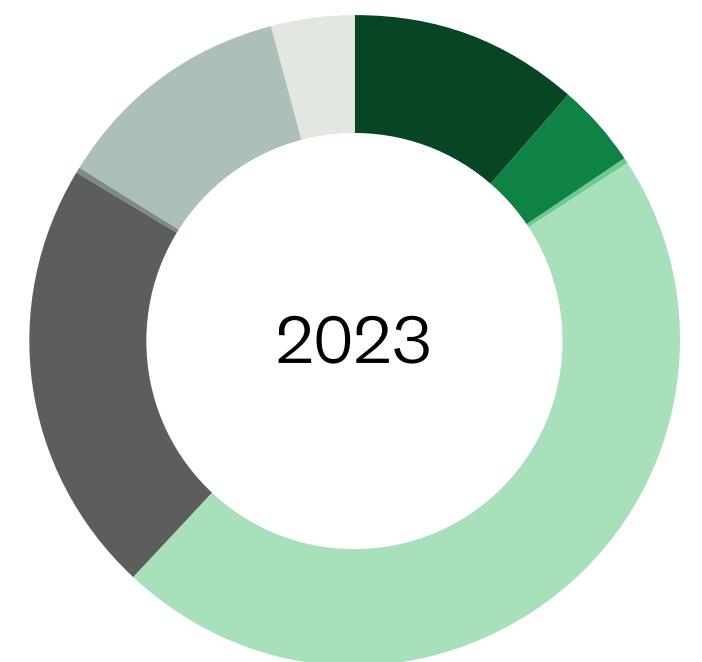


BayWa Group employee structure

in percent	2021	2022	2023
Industrial, male	31.8	30.6	30.2
Industrial, female	5.8	4.3	3.9
Commercial, male	38.5	39.8	39.81
Commercial, female	23.8	25.3	26.1

¹ This includes all employees in active employment.

These disclosures are therefore not comparable with the management report.



BayWa Group age structure

in percent	2021	2022	2023
≤ 25, male	12.9	12.4	11.59
≤ 25, female	5.0	4.5	4.23
≤ 25, gender-diverse	0.0	0.0	0.01
26–54, male	45.4	45.9	46.42
26–54, female	20.7	21.0	21.67
26–54, gender-diverse	0.0	0.0	0.03
≥ 55, male	12.1	12.1	12
≥ 55, female	3.9	4.1	4.06

Diversity, equity & inclusion

The structured and consistent promotion of diversity, equal opportunities and inclusion has a positive impact on companies, as numerous studies have shown. Due to the difficult situation on the training and labour markets, it is now more important than ever to promote a corporate culture that is characterised by tolerance, openness, respect, appreciation and cooperation. Doing so increases employer attractiveness for both new applicants and existing employees and has a positive effect on motivation, commitment and employee loyalty.

Furthermore, globalisation, automation and digitalisation lead to increasingly complex business processes, which, alongside volatile economic conditions, represent major challenges for companies. Firmly defined hierarchical and departmental responsibilities and work processes are more and more giving way to project-based and cross-departmental collaboration, which can be better achieved in diverse, integrative working environments with a variety of perspectives. BayWa therefore consciously favours diverse teams, for example with a mix of ages, genders and experience, which have been proven to be more creative, innovative and successful. In this way they contribute to the future viability and success of the company.



Guiding principles, structures and processes

[Diversity, Equity & Inclusion (DEI) is an integral part of BayWa's human resources work. The term "diversity" comprises all the characteristics, values and behaviours determined at birth and acquired through learning or experience.

BayWa does not tolerate employee discrimination, for example on the basis of personal background, gender, age, physical or mental disability or sexual orientation. This principle is set forth in the BayWa Group [Code of Conduct](#) ↗ and the Inclusion & Diversity Policy and is communicated through the Corporate Leadership Guide and at mandatory management training courses.

Corporate HR is responsible for strategically anchoring DEI as a policy. Employer Branding drives the initiatives and the establishment of stipulations to reinforce the topic step by step, starting at BayWa AG and the German subsidiaries.

Managers are given the support they need to leverage the range of perspectives that a diverse workforce entails in daily collaboration. The BayWa Group's Inclusion & Diversity Policy applies internationally, from the recruitment process to employee and management development.

As a signatory to the Diversity Charter, BayWa attaches great importance to further promoting the voluntary commitments associated with the charter, such as fostering a culture of mutual respect and cooperation, and anchoring these commitments in all areas and business processes.

The company makes sure that all policies, processes and programmes, including search and selection criteria in the recruitment process, career models and HR and management development programmes, contribute to avoiding discrimination and that diversity is seen as an opportunity and an enrichment in the Group.



BayWa r.e. also sees DEI as an important issue in all areas of its business. In 2022 the company therefore implemented a global DEI strategy and policy, a DEI dashboard with employee demographic KPIs and an annual DEI assessment. The topic has also been firmly incorporated into the internal policy process since 2023. DEI will also play an important role in the new recruiting process, the new HR tool and leadership development in 2024.] ✓



Objectives

[Supporting diversity, equal opportunities and inclusion is a strategic objective of the BayWa Group. The overarching objective, as set out in the Inclusion & Diversity Policy, is to create a working environment that is free from discrimination, harassment, bullying and any kind of injustice and arbitrary unequal treatment and to raise awareness among all employees of the contribution that DEI makes to the company's success, to social responsibility and to the company's general reputation.

Specifically, the following sub-targets have been identified:

- Increase employer attractiveness in tight labour markets by promoting a diverse, tolerant, participative and appreciative working environment

- Contribute to the company's success by optimising the use of existing resources and, in particular, by increasing employee loyalty
- Increase capacity for innovation and in doing so secure future viability through diversity of perspectives, networking and structured knowledge management

A large number of nationalities already work together across the Group, for instance at its various sites or in the business divisions' projects which feature representatives of different countries. Furthermore, BayWa applies the measures described below as a continuous safeguard for achieving this objective.

In terms of equal opportunities, the company pursues the aim of securing the most suitable individual for vacant management positions, regardless of personal background, gender, age or sexual orientation for example. Despite personnel changes at management level, BayWa AG is maintaining the target set in 2022 of increasing female representation in the parent company to at least 24 % at the first management level and at least 23.5 % at the second management level by the end of June 2027. Due to organisational changes as part of changes at the Board of Management, the proportion of female managers in the first management level was 13.3 % at the end of 2023 (2022: 21.4 %) and 18.4 % at the second management level (2022: 20.8 %)] ✓



Measures

The BayWa Connected WoMen network offers all employees at the parent company, BayWa AG, an interactive community with opportunities for exchange and ideas for personal development. The network is an Employee Resource Group (ERG) that is organised by the target group itself. Virtual networking events provide input from various subject areas, such as business, new work or diversity.

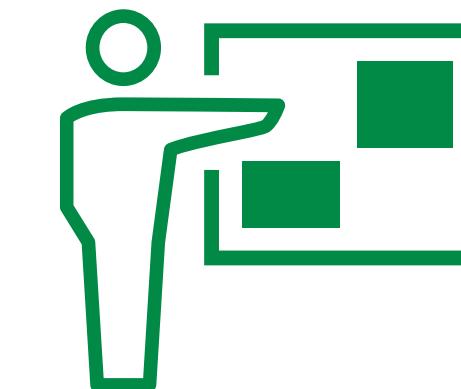
Another ERG community is the BayWa Pride network. This offers all LGBTIAQ+ employees the opportunity to become part of the internal community via the BayWa Pride app. The app can be used on company and personal smartphones and is independent of all other BayWa systems. It is administered by the community itself and all users have the option of remaining anonymous if they so wish.

