


Sustainability Report 2021

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Information marked with this symbol [...]  in the report is part of the combined non-financial Group report and was subject to an assurance review externally.





Prof. Klaus Josef Lutz
Chief Executive Officer
of BayWa AG

Dear Readers,

With regard to sustainability, a lot happened at a political level in 2021 – from the EU’s revised sustainable finance strategy to the Supply Chain Act in Germany. At BayWa, we have long addressed environmental and social aspects, and in the past year we introduced further important steps. Sustainability is a core topic of our new “Sustainable Solutions for Life” Group strategy. One of the things this means is that sustainability criteria will play an even more important role in developing our business models and investment decisions in the future.

We develop products and solutions for the basic needs of food, energy, heat and mobility and want to connect profitable growth with a contribution to tackling global challenges here. BayWa sees itself as a reliable partner and as a bridge builder, in line with our guiding principle of “United for success.” and our cooperative roots. Together with our partners, we work on forward-looking solutions – and rely on collaborations when developing new business, for example with start-ups in the area of plant-based proteins.

The performance of our Renewable Energies Segment, which makes a significant contribution to our success, shows what a positive impact a climate-friendly business model can have at an economic level. As one of the leading players in the energy transition, we create synergies – for example with agri-photovoltaic systems, through which arable land can be used twice: for producing food and for generating energy. In the future, sustainable products and solutions will become even more

important in all business areas: for example, alternative operating resources, digital farming or innovative construction or mobility concepts.

“Sustainable Products and Solutions” is also one of the core topics of our new sustainability strategy, which we developed in 2021. It builds on the previous strategy and provides new impetus with topics such as sustainable procurement, a circular economy, water and biodiversity. BayWa is aware of the impact of its business operations and opportunities for influence in these areas and wants to approach them in a targeted way.

This means we are well-positioned, including in the face of the current developments regarding the topic of sustainable finance. Sustainable financing plays an important role for us, which is why we use various sustainable financing instruments. In the past year, for example, we concluded a €1.7 billion syndicated loan, whose terms are linked to BayWa’s sustainability performance.

We expressly acknowledge the responsibility that comes from BayWa’s global business operations. To underscore this, we joined the United Nations Global Compact in 2021. This commits us to upholding and promoting the UN initiative’s ten principles in the areas of human rights, labour standards, environmental protection and combating corruption. To this end, BayWa will integrate the Global Compact and its principles in its corporate strategy and daily business and take part in cooperation projects.

I would like to thank all our employees and also our suppliers, partners and customers, who continuously support sustainability at many levels of our value chain.

Best regards,

Prof. Klaus Josef Lutz
Chief Executive Officer of BayWa AG

Profile of BayWa

[The things that are important to people across the world – healthy nutrition, housing, energy, heat and mobility – are also reflected in BayWa’s business model. Since it was founded in 1923, the company has focused on basic human needs. As an international group operating in the business areas of Energy, Agriculture and Building Materials, BayWa helps to shape the future of our world. It builds systems for generating electricity from renewable energy sources, develops solutions that make agriculture more sustainable both environmentally and economically and provides solutions for energy-efficient and healthy construction.

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. Part of BayWa’s efforts today also include shaping the digital transition, which BayWa aims to do through its Innovation & Digitalisation Segment by focusing on the development of new and digital solutions for agriculture and services in eBusiness. Trust, solidity and innovation are hallmarks of how the company does business.

BayWa employs more than 21,000 people around the world.

These core values at BayWa find expression in transparency, social responsibility and the 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 supported education projects around the world for over 20 years. The largest shareholders of the company, which have been listed in the Prime Standard segment of Deutsche Börse since 2000, include Bayerische Raiffeisen-Beteiligungs-AG, with a 34.3% stake, and Raiffeisen Agrar Invest AG, with a 27.0% stake. A further 38.7% of shares are in free float.

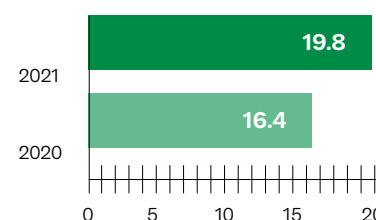
There for our customers around the globe

BayWa’s roots are found in agricultural cooperative trading in Bavaria. Nowadays, the Group coordinates activities on all continents from its headquarters in Munich. In 2021, the business generated revenues of €19.8 billion with a workforce of more than 21,000 employees. 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 product range.

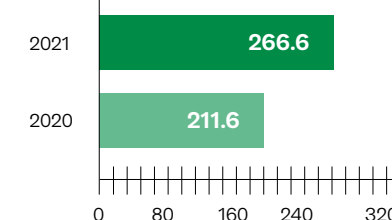
BayWa Group revenue

(in € billion)

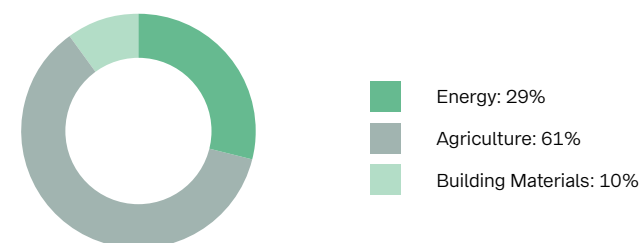


BayWa Group EBIT

(in € million)