In 2024, BayWa will increase its focus on the development of new employee resource groups, with particular emphasis on the necessary success drivers of these groups. Corporate HR will support all ERG groups with resources and ideas so that they can network and strengthen each other. Furthermore, all ERGs will contribute to BayWa's objectives set out above as an organisation and employer.

BayWa r.e. also launched global ERGs in 2023: "BayWa r.e. Future Professionals Network", "Pride @ BayWa r.e." for employees from the LGBTIAQ+ community and allies, an expat community and a family community. This year, the CEO of BayWa r.e. met the Future Professionals Network and participated in a virtual meeting of the Pride @ BayWa r.e. community on the topic of outing stories. There are digital exchange platforms and regular virtual meetings for all BayWa r.e. ERGs. There was also a hybrid keynote for Pride Month with a transgender commander from the German Armed Forces in conjunction with local Pride celebrations in Mexico, Thailand, South Korea and Germany.

There is also BayWa Business Mentoring, which aims to support knowledge transfer and constant reciprocal learning by engaged employees. It promotes mutual understanding, supports networking and breaks down bias. In the Business Mentoring programme experienced employees give interested mentees an insight into various roles and show them career prospects, thereby reinforcing exchange and dialogue between the business units. Starting in 2024, trainees will also be encouraged to take part in the Business Mentoring programme.

The topic of DEI is also integrated into management development programmes at the parent company BayWa AG and its subsidiaries in German-speaking countries. A seminar on the topic of "Unconscious bias" has been mandatory for managers up to and including middle management since 2023; interested participants can also book a follow-up workshop. The seminar provides participants with examples of how they can promote networking and the recruitment of newcomers from other fields, or address marginalisation at the individual and team level.



In 2023, **BayWa r.e.** provided training to 70 international managers on the **topic of safe spaces**.

In 2022, BayWa AG designed another DEI training programme for senior managers. It was piloted starting from late 2022 and into 2023 and further developed in two different areas of the company. In 2024, these initiatives will be implemented and the concept finalised so that the programme can be rolled out to other areas of the company.

BayWa r.e. offers monthly anti-bias and DEI training sessions for all employees worldwide and over the year provided virtual training to almost 200 employees. DEI content is also taught as part of the onboarding process. BayWa r.e. also regularly organises events and articles to raise awareness of the topic (e.g. on Allyship, Come as you are, Pride, International Women's Day, Ramadan, etc.). In 2023, a campaign on the topic of safe spaces was launched, articles and videos were published and 70 international managers, including the Board of Management, received training on the topic of "Creating Safe Spaces as Leaders". Online training on the topic of allyship was also offered.

To improve work-life balance, the parent company, BayWa AG, offers various models for flexible working time models, such as part-time hours or flexitime at all administration sites. The company agreement on mobile working allows employees in Germany to work from locations other than the agreed place of work under certain circumstances. The Group wishes to enable a fast return to the workplace for parents returning from parental leave. It has an online Returning from Parental Leave course

as well as a virtual parents café for discussion and presentations. The initiatives that BayWa offers to support employees in caring for family members have also been expanded with the establishment of specialists in the company who help employees navigate the challenges of being a carer. They offer initial counselling from colleagues relating to caring for a relative and thus provide support as trustworthy third parties in cooperation with [pme Familienservice](#). The parent company, in certain circumstances, also offers a sabbatical arrangement for better work-life balance.

The large international subsidiaries mainly implement their own measures in the area of DEI.

BayWa AG's job descriptions encourage disabled people to apply for vacancies in order to support inclusion within the company. The company has for many years also cooperated with the Pfennigparade foundation, which has a range of services that enable employment for disabled people. BayWa is also seeking to enter into further partnerships with workshops throughout Germany that provide employment for people with disabilities. In 2023, a new inclusive project was launched in collaboration with companies in the Nördlingen region with the aim of jointly planning and redesigning these companies' outdoor facilities together with workshop employees and BayWa employees. The aim was to increase the motivation of all those involved and bring new perspectives into the company in order to promote mutual understanding and openness in working with people with and without disabilities.

BayWa takes a clear stance on the issue of sexual harassment and does not tolerate it in any way. Anyone affected can report incidents via the internal anonymous whistleblower system or, in the event of an emergency, can directly contact other trained persons in the company.] ✓



Performance indicator and results

[At the end of the 2023 reporting period, the percentage of women in the first and second levels of management at the BayWa Group came to 23.4 % (2022: 22.2%).] ✓

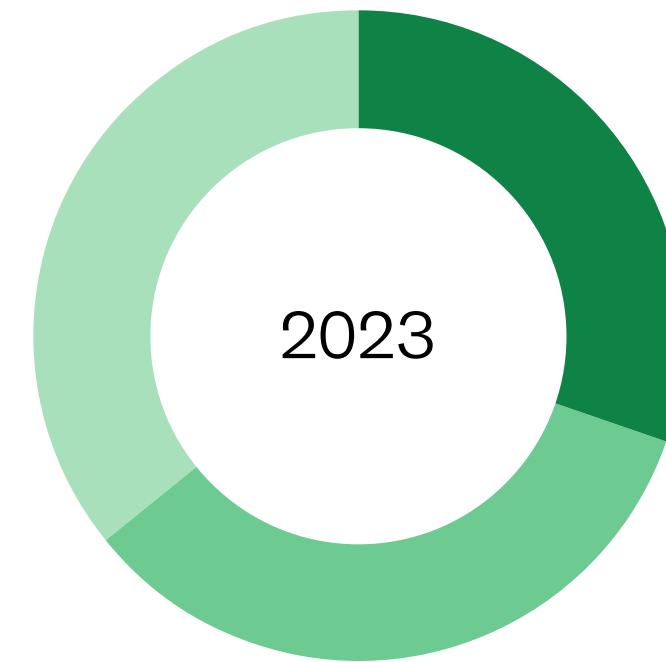
Across the Group, the proportion of female employees stood at 30 % (2022: 29.6 %). The Board of Management of the BayWa Group was composed of three men and one woman in total during the reporting period. The proportion of women on the Supervisory Board during the reporting period totalled 37.5 % (2022: 25.0 %).

For 54.1 % of the employees within the Group, their employment is subject to the terms and conditions of collective bargaining agreements (2022: 54.9 %). In 2023 1.5 % (2022: 1.6 %) of employees took parental leave, 88.3 % of whom were female (2022: 87.0 %). The share of employees across the whole Group who worked part-time was 11.5 % (2022: 11.5 %), 67.4 % of whom (2022: 68.2 %) were female. The proportion of employees Group-wide with a disability was 1.5 % in 2023 (2022: 1.4 %). No incidents of discrimination were reported across the Group in 2023.

Women in management positions at the BayWa Group

	2021	2022	2023
Proportion of women in management positions (1st and 2nd levels)	21.6 %	22.2 %	23.4 %
Number of women in management positions (1st and 2nd levels)	213	244	271

BayWa Group age structure for management positions



	2021	2022	2023
Managers overall (1st and 2nd levels)	987	1,096	1,158
≤ 40	30.4 %	28.7 %	27.8 %
41–50	36.1 %	37.4 %	36.4 %
≥ 51	33.6 %	33.9 %	35.8 %

Learning and development

Quality education and vocational training are the keys to employability – and both factors are also decisive when it comes to companies' lasting competitiveness. BayWa supports the professional and personal development of its employees and values interesting learning concepts.