Shares of revenue



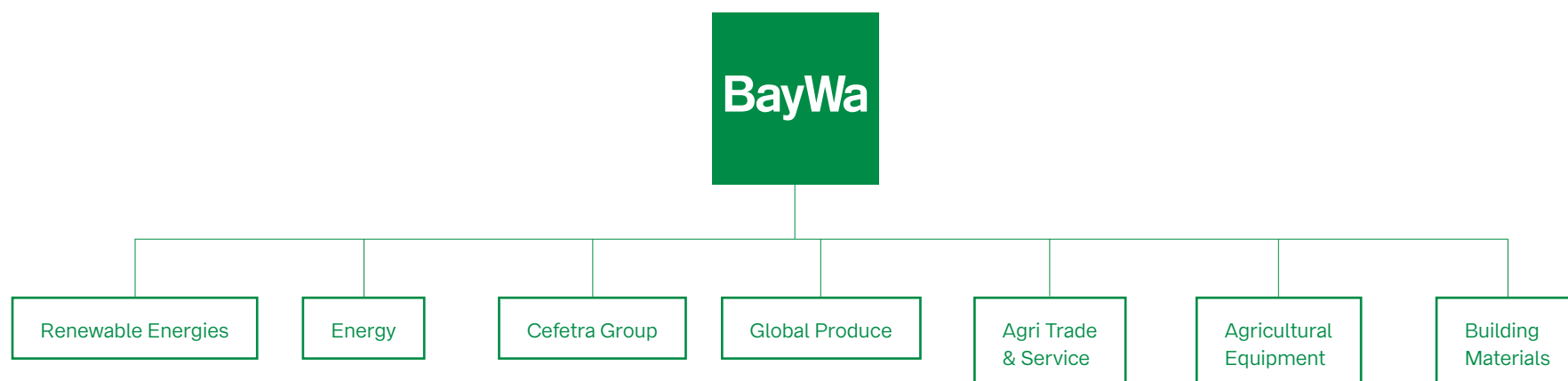
Figures rounded. The Agriculture business unit comprises the Global Produce, Cefetra Group, Agri Trade & Service and Agricultural Equipment segments. The Energy business unit comprises the Renewable Energies and Energy segments. Revenues in the Innovation & Digitalisation and Other Activities segments < 1%.

The previous year’s figures have been adjusted in accordance with IAS 8.14 et seq. and IAS 8.42. For further details, see section A.7 of the Notes to the Consolidated Financial Statements in the Consolidated Financial Statements.

Compared with the previous year, segment reporting has changed to the effect that division into segments and business units has no longer been carried out since financial year 2021. The business units represent the reportable segments within the meaning of IFRS 8. Consequently, the BayWa Group's operating business activities are divided into the segments of Renewable Energies, Energy (formerly: Conven-

tional Energy), Cefetra Group, Global Produce, Agri Trade & Service, Agricultural Equipment and Building Materials. In addition, as previously, the Innovation & Digitalisation and Other Activities segments are shown separately (see diagram). The segments and their business activities are described in more detail in the Products and Solutions chapter (see p. 38).]

The BayWa Group's operating segments



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

Business development

The BayWa Group performed very positively in 2021 despite the continuing COVID-19 pandemic. The corporate goals set for the 2021 reporting year were met or exceeded in almost all business units and segments.

In 2021, the BayWa Group's revenue grew by 20.5% to €19,839.1 million and EBIT reached its highest level in the Group's history at €266.6 million. In 2021,

the BayWa Group again benefited from its broadly diversified business activities and international strategic alignment. As in the previous year, this made a significant contribution to limiting the COVID-19 pandemic's impact on the BayWa Group.

Detailed information and descriptions on the BayWa Group's business development can be found in the 2021 Consolidated Financial Statements.

Strategy and Governance



Value-based & Future-proof

BayWa's revised sustainability strategy provides important new impetus – from sustainable procurement to a circular economy to biodiversity. BayWa has aligned the analysis of its material topics with the United Nations Sustainable Development Goals (SDGs). In accordance with the guiding principle of “United for success,” the Group puts an emphasis on relationships of trust with customers, employees, investors and suppliers, and regularly communicates with them. BayWa observes the principles of good corporate governance and respects ethical and legal principles. The topic of sustainable finance plays an important role for BayWa – it has already used green financing instruments several times.

Spotlight: How does BayWa promote innovation with partnerships?

From the “protein challenge” with start-ups to supporting the TUM Venture Labs: BayWa focuses on collaborations – in line with its motto of “United for success.”

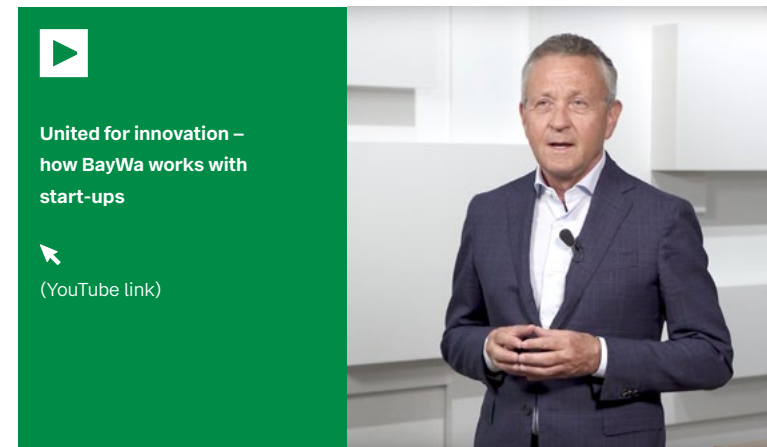
BayWa is also investing in the AgroSustain start-up:

Natural coating solutions make fresh products (e.g. bananas) last longer. (see image on right)

The subsidiary **BayWa Venture** invests in innovations and works on pilot projects with start-ups. In response to rising demand for plant-based proteins, BayWa Venture started a “protein challenge”. It looked for start-ups around the world and invested in three young companies in 2021: One of these was the biotech company Amfora, which can increase the protein content of plants such as soya using genome editing. The subsidiary also invested in the start-up Amai Proteins, which produces proteins as an ingredient for the food industry using computer-aided design and a precise fermentation process, and in the Israeli company YoFix Probiotics, which produces alternatives to dairy products such as yoghurt and milk-based porridge. Supporting start-ups is a topic in the new sustainability strategy too – BayWa wants to provide innovative companies with support to design sustainable solutions and help them with implementation.

BayWa becomes Platinum Partner of the TUM Venture Labs

BayWa also has a partnership with the Technical University of Munich’s **TUM Venture Labs**. As innovation centres, the Venture Labs advance business start-ups with a globally competitive development programme – specifically geared to important fields of technology. BayWa is going to provide the TUM Venture Lab Food Agro Biotech with €1.4 million in funding – and also contribute expertise in the agricultural sector and share its international experience in an intensive exchange of ideas. This qualifies BayWa as a Platinum Partner of the TUM Venture Labs.



Sustainability Approach

Group strategy

BayWa has developed from a traditional trading company to a leading international business with regional ties in the core segments of Energy, Agriculture and Building Materials. An efficient supply and logistics chain leads from the producer to the consumer. As a trustworthy partner to its customers and stakeholders, BayWa develops “Sustainable Solutions for Life”: products and solutions for the basic needs of food, housing, energy, heat and mobility. The company 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 challenges and shaping opportunities.

The shift of international political and economic power centres, climate change, the pandemic, new regulations, changing consumer habits and technological progress have a major influence on BayWa’s business units. The company 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 our 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 the basics, 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 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, in the reporting year BayWa developed a new sustainability strategy that builds on and further develops its previous strategy in this area. It will be adopted by the Board of Management in spring 2022. The strategy sets the business’s strategic direction on the topic of sustainability for the next ten years. When developing the strategy, the Group took current legal and societal developments and the expectations and requirements of various stakeholders, such as customers and investors, into account.

The sustainability strategy is based on four action areas: value creation, environment and climate, employees and society (see graphic p. 9). Each action area is underpinned by relevant core topics and strategic objectives. The strategy builds on the previous sustainability strategy and also provides important new impetus: Core topics such as sustainable products and solutions, sustainable procurement, climate and energy, a circular economy, ecosystems, biodiversity and water indicate BayWa’s future strategic direction on the topic of sustainability. Measurable targets and measures have already been developed on some core topics and will be developed for others in the future. Information on the status quo can be found in the chapters of this Sustainability Report, which is structured based on strategy.

Value Creation

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

Environment and Climate

- Climate & energy
- Ecosystems & biodiversity
- Water

Society

- Actively shaping sustainability
- Raising awareness of sustainable living

Employees

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



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.

Environment and climate

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 supports and enables its employees in building and developing 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.



The BayWa 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 commitment 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.

In 2021, 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 change, diversity and occupational safety in the company and the promotion of sustainability aspects in production and along the supply chains.

The **Cefetra Group Segment** trades in commodities 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 in 2021 was: "towards transparent, traceable, sustainable supply chains together".

Sustainability organisation within the Group

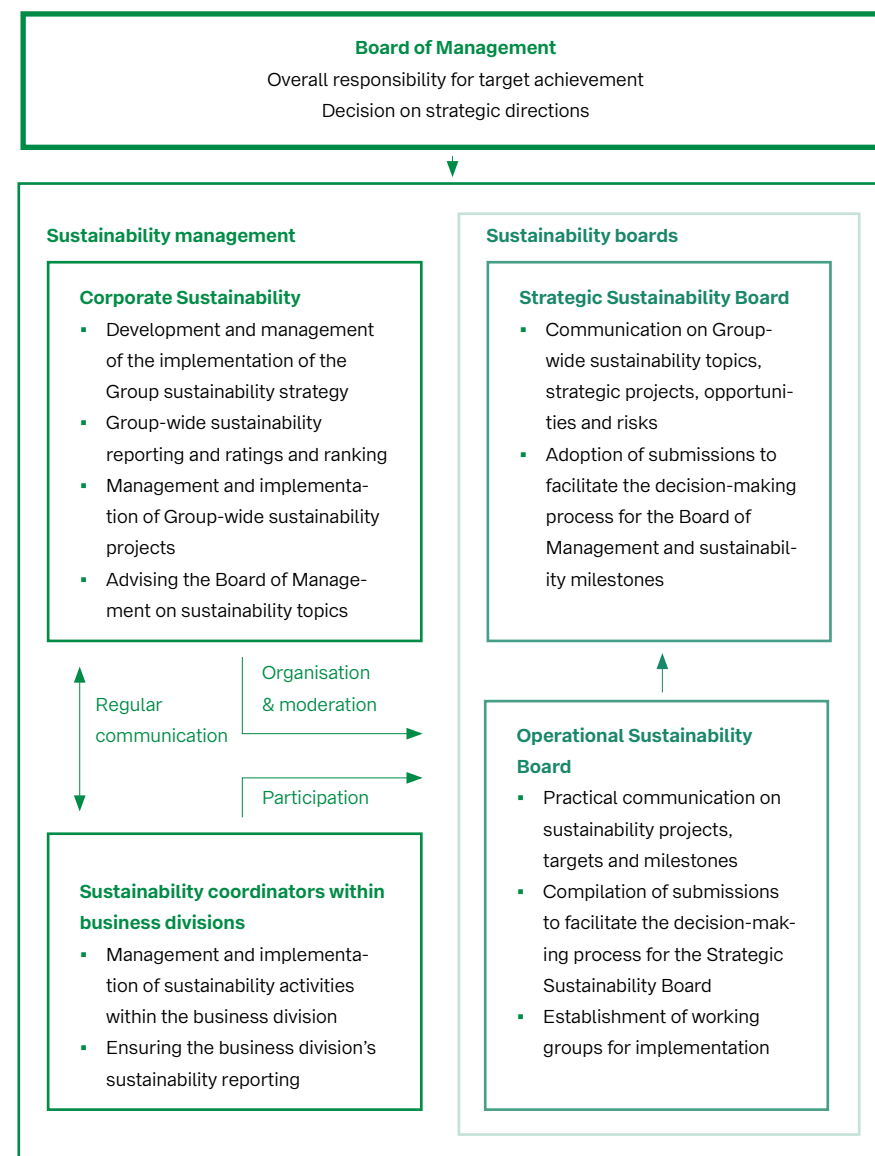
[BayWa's Board of Management has overall responsibility for sustainability in the Group. BayWa AG's Corporate Sustainability Division reports directly to the Board of Management, constantly develops the topic in line with stakeholder and shareholder requirements and is responsible for implementing the sustainability strategy. Corporate Sustainability regularly communicates with the sustainability coordinators in the business divisions and Group functions.

From 2022, the division will be supported by two boards that will replace the sustainability steering committee (see diagram):

- The Strategic Sustainability Board: comprises the corporate sustainability team, the heads of the business divisions and the relevant Group functions. It will meet up to two times a year.
- The Operational Sustainability Board: comprises the Corporate Sustainability and Corporate Social Compliance departments and the business divisions' sustainability coordinators. It will meet up to two times a year.

The Board of Management will provide information on sustainability topics to the Supervisory Board in several meetings a year, but at least every six months. The Corporate Sustainability department will support the Board of Management here. The intervals for reporting to the Board of Management were changed to at least every three months in 2021.]


Organisational structure of sustainability in the BayWa Group



Material topics


[In the reporting year, the materiality analysis was updated on the basis of the materiality analysis from 2019. In the 2019 analysis, BayWa oriented itself on the United Nations Sustainable Development Goals (SDGs) and assessed the relevance of the SDG business themes for the company. The updated materiality analysis meets both the requirements of the German CSR Directive Implementation Act (CSR-RUG) and the Global Reporting Initiative (GRI) standards.

In 2019, BayWa specifically assessed its material topics relating to the contribution it can make to achieving the SDGs and analysed the business risks and opportunities that arise for the company in relation to this. 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 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.

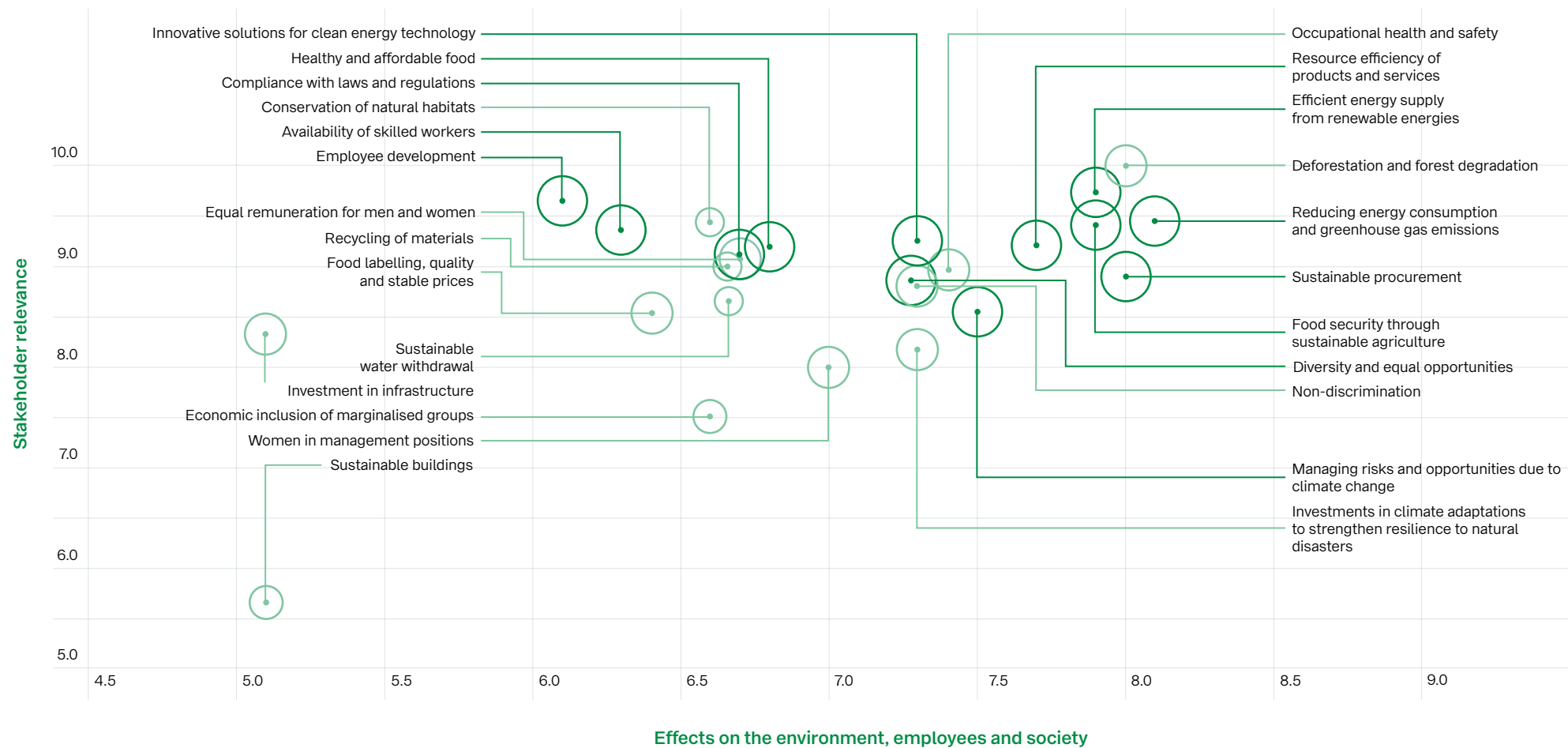
In light of current developments and the new sustainability strategy (see p. 8 ) , in 2021 the assessment and selection of themes was updated as part of a workshop with the Corporate Sustainability department. The following SDG business themes were added owing to their increased relevance for BayWa: “women in management positions”, “deforestation and forest degradation”, “sustainable buildings”, “sustainable water withdrawal” and “recycling of materials”. The theme of “investment in infrastructure” will in future be 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.] 