It is the people who make BayWa successful as a company. The company sees its central role as qualifying its people for tasks, promoting them according to their strengths and creating individual development opportunities.



Guiding principles, structures and processes

Training and professional development are an important element of the human resources strategy at the parent company, BayWa AG.

The strategy here has three focus areas:

- a) a systematic training concept,
- b) a range of in-house and external seminars for employees and managers as part of the BayWa Academy and
- c) development programmes and strategic talent management processes. The subsidiaries predominantly apply their own approaches for training and professional development.

The training team focuses on the skills of trainers, the quality of training locations and intensive training support. Central HR and training processes are created together with training management and the HR business partners. Within the parent company, the team ensures that BayWa is perceived as an attractive and high-quality training organisation. In addition to individual talent development, the Learning and Development department supports change processes, assists managers, helps with team building or, if required, takes on the conceptualisation and hosting of workshops. It is important to BayWa that training courses and qualification and development programmes meet practical needs. Corporate HR therefore works hand-in-hand with the specialist departments and HR interfaces.

BayWa sees the recruitment and promotion of young talent as vitally important. Young employees of the parent company BayWa AG are systematically prepared for a profession in 14 apprenticeships. Apart from technical training, the development of social and methodological skills also plays a major role in this process and is a key element of the training structure.] ✓



Objectives

[The BayWa Group has an objective of offering its employees in every stage of their career an opportunity to continue education according to their strengths and interests and to develop skills. It also aims to have its own younger-generation employees fill specialised, project-based and leadership positions in the future, and the foundation for this is laid during their education. Through targeted development programmes, BayWa aims to ensure that specialists and managers are highly and uniformly qualified. To this end, clear and uniform training standards are implemented at BayWa AG even before training begins, for example when examining training locations and trainers. With regard to training locations, this can take place in the form of location checklists that define the criteria that should be met by a training location. In the case of trainers, for example, this can include mandatory training courses and adjustments to the continuing training programme.] ✓



Measures

The topic of sustainability is a fixed component of the training programme at the parent company, BayWa AG. In 2023, e-learning sessions on sustainability were made available to all employees; a total of 928 people received this training during the year.

The company bundles all training programmes for employees of the parent company and the German subsidiaries within the BayWa Academy, which offers approximately 540 online and offline training courses for personal or professional development. The BayWa Academy's programme focuses on the following subjects: sales, leadership and management, communication, work organisation, IT and project management, bookkeeping and receivables management; and topic-specific training in the areas of agriculture, agricultural equipment, building materials and energy. Corporate EH&S also offers training on health ([see Workplace health & safety sub-chapter](#) ⓘ).

The seminars and training courses focus on strengthening personal and social skills, technical and methodological skills, as well as business and leadership skills. The training on offer is continuously evaluated and improved based on feedback forms and the more detailed ad hoc feedback obtained in personal discussions.

Furthermore, there are strategic development programmes which focus on the professional development and connections of people in the company who have potential or are high performers. The Talent programme is aimed at motivated employees, who are eligible to participate after receiving above-average results in training. The participating talented employees can look forward to systematic support as part of a modular programme, in which they can develop their individual strengths and have regular feedback meetings.



The **BayWa Academy** offers around 540 training courses.

Another programme, the Ideas Factory, aims to add to the qualifications of people with above-average potential in all corporate divisions and associated companies. The programme is also an important instrument for managing innovation within the BayWa Group and promotes cross-functional exchange. It has increasingly been addressing sustainability-related topics in recent years, for example climate action projects in the global supply chains of Global Produce. The seventh generation of the Ideas Factory was launched in 2023. In addition, the first Growth Factory for high-potential employees in the field of agriculture and agricultural equipment was successfully organised.

The large international subsidiaries organise their own training measures for their employees.

[The annual employee assessment remains an important and essential leadership instrument. Based on the competence model, managers and employees identify personal strengths and areas for improvement, and establish specific steps for professional development.] ✓



Performance indicator and results¹

[Group-wide, 30,585 individuals participated in training in the reporting period (2022: 22,409). This equates to 12.83 hours of training per employee (2022: 9.2).] ✓ BayWa also uses e-learning for ongoing knowledge sharing, which is available to all employees. Group-wide, the number of participants was 81,447 (2022: 63,944). Across the Group, 50.7 % (2022: 46.1 %) of all employees participated in employee assessments during the reporting period. A total of €17.3 million was spent on training and professional development across the Group. There were 1,393 apprentices Group-wide during the reporting period.

BayWa Group training courses

	2021	2022	2023
Total training participants ¹	24,225	22,409	30,585
Total hours per employee²	5.3	9.2	12.83
Hours per female employee	5.2	7.3	9.43
Hours per male employee	5.3	8.7	12.88
Hours per industrial employee	4.7	9.1	11.35
Hours per commercial employee	5.7	7.8	12.11

¹ Includes live online training and face-to-face training (excluding e-learning). ² The calculation methodology has changed since the previous year, so the number is only to a limited extent comparable to the previous year's figure. The calculation methodology has not changed compared to 2022.

Workplace health & safety

Workplace health and safety for employees is part of BayWa's common identity. This protection includes the prevention of occupational accidents, having a safe working environment that promotes health and, of course, compliance with corresponding laws.

BayWa's top priority is the safety and health of all people who are affected by its business activities. Employees spend a large portion of their lives at companies. By having a working environment that promotes health, BayWa helps to maintain its employees' health and well-being whilst also being able to lower the number of absences caused by illness.



Guiding principles, structures and processes

With its 20 employees, BayWa AG's Corporate Environment, Health & Safety (EH&S) organisational unit is a Group-wide point of contact for employee health and safety concerns, while also crafting international standards. In this function, the organisational unit reports directly to the Chief Executive Officer. The Safety, Health and Environmental Management mandate establishes responsibilities and specifies the tasks and powers of Corporate EH&S. All Group companies have a coordinator who is in charge of these matters.

BayWa's guiding [principles on the environment, health and safety](#) are aligned with ISO 45001, the global standard for workplace health and safety management systems. The guiding principles define the minimum precautions at each site. They apply to all companies and employees of the BayWa Group and its subcontractors. The approach focuses on integrating employees into improvement processes, because it is the employees who know the most about what they do and the potential risk exposure. Some subsidiaries such as BayWa r.e. and the Cefetra Group Segment have also formulated their own EH&S guidelines which contain the Group-wide requirements as well as additional workplace health and safety measures. In 2023, a more specific guideline was issued for the employees of BayWa AG and its German subsidiaries.

BayWa's EH&S Academy offers a comprehensive training programme with practical and predominantly digital seminars on the topics of workplace safety, waste disposal, health management, storage of hazardous materials and transport of hazardous goods. The training is directed towards the protection of employees and the environment and aims to teach participants about legal requirements as well as practical experience that has been gained. The EH&S Academy programme is constantly being expanded.

The occupational health management system at the parent company, BayWa AG, is based on a working group, the addiction officer and EH&S coordinators and cooperation partners. The BayWa AG workplace health and safety committee meets regularly to exchange information and ideas concerning current topics. In 2024, BayWa AG will publish a guideline on prevention and awareness raising in the area of mental health.

Due to the physical nature of their work, BayWa AG's industrial employees – such as warehouse staff – are subject to greater health risks. The requests submitted through the employer's liability insurance association regarding suspicions of occupational illnesses are looked into annually, and appropriate measures are determined. An external company doctor carries out the checks that are mandatory and optional under occupational healthcare laws for BayWa's Group companies in Germany. BayWa AG's occupational reintegration management system provides employees suffering from longer-term illnesses with the right support.