BayWa Joins the UN Global Compact Initiative

BayWa has joined the United Nations Global Compact  – thus underscoring its commitment to shaping globalisation more sustainably. By joining the international UN initiative, the company is committing itself to upholding and promoting its ten principles in the areas of human rights, labour standards, environmental protection and combating corruption. To this end, BayWa will integrate the Global Compact and its principles in its corporate strategy, corporate culture and daily business. BayWa will also take part in cooperation projects with other companies, politicians and civil society that promote the UN’s general goals.

Results of the materiality analysis



Level of business relevance

Significant business relevance ¹

¹ A significance threshold was introduced to focus management.



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

[For 2021, BayWa AG has again prepared a combined separate non-financial Group report, 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 289 and 315 of the German Commercial Code (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 reviewed by PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft and have been shown in green square brackets [...] with a green tick at the end of the closing bracket.]

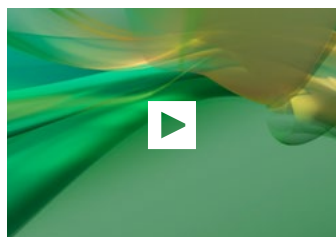
The annual reporting pursuant to the GRI standards is also geared to the material SDG business themes. A list of all the relevant GRI standards can be found in the GRI content index, starting on page 103.

SDG	Themes with significant importance for understanding the company'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 2021
	Reducing energy consumption and GHG emissions	Environmental matters	Energy and emissions	Energy consumption GHG emissions (Scope 1 + 2)	Framework used p. 98; business model pp. 4/5; process and results of the identification of reportable aspects and risks pp. 12–15 and p. 18 Management concept pp. 64–67 and significant performance indicator identified p. 67 Management concept pp. 64–67 and significant performance indicator identified pp. 68/69
	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. 18–21 Management concept pp. 39/40, 64–67 and significant performance indicator identified p. 67 Management concept pp. 64–67 and significant performance indicator identified p. 67
	Resource efficiency of products and services Sustainable procurement	Environmental matters Respect for human rights, environmental matters, social matters	Products and solutions Human rights due diligence, procurement	– –	Management concept pp. 38–57 Management concept pp. 58–61
	Food security through sustainable agriculture Healthy and affordable food	Social matters	Products and solutions	–	Management concept pp. 38–57
	Diversity and equal opportunities	Employee matters	Inclusion and diversity	Proportion of women in management positions	Management concept pp. 84–87 and significant performance indicator identified p. 87
	Availability of skilled workers Employee development	Employee matters	Learning and development	Training hours per employee	Management concept pp. 88/89 and significant performance indicator identified p. 89
	Compliance with laws and regulations	Combating corruption and bribery	Compliance	Number of employees trained	Management concept pp. 21–23 and significant performance indicator identified p. 23

Governance and Compliance

Good Corporate Governance

BayWa regards acting with integrity and in compliance with the law as a prerequisite for long-term economic success. To ensure 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](#)



What does being united
mean for BayWa?
[Learn more here.](#)

Binding values

As a company with cooperative roots, responsible and sustainable action has always been instrumental at BayWa. Through its [brand concept](#) , the company communicates what it stands for to employees, customers, the capital market and the general public: trust, solidity 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 is united 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](#) constitutes BayWa's system of values and is mandatory for all BayWa's affiliated companies in Germany and abroad. The Group companies are allowed to develop additional principles of conduct, but must not fall short of the Code of Conduct's minimum standards here. RWA AG, for example, does this with its own code of conduct.

The 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.

Conduct standards for managers are set out in BayWa's management policy, the Next Leadership Principles. The policy contains leadership principles whose implementation unites the company and will lead us into a successful future. The results are a core component of BayWa's talent management and leadership development.

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 sustainable added value.

As at 31 December 2021, the **Board of Management** had four members, after Matthias Taft had left the Board of Management on 31 March 2021 to become the CEO of BayWa r.e. AG. The Board of Management manages the company, develops its strategic orientation and ensures implementation. It is also responsible for risk management and compliance. It meets at least once a month.

The **Supervisory Board** represents the company with respect to the Board of Management. It appoints Board of Management members, monitors them and advises them on how to manage the company. In the reporting year, the Supervisory Board comprised 16 members. 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 the Board of Management. At the same time, BayWa's Supervisory Board makes sure to consider different educational backgrounds and nationalities in selecting members.

BayWa AG is a publicly listed stock corporation (Aktiengesellschaft) subject to codetermination through equal representation of shareholders and employees on the supervisory board. For such companies, the German Act on Equal Participation of Women and Men in Leadership Positions in the Private and Public Sector (FührposGleichberG) stipulates a fixed gender quota of 30% women on supervisory boards.

BayWa observes this requirement. On 2 August 2017, the Supervisory Board once again complied with the additional legal requirement of setting a target for a gender quota for the Board of Management. It set a target of 0% for the share of women on the Board of Management by 30 June 2022. A target for women of greater than 0% would compel it to consider a woman the next time it fills a vacancy on the Board of Management, which would limit the Supervisory Board's flexibility with regard to staffing decisions and the number of potential candidates.

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.

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 serving 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. Total remuneration consists of a fixed salary, as well as short- and long-term variable components. In 2021, total remuneration for the Board of Management amounted to €9.5 million (2020: €10.7 million). The remuneration of Supervisory Board members is based on their responsibilities and the scope of their tasks. In 2021, total remuneration for the Supervisory Board amounted to €1.1 million (2020: €1.1 million).

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.

Opportunity and Risk Management

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.

[The Board of Management is responsible for dealing with environmental and social risks and opportunities. A regular meeting with the CFO on sustainability topics takes place once a quarter. In addition, the Corporate Sustainability department informs the entire Board of Management on current sustainability topics and developments as required.



BayWa works on integrating sustainability topics into its risk management across divisions.

The risk management system is monitored and managed by a Risk Board, which is headed by the CEO. The Risk Board discusses and assesses operational opportunities and risks of all segments and subsidiaries. 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 presented and discussed here.

An Agricultural Risk Committee meets at least quarterly as part of the Board of Management meeting. It is responsible for trading activities with agricultural commodities in the BayWa Group. The Board of Management is informed about short- and medium-term climate-related risks in agricultural production and about general market risks and decides on risk-management and risk-limitation measures as 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, a process for integrating sustainability risks into the risk management system was started. The Corporate Risk, Corporate Sustainability 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 autumn 2021, sustainability-related risks were systematically presented in the risk management system for the first time. The risk officers were informed of the relevance of corresponding risks and were given instructions prepared by Corporate Sustainability and Corporate Risk. In addition, a new long-term assessment period of "10–15 years" was introduced. Guidelines and a methodology are being developed for financial year 2022 to provide technical support to the risk officers and to standardise the identification and assessment of climate-related risks across the Group. Additional sustainability risks will be added to the methodology in the next few years.

When reviewing the twelve significant business issues (see p. 15) with regard to potential negative impacts on the environment, employees, society and human rights, BayWa came to the conclusion that the company does not have any serious risks to report pursuant to Section 289c para. 3 of the German Commercial Code (HGB). Details on sustainability-related risks can be found in the Opportunity and Risk Report in the combined management report.]

TCFD report – climate-related opportunities and risks

TCFD Category	Sustainability Report	CDP Climate Change Questionnaire 2021
Governance	See “Strategy and Governance”, p. 19	C1.1b, C1.2, C1.2a
Strategy	See “Strategy and Governance”, pp. 19/20	C2.1a, C2.3, C2.3a, C2.4, C2.4a, C3.1, C3.2, C3.2a, C3.3, C3.4, C3.4a
Risk management	See “Strategy and Governance”, pp. 20/21	C2.1, C2.2, C2.2a
Metrics and targets	See “Strategy and Governance”, p. 21	C4.1, C4.1a, C4.1b, C4.2, C4.2a, C4.2b, C6.1, C6.3, C6.5, C9.1

The Task Force on Climate-Related Financial Disclosures (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 & 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 TCFD reporting, BayWa creates transparency on established structures and processes in the area of risk management and strategic planning and demonstrates its contribution to a climate-friendly future.

1. TCFD recommendation: Governance

As a globally active group with the business units of Energy, Agriculture and Building Materials, BayWa helps to shape the future of our world. While the CEO has responsibility for topics relevant to the climate in the Group, sustainability-related topics are managed in various bodies and responsibilities. Climate-related topics are an essential part of this (see [Sustainability Approach chapter, p. 8](#)).

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 earnings each year due to droughts or extreme frosts. In the long term, it expects a shortage of available agricultural commodities 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 BayWa

Group keeps an eye on the climate-related risks described and responds to these with appropriate measures. The BayWa Group is constantly improving its management of climate-related risks.