The BayWa Group systematically records workplace accidents and is in the process of standardising the recording and analysis of all incidents across the Group (for more information, see "[Measures](#)"). BayWa AG's EH&S and Corporate Communications must be informed immediately of serious occupational accidents or occupational accidents resulting in death, as well as incidents that impact the environment. An extensive catalogue for personal

protective equipment and a comprehensive training programme help prevent accidents and injuries at the BayWa Group. For activities involving electrical hazards, there are things such as a special range of online training courses. At one BayWa r.e. site, there is a training centre for the practical part of the programme. New and relevant employees of BayWa must complete a comprehensive e-learning programme when they start and then attend corresponding face-to-face training.

The parent company, BayWa AG, promotes Group-wide EH&S reporting via the companies' respective officers. The relevant performance indicators are retrieved from the business divisions and Group companies each year.

The EH&S guiding principles, which apply Group-wide, provide that subcontractors and all other parties working on a BayWa site must be provided with information on site-specific risks and evacuation routes. Subcontractors must provide information about how they will conduct their work safely.





Objectives

The objective of BayWa is to offer all employees a safe workplace and suitable working environment where safety and health are considered important principles. The [EH&S strategy](#) provides a clear direction for the targets set for 2030 and indicates the current challenges and possibilities for improvement. The strategy emphasises two main objectives: awareness of safety-related topics and people's health; and the employees' well-being. BayWa has set the following targets:

Milestones by 2025:

- Digital documentation of near-miss accidents
- Increased frequency of certification and inspections



The [EH&S strategy](#) provides a clear direction for the targets set for 2030.

Guiding principles and checklists



Promoting health



Integration in all business units

Safety standards

The global workplace health and safety management system is intended to gradually enable certification under ISO 45001, 14001, 9001 and 50001 for all BayWa r.e. companies. With this measure, the company is satisfying the continuously increasing requirements for EH&S in the field of renewable energies and continuously strengthening awareness of risks involved in working with electrical facilities or at heights among management and employees. Special attention is given to reviewing subcontractors and service providers. In the Global Produce segment, some risks have been prioritised, with critical control plans being developed for powered industrial trucks, heavy-goods vehicles and similar.



Measures

For several years, BayWa has had in place a process to standardise the recording and analysis of all incidents relating to workplace safety, health protection and environmental management. BayWa AG, BayWa r.e. and one unit of BayWa Global Produce established it in 2022. In the reporting period, the process was extended to other companies (BayWa r.e. APAC & EMEA, BayWa Mobility Solutions and another unit at BayWa Global Produce). A software solution is used to ensure legally compliant documentation. Systematic follow-up on accidents helps to reduce

risks. The reporting of near misses, introduced in BayWa r.e. units, also contributes to this reduction. The subsidiary T&G Global is continuously rolling out new modules in its software system for New Zealand-based subsidiaries. Since the beginning of 2024, Global Produce has been reporting on accident figures and near misses in a standardised manner.

The health management initiatives at the parent company and a number of subsidiaries comprise a variety of primarily preventative measures. Employees in Germany can make use of services such as free face-to-face seminars on managing stress, improving resilience, nutrition, mindfulness, relaxation and back exercise, for the purpose of promoting health. There are also online formats with tips and news on healthy behaviour.

Some subsidiaries offer their own services. T&G Global, for instance, offers its employees a programme to support their psychological health, a process for fatigue management and support from physiotherapists. BayWa r.e. has firmly implemented its #socialandhealthy online-based health programme with a variety of courses and interactive elements. BayWa AG and BayWa r.e. carried out a joint typing campaign for the German Bone Marrow Donor Centre (DKMS) at the head office in the reporting period.



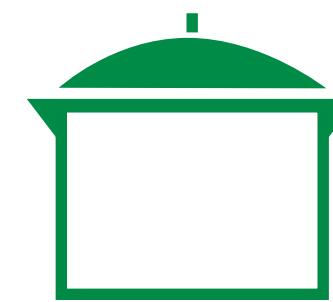
Results

There were 741 occupational accidents (including workplace accidents and accidents while commuting) across the BayWa Group during 2023 (2022: 744). The total number of reportable incidents in 2023 was 475. There were no fatal occupational accidents in 2023 (2022: 1). The rate of illness within the BayWa Group has fallen to 3.7 % (2022: 4.0 %). The free training on health at the parent company, BayWa AG, was taken up by 311 employees during the reporting period (2022: 245). Implementation of BayWa r.e.'s global workplace health and safety management system continued at subsidiaries of BayWa r.e. in 2023 and was confirmed through successful initial certification and re-certification. There were 12 companies in the Group that held ISO 45001 certification for management systems for workplace health and safety.

BayWa Group occupational accidents

	2021	2022	2023
Number of occupational accidents	757	744	741
Accident rate (total number of reportable accidents per 200,000 hours worked)	446	474	475

Social commitment to education



The BayWa Foundation supports the introduction of **sustainable cooking pits in India**.

BayWa sees its commercial success as being firmly linked to its status as a stakeholder in society and, therefore, to an obligation to take responsibility beyond its core business and engage itself for charitable purposes. BayWa seeks to take an active role in shaping the transition to a sustainable society. Its focus is on transferring knowledge and raising awareness on subjects such as food, the environment and energy. The company pools its social engagement in the BayWa Foundation, and there are numerous other projects beyond it, including at its subsidiaries in particular.



Guiding principles, structures and processes

The BayWa Foundation was established in 1998 to fulfil and further develop the Group's commitment to society. It is an incorporated foundation under civil law, operating under the oversight of the government of Upper Bavaria, and is intermittently audited by an external auditor. The principles and founding objectives of the BayWa Foundation are laid down in its statutes. In addition, the BayWa Foundation acts in accordance with the Code of Conduct of BayWa AG. The Foundation's Board of Management and management regularly assess and monitor its work.

The Foundation's board comprises three members who are appointed by the Board of Management of BayWa AG. The BayWa Foundation's Board of Management appoints a managing director, who steers the work of the Foundation. The managing

director reports to the BayWa Foundation's Board of Management. BayWa AG covers the administrative costs and doubles donations so that 200 % of the money the foundation receives goes towards projects that it funds.



Objectives

The goal of the BayWa Foundation is to establish sustainable educational projects in the areas of healthy eating and renewable energies. The foundation also provides valuable help for people in need.

The increased presence of the foundation's work in Bavaria, Baden-Württemberg and Saxony, the business regions of BayWa AG, is to be further expanded in 2024. The BayWa Foundation intends to keep developing its international projects in a stable manner in 2024.



Measures and results

The BayWa Foundation's educational projects contribute to nine of the United Nations' 17 Sustainable Development Goals. The projects that the BayWa Foundation oversees in the field of healthy nutrition support agriculture and provide education. There are already 466 school gardens that have been planted all across

Germany as part of the nutrition education programme “Gemüse pflanzen. Gesundheit ernten.” (“planting vegetables, harvesting health”). The programme contributes to preventive healthcare for children, with the “DIY” nature resulting in children remembering the lessons better and experiencing the value of food.

In 2023, BayWa employees actively supported 14 campaign days, which focused on environmental and nutritional education.

In regular classrooms, the text and activity book “Der Ernährungskompass” (“The Nutrition Compass”) teaches children in a playful way. Roughly 130,000 copies of it have already been distributed for use in school classrooms since the project was launched.

The “Die Waldschule” project allows primary and special school children to experience the forest ecosystem and contribute to the conservation of native forests by planting trees. The scope was increased considerably in the reporting period. Sixty “Waldschule” days were held in 2023 (2022: 29). More than 1,300 students took part and planted around 1,800 trees (2022: 800).

In addition, the BayWa Foundation planted a total of 33,000 trees in 2023 as part of the “O’pflanzt is!” (loosely translated as ‘Now it’s planted!’) reforestation initiative in cooperation with the Bavarian State Forests.

The BayWa Foundation is committed to the education of young people. It also supports children’s and youth facilities in Munich and the surrounding area and has also initiated collaboration with other institutions in Bavaria, Baden-Württemberg and Saxony in 2023. There is also a priority on knowledge transfer for a large audience. For example, the BayWa Foundation is the main funding partner of the BIOTOPIA Lab, which is a museum of natural sciences in Munich, and the “Agriculture and Food” exhibition at Deutsches Museum.

Since 2022 the BayWa Foundation has been collecting donations because of the war in Ukraine, which were used for example to support measures for traumatised refugee children or language courses in 2023.

A new Advent calendar of good deeds was created in the reporting period. On each of the 24 days of Advent, a social project was presented and a public appeal made for donations. The aim of the calendar is to create the financial footing for the foundation’s work in 2024 and also to be able to provide help through contact with local projects in the immediate vicinity of BayWa’s sites. A total of €803,387 was donated by companies and private individuals, which BayWa AG doubled to give a total of €1,606,774.

The international foundation projects are geared towards providing long-term assistance to help people help themselves. In Zambia, the BayWa Foundation has been working with SOS Kinderdörfer weltweit since 2017 to support young and needy mothers to find the way to an empowered life through a training programme.

Furthermore, the cooperation with the self-sufficiency village “Kwathu” in Zambia has been expanded – in addition to the orphanage, the school and daily food distribution, the newly built farm has also been supported by the BayWa Foundation since 2023. It not only ensures that local people are fed, but also provides jobs and future training opportunities in the region. The BayWa Foundation supports the project with funding, agricultural know-how and its network. Since 2023, the foundation has also been supporting the market launch of sustainable cooking pits in India. Innovative biogas units are intended to replace open fireplaces, which are problematic for the environment and health. The biogas units can be fuelled with cow dung and water and are significantly lighter and more sustainable to use than gas cylinders, for example.

In the reporting period, the BayWa Group’s donations totalled €2.7 million (2022: €4.3 million). The parent company, BayWa AG, donated roughly €2 million of this amount (2022: €1.7 million), while approximately €1.2 million of it (2022: €1.2 million) went towards the BayWa Foundation’s projects.

Dialogue with stakeholders

For **BayWa's** customers, regular visits on site, for example by sales staff, are the most important opportunity for contact. Reports on innovations in the fields of agriculture, building materials, agricultural equipment and energy are also given at events. Customer satisfaction is regularly surveyed in the individual segments.

With **suppliers**, BayWa cultivates partnership-based and usually long-standing collaboration. Strategic communication takes place, for example, through annual supplier discussions. At BayWa Global Produce, for example, pome fruit producers are informed about current topics such as quality requirements and customer needs, handling processes and market conditions at regular events. Visits to fruit producers and verticalisation partners are also part of the dialogue with suppliers. The Cefetra Group is in regular dialogue with its suppliers about various sustainability certification schemes and associated audits, especially for soya. BayWa r.e. is in constant dialogue with its suppliers regarding the high quality requirements and sustainability in its supply chain.

BayWa informs its **employees** about current developments across the Group by means of the employee magazine and employee app and over the intranet – including with video messages from the CEO. One member of the Board of Management and the head of Corporate HR are always represented in the regular employee meetings convened by the Works Council. The Cefetra Group informs its employees of operational changes in this way four times a year. As part of the Sustainability Framework 2025, BayWa r.e. invites all employees to actively participate in the measures for achieving the sustainability goals and contribute new ideas, for example with their own initiatives to contribute to the United Nations' Sustainable Development Goals or by taking part in existing working groups. BayWa AG's employees can submit their ideas for improvement through the employee suggestion scheme. A total of 132 ideas were received in 2023 (2022: 113).

Listed companies are obliged to **inform investors of the company's business development** as comprehensively as possible, in a timely manner, and above all, to the same degree. This is done through mandatory publications and at analyst conferences, roadshows and the Annual General Meeting. For this reason, the Board of Management is closely involved with capital market communications. The Investor Relations department is responsible for regular dialogue with capital market investors.

In its dealings with the **general public**, members of the Board of Management and specialists and managers gave presentations and participated in talks and panel discussions on current issues in food, building materials and energy. BayWa is also represented in around 150 associations, societies and scientific institutions across Germany, with a focus on its sales region.

BayWa r.e. is working towards making the energy transition a success through its active participation in industry associations in many countries. Moreover, in activities such as the construction of wind turbines and free-standing solar parks, it relies on transparency and early-stage and intensive dialogue with local communities, authorities, citizens' organisations and conservation organisations. In line with compliance requirements in the respective countries, BayWa r.e. also pursues various approaches to financially involve communities and residents in the erection and operation of new renewable energy plants.



Political dialogue

Economic, environmental and social goals can only be achieved and developed within a suitable political and entrepreneurial framework. The formulated legal framework largely determines the type and scope of economic and entrepreneurial activity. Dialogue and contact are key communication tools through which BayWa participates in the political decision-making process. By offering technical expertise, the intent is to maintain and develop a functioning and at the same time commercially acceptable framework to ensure sustainability in the areas of energy supply, agriculture and construction in a practical and economically feasible manner.

Its interests are represented by associations and organisations as well as in its own position papers and presentations. BayWa AG has set up a department with two employees that is primarily focused on monitoring political activities and, in some cases, also seeks dialogue with lawmakers in order to represent interests in a targeted way – either jointly with trade associations or directly. The department reports to the General Legal Counsel/Chief Compliance Officer. BayWa r.e. has a corresponding department with three employees. BayWa adheres to the EU Code of Conduct in its political work and the Code of Conduct for Interest Representatives under the lobby register of the German Bundestag and the

regulations on lobbying in accordance with the Bavarian Lobby Register Act. It therefore complies with the Code of Conduct of the Bavarian State Parliament and the Bavarian State Government.

Due to the variety of its business activities, BayWa is represented in many different associations. The lists for BayWa AG can be viewed in the Bundestag lobby register and EU transparency register. BayWa r.e. has its own entry in the Bundestag lobby register.

The amount spent on party donations in the 2023 reporting period was €13,901 (2022: €9,000).

About this report

In publishing its tenth Sustainability Report, BayWa gives an account of how it puts its corporate responsibility into practice. The report describes the impact of the company's operations on the environment and society, documents key figures and presents objectives and measures that BayWa uses to manage its sustainability-related activities. The reporting period is the 2023 financial year (1 January to 31 December). Where available, data from the previous year is included for comparison. Reports are published annually; in 2025, sustainability-related information will be reported in the Group consolidated financial report in accordance with the CSRD.