While the BayWa Group faces transitory and chronic physical risks, at the same time there are also opportunities arising from an expansion of renewable energy sources and in the development of low-emission goods and services.

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. The BayWa Group has developed various strategic approaches for climate-related challenges in logistics, including creating optimum distribution structures in the Group network, increasing diversification of the supply chain and reducing transportation and emissions through route optimisations.



Sharing knowledge and experience in internal workshops to achieve long-term climate resilience.

The BayWa Group is pursuing 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 earnings will enable BayWa to react to any steady decline in production capacity as a result of climate change in good time.

The Agriculture business unit is highly dependent on the climate conditions and natural resources along its value chain. Between 2019 and 2020, several workshops were held on the topic of climate-resilient farming with representatives from the Agriculture Segment. The aim was to identify physical climate risks in the BayWa Group and uncover new business and growth opportunities with the aid of a climate-related scenario analysis to ensure the Group's climate resilience in the Agriculture business unit in the long term as well. Only physical risks were considered in the first step because changing temperatures or precipitation patterns are seen as crucial for the agricultural sector. The IPCC scenario of "RCP4.5" has been selected for a possible future climate pathway because suitable region-specific research findings already exist for this scenario. The working group identified six business scenarios using the physical risks identified. These serve as orientation for the business divisions for adaptations to strategy and the identification of new business areas. The Board of Management has been informed of the results of the scenario analysis.

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 systems is being increased around the world. Moreover, electricity needs have been covered with renewable energies across the Group since 2020 (see [Climate and Energy chapter, p. 64](#)).

3. TCFD recommendation: Risk management

The BayWa Group is currently carrying out a holistic analysis of climate-related risk and opportunity categories and drivers. Furthermore, the Group is putting in place a continuous process for regularly updating risks and opportunities. The process of identifying, assessing and responding to climate risks in the BayWa Group is integrated in the multidisciplinary Group-wide risk management process and is assessed for the following time horizons more than once a year:

- Short term: 0–1 years
- Medium term: 1–3 years
- Long term: 10–15 years

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 central risk catalogue consists of 7 categories and 37 subcategories; the 8 risk types recommended in the TCFD standard are included here. 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. Climate-related risks can be named in every category and have been allocated to the Corporate Sustainability executive department since 2021. Group-wide departments such as Corporate Sustainability, Corporate Strategy and Corporate Risk provide technical support to the business sections. After submission of the current year's risk assessment, the inputs are reviewed and a Group-wide risk report is prepared for the Supervisory Board.

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 developed and 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. The data collection has already been enormously expanded and the plan is to define a Scope 3 target in the future (see [Climate and Energy chapter, p. 64](#)).

Compliance

Compliance violations can have far-reaching consequences – for companies and for society. For example, corruption is a major obstacle to development. As a global trading company, the BayWa Group also operates in countries in which the risk of corruption and bribery is higher. The associated risks are poorer long-term business performance, possible criminal and civil proceedings, the erosion of the corporate culture and a badly tarnished reputation. That is why lawful conduct is essential for good corporate governance.

Guiding principles, structures and processes

[Corporate Compliance is responsible for the majority of the BayWa Group's majority-owned Group companies and is headed by a chief compliance officer, who reports directly to the CEO. RWA AG has its own compliance management system headed by a compliance officer. Both compliance organisations maintain close contact. The non-European companies of T&G Global have their own compliance management system as well.

BayWa records compliance risks as part of its risk analyses that take place every three years. Compliance risks are recorded and assessed both at the level of BayWa AG and at majority-owned Group company level, and risk-mitigation 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. With regard to the Group-wide implementation of rules, corporate officers in the business units and at majority-owned operating Group companies assist Corporate Compliance by regularly reporting to it.

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 reports on its corporate website. All tip-offs are treated confidentially and in accordance with EU minimum standards on the protection of whistleblowers.

The corporate policy on information security requires an information security management system (ISMS) to be introduced at IT-relevant companies. BayWa AG's Operations IT has oriented itself on the international security standard ISO 27001 and operates an ISMS. The Corporate IT Security organisational unit, which is part of the Chief Information Officer (CIO) organisation "Group IT", will support the gradual introduction of an ISMS in further IT-relevant Group units over the next few years.

Corporate IT/IT Security's activities focus on the preparation of Group-wide IT security guidelines, the performance of security reviews and audits at the companies, training and information courses for raising employee awareness and training security officers at the Group companies.

[Corporate Audit performs Group-wide compliance testing in the audit fields. The subsidiaries of the RWA Group and T&G Global determine audit focal points independently.]

Objectives

[The compliance organisation's principal objective is to raise Group employees' awareness of compliance risks as part of a preventative approach. By doing this, BayWa plans to avert damage caused by compliance violations from the company and increase the company's value over the long term. To this end, the objective is to continuously enhance existing systems in the areas of anti-corruption, antitrust law, the prevention of money laundering, customs/export controls, data protection and IT security.]

In addition, the Group plans to gradually build up or expand ISMSs already in place or under development in the IT-relevant Group companies with the support of Corporate IT/IT Security.