Framework, review and non-financial report

This Sustainability Report was prepared with reference to the GRI Standards. [The general information in the non-financial report, the materiality analysis, the management of material topics and the calculation of metrics follow this framework to a partial extent. The report implements the requirements of the German CSR Directive Implementation Act (CSR-RUG) and contains the separate non-financial report for the Group pursuant to Section 315b of the German Commercial Code (HGB), which has been combined with the non-financial report of the parent company pursuant to Section 289b of the German Commercial Code (HGB) (for short: "Separate Combined Non-financial Report"). This separate combined non-financial report consists of the sections referenced in the overview on [page 15](#) and separate and other disclosures. This report also discloses the shares of BayWa's turnover, capital expenditure (CapEx) and operating expenditure (OpEx) that are

attributable to taxonomy-eligible and taxonomy-aligned economic activities (in accordance with EU Regulation 2020/852). The content provided for compliance with the requirements of the CSR-RUG and Taxonomy Regulation has been reviewed with limited assurance by an independent audit firm. The content for the non-financial report is presented accordingly in the table on [page 17](#). The implementation of the requirements of the Taxonomy Regulation can be found on [pages 34–47](#). Information marked with this symbol [...] in the report is part of the separate combined non-financial report. The Supervisory Board examined the 2023 Sustainability Report intensively and discussed it with the auditor and the Board of Management, both of whom were present for the discussions.]

The Supervisory Board, following its examination of the report, agrees with the conclusion reached by the auditor and has approved the 2023 Sustainability Report for publication.

Determining the content of the report, scope and the collection and presentation of data

[The content to be reported was defined by means of a materiality analysis updated in 2021 and discussed and validated again at a meeting of the Operational Sustainability Board in autumn 2023 ([see page 12](#)). The content for the non-financial report was determined based on its commercial relevance and based on impacts on non-financial matters ([see page 14](#)).

Besides the parent company, BayWa AG, the BayWa Group comprises 584 fully consolidated Group companies. The non-financial metrics reported here relate to the group of consolidated companies as at 30 September 2023 (571 companies).¹ The general scope of this report and the statements associated with it is comprised of the entire BayWa Group ([see overview table, page 15](#) ), which is also referred to as "BayWa" in the Sustainability Report. Deviating concepts, guiding principles, structures and metrics that do not pertain to the entire BayWa Group are marked as such in the text. Where this does occur, it usually relates to the parent company, BayWa AG, or subsidiaries or segments that are named accordingly.] 

[Climate-related values and figures are disclosed as CO₂ equivalents (CO₂e), which includes CO₂ and other relevant gases with an effect on the climate. The emissions factors used are drawn from the VDA (AR5), GEMIS (AR4), DBEIS (AR4 and 5), Agribalyse, the World Food LCA Database, Exiobase 3.8.2 and ecoinvent. A minimal percentage (less than 0.2%) of energy consumption, and therefore GHG emissions, is based on projections for the sake of completeness.]  There were no relevant year-on-year changes at the company or in its supply chain.

Some emission factors were calculated in 2023 for the reporting period and in individual cases (Scope 3.4. Contracted transportation and Scope 3.6. Business travel) were also adjusted for prior years. This has resulted in changes to the previous year's figures. These are explained in the corresponding tables.

Note from the editor

The editorial deadline for this report was 13 March 2024.

The Sustainability Report is available in German and English. If they differ from each other, only the German version is legally binding.

BayWa restatement policy for non-financial data

Changes trigger an adjustment of data for prior years if the level of comparability that cannot be ensured exceeds 5%. The changes are documented and publicised in footnotes. These changes refer to changes based revisions of calculation methodologies or bases, or revisions of values. The applicable group of consolidated companies is taken into account for the calculation and presentation of prior-year figures. All adjustment mechanisms relate to the reported totals (e.g. Scope 1 emissions indicator) and are applied to the areas of energy & greenhouse gases, waste & recycling and logistics & mobility. The base year values used for calculating strategic targets are always updated when the calculation methodology or base is updated or when the values are updated. Companies deconsolidated during the year are not included. In addition, base year values are updated when business entities are sold. In the case of acquisitions, base year values are updated if the level of comparability that cannot be ensured exceeds 5%. In order to ensure comparability, the group of consolidated companies for the current reporting period is used to calculate the base year figures.

¹ This does not apply to HR-relevant information, key financial figures and Scope 3.15. figures. These are based on the status of fully consolidated companies as at 31 December 2023.

BayWa AG non-financial report

Notes to the BayWa AG non-financial report pursuant to Section 289b HGB

In addition to the above statements in the separate combined non-financial report that pertain to the Group, the following provides key performance indicators concerning BayWa AG. All disclosures, arrangements, presented protocols and processes; and metrics for the BayWa Group always include BayWa AG, which is

managed by the Group. There were no additional aspects under the CSR-RUG that were identified as being applicable solely to BayWa AG. The following table presents the key performance indicators for BayWa AG.] ✓

BayWa AG

	2021	2022	2023
Compliance¹			✓
Participants in on-site compliance training courses ²	259	237	371
Participants in compliance e-learning courses	4,521	1,653	3,455
Energy & GHG emissions			
Energy consumption in megawatt-hours	260,914	188,442	185,218.5
Proportion of electricity from renewable sources incl. purchase of green electricity certificates of origin (in %)	100	100	100
GHG emissions (Scope -1 and 2) (in tCO ₂ e) ³	52,534	38,099	38,299.61
Inclusion & diversity			
Proportion of women in management positions (1st and 2nd levels) (in %)	20.7	20.9	17.2
Learning & development			
Training hours per employee	5.0	9.1	13.5

¹ The training cycle for on-site training courses is three years, for e-learning courses it is two years. For this reason, the information for 2023 is not directly comparable to the information for previous years. ² Including virtual live training courses. ³ The market-based method was used for the calculation; value according to the location-based method: 52,250 tCO₂e.

Audit note

Independent practitioner's report on a limited assurance engagement on non-financial reporting

To BayWa Aktiengesellschaft, Munich

We have performed a limited assurance engagement on the combined separate non-financial report of BayWa Aktiengesellschaft, Munich, (hereinafter the "Company") for the period from 1 January to 31 December 2023, which includes the information marked in green brackets and with a "✓" in the Sustainability Report 2023 (hereinafter the "Combined Separate Non-financial Report").

Not subject to our assurance engagement are the external sources of documentation or expert opinions mentioned in the Combined Separate Non-financial Report.

Responsibility of the executive directors

The executive directors of the Company are responsible for the preparation of the Combined Separate Non-financial Report in accordance with §§ (Articles) 315c in conjunction with 289c to 289e HGB ("Handelsgesetzbuch": "German Commercial Code") and Article 8 of REGULATION (EU) 2020/852 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 18 June 2020 on establishing a framework to facilitate sustainable investment and amending Regulation (EU) 2019/2088 (hereinafter the "EU Taxonomy Regulation") and the Delegated Acts adopted thereunder,

as well as for making their own interpretation of the wording and terms contained in the EU Taxonomy Regulation and the Delegated Acts adopted thereunder, as set out in chapter "Strategy & Governance", sub-chapter "EU taxonomy" of the Combined Separate Non-financial Report.

This responsibility includes the selection and application of appropriate non-financial reporting methods and making assumptions and estimates about individual non-financial disclosures of the Group that are reasonable in the circumstances. Furthermore, the executive directors are responsible for such internal controls as the executive directors consider necessary to enable the preparation of a Combined Separate Non-financial Report that is free from material misstatement whether due to fraud or error.

The EU Taxonomy Regulation and the Delegated Acts issued thereunder contain wording and terms that are still subject to considerable interpretation uncertainties and for which clarifications have not yet been published in every case. Therefore, the executive directors have disclosed their interpretation of the EU Taxonomy Regulation and the Delegated Acts adopted thereunder in chapter "Strategy & Governance", sub-chapter "EU taxonomy" of the Combined Separate Non-financial Report. They are responsible for the defensibility of this interpretation. Due to the immanent risk that indeterminate legal terms may be interpreted differently, the legal conformity of the interpretation is subject to uncertainties.

Independence and quality control of the audit firm

We have complied with the German professional provisions regarding independence as well as other ethical requirements.

Our audit firm applies the national legal requirements and professional standards – in particular the Professional Code for German Public Auditors and German Chartered Auditors (“Berufssatzung für Wirtschaftsprüfer und vereidigte Buchprüfer”: “BS WP/vBP”) as well as the Standard on Quality Management 1 published by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany; IDW): Requirements for quality management for audit firms (IDW Qualitätssicherungsstandard 1: Anforderungen an das Qualitätsmanagement in der Wirtschaftsprüferpraxis – IDW QMS 1 (9/2022)), which requires the audit firm to design, implement and enforce a quality management system that meets the legal and statutory requirements.

Responsibility of the assurance practitioner

Our responsibility is to express a conclusion with limited assurance on the Combined Separate Non-financial Report based on our assurance engagement.

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 IAASB. This Standard requires that we plan and perform the assurance engagement to obtain limited assurance about whether any matters have come to our attention that cause us to believe that the Company’s Combined Separate Non-financial Report, other than the external sources of documentation or expert opinions mentioned in the Combined Separate Non-financial Report, are not prepared, in all material respects, in accordance with §§ 315c in conjunction with 289c to 289e HGB and the EU Taxonomy Regulation and the Delegated Acts issued thereunder as well as the interpretation by the executive directors disclosed in chapter “Strategy & Governance”, sub-chapter “EU taxonomy” of the Combined Separate Non-financial Report.

In a limited assurance engagement the procedures performed are less extensive than in a reasonable assurance engagement, and accordingly a substantially lower level of assurance is obtained. The selection of the assurance procedures is subject to the professional judgement of the assurance practitioner.

In the course of our assurance engagement, we have, amongst other things, performed the following assurance procedures and other activities:

- Gain an understanding of the structure of the Company’s sustainability organisation and stakeholder engagement Gain an understanding of the structure of the Company’s sustainability organisation and stakeholder engagement
- Inquiries of the executive directors and relevant employees involved in the preparation of the Combined Separate Non-financial Report about the preparation process, about the internal control system relating to this process and about disclosures in the Combined Separate Non-financial Report
- Identification of likely risks of material misstatement in the Combined Separate Non-financial Report
- Analytical procedures on selected disclosures in the Combined Separate Non-financial Report
- Reconciliation of selected disclosures with the corresponding data in the consolidated financial statements and group management report
- Evaluation of the presentation of the Combined Separate Non-financial Report
- Evaluation of the process to identify taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the Combined Separate Non-financial Report
- Inquiries on the relevance of climate risks
- Evaluation of CO₂ offsetting certificates exclusively with regard to their existence, but not with regard to their impact

In determining the disclosures in accordance with Article 8 of the EU Taxonomy Regulation, the executive directors are required to interpret undefined legal terms. Due to the immanent risk that undefined legal terms may be interpreted differently, the legal conformity of their interpretation and, accordingly, our assurance engagement thereon are subject to uncertainties.

Assurance opinion

Based on the assurance procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the Combined Separate Non-financial Report of the Company for the period from 1 January 2023 to 31 December 2023 is not prepared, in all material respects, in accordance with §§ 315c in conjunction with 289c to 289e HGB and the EU Taxonomy Regulation and the Delegated Acts issued thereunder as well as the interpretation by the executive directors disclosed in chapter "Strategy & Governance", sub-chapter "EU taxonomy" of the Combined Separate Non-financial Report. We do not express an assurance opinion on the external sources of documentation or expert opinions mentioned in the Combined Separate Non-financial Report.

Restriction of use

We draw attention to the fact that the assurance engagement was conducted for the Company's purposes and that the report is intended solely to inform the Company about the result of the assurance engagement. Consequently, it may not be suitable for any other purpose than the aforementioned. Accordingly, the report is not intended to be used by third parties for making (financial) decisions based on it. Our responsibility is to the Company. We do not accept any responsibility to third parties. Our assurance opinion is not modified in this respect.

Munich, 26 March 2024

PricewaterhouseCoopers GmbH

Wirtschaftsprüfungsgesellschaft

Christoph Tübbing

Wirtschaftsprüfer

[German public auditor]

Theres Schäfer

Wirtschaftsprüferin

[German public auditor]

GRI index

BayWa AG has reported the information cited in this GRI content index for the period 2023 (1 January 2023 – 31 December 2023) with reference to the GRI Standards. This index distinguishes between standards for material topics in line with the materiality analysis carried out in 2021 and additional standards that are reported for reasons of transparency.

For the Content Index - Essentials With Reference option Service, GRI Services reviewed that the GRI content index has been presented in a way consistent with the requirements for reporting with reference to the GRI Standards, and that the information in the index is clearly presented and accessible to the stakeholders.

Usage explanation:
BayWa AG is reporting on the 2023 financial year in accordance with the GRI standards
GRI 1: Foundation 2021



CONTENT INDEX ESSENTIALS
SERVICE
WITH REFERENCE OPTION

2024

GRI Standard	Page	Comments
GRI 1: Foundation 2021		
GRI 2: General Disclosures 2021		
The organization and its reporting practices		
2-1 Organizational details	4–6	Imprint
2-2 Entities included in the organization's sustainability reporting	128, Consolidated Financial Statements 4/5, 18/19, 39, 200ff	
2-3 Reporting period, frequency and contact point	127	1 January 2023 to 31 December 2023, annually, contact details provided in imprint
2-4 Restatements of information	128	
2-5 External assurance	130–132	Assurance statement; elements of the non-financial report
Activities and workers		
2-6 Activities, value chain and other business relationships	4–6, 34–47, 52–76, 126	
2-7 Employees	4–6, 109, 114	
2-8 Workers who are not employees		Information unavailable. Data is currently not collected. BayWa plans to report this information in the future.

GRI Standard	Page	Comments
Governance		
2-9 Governance structure and composition	20–22, Consolidated Financial Statements 237–240 ↗	
2-10 Nomination and selection of the highest governance body	20–22	
2-11 Chair of the highest governance body	21	
2-12 Role of the highest governance body in overseeing the management of impacts	18/19, 21, 27/28	
2-13 Delegation of responsibility for managing impacts	18/19, 20/22	
2-14 Role of the highest governance body in sustainability reporting	19, 127–128	
2-15 Conflicts of interest	22	
2-16 Communication of critical concerns	27/28, 78–80	
2-17 Collective knowledge of the highest governance body	20–22	
2-18 Evaluation of the performance of the highest governance body	20–22	
2-19 Remuneration policies	22	
2-20 Process to determine remuneration	22	
2-21 Annual total compensation ratio	22	Information unavailable. Data is currently not collected. BayWa plans to report this information in the future.
Strategy, policies and practices		
2-22 Statement on sustainable development strategy	3, 8–11, 29/30	
2-23 Policy commitments	20, 23/24, 27, 77–81, 118–121	
2-24 Embedding policy commitments	74–81	
2-25 Process to remediate negative impacts	74–81, 118–121	
2-26 Mechanisms for seeking advice and raising concerns	74–81	
2-27 Compliance with laws and regulations	23/24, 118–121	
2-28 Membership of associations	95/96	
Stakeholder engagement		
2-29 Approach to stakeholder engagement	12, 124–126	
2-30 Collective bargaining agreements		In 2023, 54.1 percent of employees were covered by a collective agreement.

GRI Standard		Page	Comments
	Material topics		
GRI 3	Material Topics 2021		
3-1	Process to determine material topics	12/13	
3-2	List of material topics	14	
	Reducing energy consumption and greenhouse gas emissions		
GRI 3	Material Topics 2021		
3-3	Management of material topics	85–87	
GRI 302	Energy 2016		
302-1	Energy consumption within the organization	89, 94	
302-3	Energy intensity	89	
GRI 305	Emissions 2016		
305-1	Direct (Scope 1) GHG emissions	90, 94	
305-2	Energy indirect (Scope 2) GHG emissions	90	
305-3	Other indirect (Scope 3) GHG emissions	91	
305-4	GHG emissions intensity	90	
	Sustainable procurement		
GRI 3	Material Topics 2021		
3-3	Management of material topics	74–76	
GRI 204	Procurement Practices 2016		
204-1	Proportion of spending on local suppliers	75/76	

GRI Standard		Page	Comments
GRI 414	Supplier Social Assessment 2016		
414-1	New suppliers that were screened using social criteria	74–81	The risk analyses described have previously been carried out at product level; individual suppliers have therefore not been assessed in terms of social impact, which means that this information could not be reported. In future, new and existing strategic suppliers of BayWa AG will be evaluated during the onboarding process on the basis of social criteria, among others.
414-2	Negative social impacts in the supply chain and actions taken	74–81	The risk analyses described have previously been carried out at product level; individual suppliers have therefore not been assessed in terms of social impact, which means that this information could not be reported.
GRI 308	Supplier Environmental Assessment 2016		
308-1	New suppliers that were screened using environmental criteria	74–76	The risk analyses described have previously been carried out at product level; individual suppliers have therefore not been assessed in terms of social or environmental impact, which means that this information could not be reported. In future, new and existing strategic suppliers of BayWa AG will be evaluated during the onboarding process on the basis of environmental criteria, among others.
Deforestation and forest degradation			
GRI 3	Material Topics 2021		
3-3	Management of material topics	100/101	
GRI 304	Biodiversity 2016		
304-2	Significant impacts of activities, products and services on biodiversity	100	There was no analysis of the significant impacts on biodiversity from BayWa's products and services during the reporting period.
Efficient energy supply from renewable energies			
GRI 3	Material Topics 2021		
3-3	Management of material topics	85–87	
GRI 302	Energy 2016		
302-1	Energy consumption within the organization	89, 94	
302-3	Energy intensity	89	

GRI Standard		Page	Comments
	Food security through sustainable agriculture		
GRI 3	Material Topics 2021		
3-3	Management of material topics	59–69	
GRI 308	Supplier Environmental Assessment 2016		
308-1	New suppliers that were screened using environmental criteria	74–76	The risk analyses described have previously been carried out at product level; individual suppliers have therefore not been assessed in terms of social or environmental impact, which means that this information could not be reported. In future, new and existing strategic suppliers of BayWa AG will be evaluated during the onboarding process on the basis of environmental criteria, among others.
308-2	Negative environmental impacts in the supply chain and actions taken	74–76	The risk analyses described have previously been carried out at product level; individual suppliers have therefore not been assessed in terms of social or environmental impact, which means that this information could not be reported.
GRI 416	Customer Health and Safety 2016		
416-1	Assessment of the health and safety impacts of product and service categories	59, 61, 64, 69	
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services		Incidents of non-compliance concerning the health and safety impacts of products and services were not identified during the reporting period.
	Resource efficiency of products and services		
GRI 3	Material Topics 2021		
3-3	Management of material topics	52–73	
GRI 301	Materials 2016		
301-1	Materials used by weight or volume	97/98, 52–73	The data is not available in sufficient quality. BayWa plans to further optimise data collection in the years ahead in order to report the data in future.
GRI 306	Waste 2020		
306-3	Waste generated	99	

GRI Standard	Page	Comments
Managing risks and opportunities due to climate change		
GRI 3 Material Topics 2021		
3-3 Management of material topics	28–30	
GRI 201 Economic Performance 2016		
201-1 Direct economic value generated and distributed	4–6, Consolidated Financial Statements 72–74 	
Task Force on Climate-Related Financial Disclosures (TCFD)	28–30	
Additional immaterial standards		
GRI 201 Economic Performance 2016		
201-1 Direct economic value generated and distributed	4–6, Consolidated Financial Statements 72–74 	
201-2 Financial implications and other risks and opportunities due to climate change	28–30	
GRI 202 Market Presence 2016		
202-2 Proportion of senior management hired from the local community		Due to their various segments, BayWa and its subsidiaries use different definitions depending on region. For this reason, BayWa currently does not collect this data.
GRI 203 Indirect Economic Impacts 2016		
203-1 Infrastructure investments and services supported	122/123	
GRI 205 Anti-corruption 2016		
205-2 Communication and training about anti-corruption policies and procedures	23–26	

GRI Standard		Page	Comments
GRI 206	Anti-competitive Behaviour 2016		
206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	23–26	BayWa was not party as a defendant to any legal proceedings based on anti-competitive behaviour or breaches of cartel or monopoly laws during the reporting period.
GRI 207	Taxes 2019		
207-1	Approach to tax	31/32	
207-2	Tax governance, control, and risk management	31/32	
207-3	Stakeholder engagement and management of concerns related to tax	31/32	
207-4	Country-by-country reporting	33	
GRI 303	Water and Effluents 2018		
303-1	Interactions with water as a shared resource	102–104	
303-2	Management of water discharge-related impacts	103/104	
303-4	Water discharge	104	
GRI 306	Waste 2020		
306-1	Waste generation and significant waste-related impacts	97/98	
306-2	Management of significant waste-related impacts	97/98	
306-3	Waste generated	99	
306-4	Waste diverted from disposal	99	
306-5	Waste directed to disposal	99	

GRI Standard	Page	Comments
GRI 401 Employment 2016		
401-1 New employees hires and employee turnover	109	
401-3 Parental leave	113/114	
GRI 402 Labour/Management Relations 2016		
402-1 Minimum notice periods regarding operational changes		BayWa complies with the respective regional statutory requirements for notice periods regarding operational changes.
GRI 403 Occupational Health and Safety 2018		
403-1 Management system for occupational health and safety	118/119	
403-2 Identification of hazards, risk assessment and investigation of incidents	118–121	
403-3 Occupational health services	118/119	
403-4 Employee participation, consultation and communication on occupational health and safety	118–121	
403-5 Worker training on occupational health and safety	119/120	
403-6 Promotion of employee health	118–121	
403-7 Preventing and minimising effects directly related to business relationships on employee health and safety	118–121	
403-8 Employees covered by a management system for occupational health and safety	118–121	
403-9 Work-related injuries	121	
GRI 404 Training and Education 2016		
404-1 Average hours of training per year per employee	117	
404-3 Percentage of employees receiving regular performance and career development reviews	117	

GRI Standard		Page	Comments
GRI 405	Diversity and Equal Opportunity 2016		
405-1	Diversity of governance bodies and employees	114	
GRI 406	Non-discrimination 2016		
406-1	Incidents of discrimination and corrective actions taken	114	
GRI 415	Public Policy 2016		
v	Political contributions	126	
GRI 417	Marketing and Labelling 2016		
417-2	Incidents of non-compliance concerning product and service information and labelling		There were no breaches connected to product or service information and labelling during the reporting period.

Imprint

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