Compliance audit fields

	Audit fields
Antitrust law	Horizontal and vertical relationships (collusion among competitors or between supplier and buyer; abuse of a dominant position in the market)
	Association and regional meetings
	Tenders
Anti-corruption	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 IT-security systems:]

Area	Measures
Anti-corruption, antitrust and money laundering prevention	[Amendment of guidelines, instructions and guidance in line with the latest requirements and legal developments
	Adjustment of training concepts in accordance with legal developments
	Adjustment of required compliance measures in view of legal developments]
Data protection	Further development of the data protection management system (DMS) due to new legal requirements, such as with regard to the implementation of the Court of Justice of the European Union judgment of 16 July 2020 ("Schrems II")
	Inclusion of new companies in the structures of the data protection management system
	Inclusion of new companies in the existing online training offerings on data protection law and regular updates to the training content
	Ongoing reviews with regard to the implementation of data protection law requirements
IT security	Regular updates of training concepts
	Regular updates of guidelines
	Regular performance of IT risk analyses
	Adjustment or introduction of further processes within the scope of the ISMS



Inform. Train. Advise.

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

[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.]

Performance indicators and results

[During the reporting year, a total of 444 employees (2020: 468) of the BayWa Group took part in on-site training on compliance, and 7,544 employees (2020: 5,375) took part in e-learning courses on compliance. The training covers the topics of antitrust 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 2021 5,495 employees (2020: 6,082) took part in e-learning courses on the topic of data protection and 10,139 employees (2020: 8,784) took part in e-learning courses on the topic of IT security.

[In 2021, Corporate Audit conducted a total of 19 compliance audits on antitrust law or anti-corruption at 54 companies and at 75 sites in the BayWa Group. In the compliance risk analysis conducted, no significant corruption or antitrust risks were found in the reporting year.]

BayWa Group compliance training courses¹



	2019	2020	2021
Participants in on-site compliance training courses ²	804	468	444
Participants in compliance e-learning courses	5,335	5,375	7,544

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 2021 is not directly comparable to the information for previous years.

² Including virtual live training courses that could not be held in person due to COVID-19



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More information on the Group's tax positions is available [here](#).

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 and in annual audits of the internal control system (ICS) by the public auditors. 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

To achieve this goal, a tax compliance management system (tax CMS) has been implemented at the parent company. In Germany, the tax CMS is oriented on IDW PS980. This tool enables BayWa AG to meet its tax obligations in full, correctly and on time, thereby avoiding or reducing tax risks.

Stakeholders' interests are taken into account through the aforementioned risk-averse tax strategy, the operative implementation of which is always guided by the necessities of protecting 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 60. 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 AG 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 2021 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 reporting for 2020 in order to provide full and transparent information on the BayWa Group's tax aspects. The country-by-country reporting for 2021 will be submitted to the Federal Central Tax Office (Bundeszentralamt für Steuern) in due time, no later than 31 December 2022.

Excerpt from the BayWa Group's country-by-country reporting for 2020:

The BayWa Group's main activities, in relation to sales revenue, were 93.4% within Europe. In addition to further business activities in the USA (2.7%) and New Zealand (2.4%), the BayWa Group also operated companies with revenues of minor significance (€88.1 million) in the United Arab Emirates, China, Denmark, the Republic of Fiji, Greece, Hong Kong, India, Japan, the Republic of Korea, Malaysia, Nigeria, Peru, the Philippines, Russia, Singapore, Taiwan, Ukraine, Vietnam and Zambia.

The BayWa Group's country-by-country reporting for 2020

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	Tangible assets ⁶ in € million	Headcount
Australia	103.0	- 9.9	2.1	0.4	20.5	- 14.0	255.7	77
Austria	2,884.6	37.1	2.9	8.5	73.7	364.2	670.7	2,956
Belgium	110.1	3.0	- 0.6	0.8	0.7	2.6	11.3	20
Canada	53.5	- 0.3	0.1	0.1	2.1	- 9.6	28.8	106
Switzerland	98.1	6.0	0.2	0.5	0.0	13.2	16.5	37
Czech Republic	42.1	- 0.6	0.1	0.1	0.6	- 1.5	15.1	103
Germany	7,862.9	106.1	7.4	17.4	261.4	368.6	2,297.1	10,822
Spain	415.3	4.6	1.3	1.8	0.9	- 11.1	199.6	89
France	86.6	25.2	- 0.3	6.4	0.4	35.7	60.4	118
UK	1,579.1	5.4	1.0	1.7	2.2	70.9	236.6	727
Croatia	53.9	3.9	0.0	0.7	4.0	- 0.1	14.6	77
Hungary	135.6	- 1.8	0.1	0.1	0.9	- 22.0	28.4	96
Italy	425.9	- 5.4	1.0	0.4	5.2	- 11.7	91.7	236
Luxembourg	97.1	1.8	1.5	0.3	0.0	6.1	10.9	51
Netherlands	3,444.5	19.4	12.8	13.2	5.1	73.8	352.0	595
New Zealand	449.9	11.2	0.5	- 0.6	295.2	138.6	255.4	1,643
Poland	249.9	- 0.3	0.0	0.2	5.4	- 12.8	107.9	163
Romania	46.4	0.3	0.0	0.0	5.3	- 1.8	12.9	71
Serbia	118.7	0.6	0.1	0.1	5.9	1.3	45.6	43
Slovakia	89.0	0.9	- 0.1	0.1	9.8	- 0.3	36.6	108
Slovenia	34.7	0.3	0.0	0.0	0.1	4.4	12.8	51
Sweden	45.0	3.4	0.1	0.1	0.0	- 4.7	25.0	13
Thailand	43.5	3.0	0.4	0.5	2.8	3.0	4.5	65
USA	517.9	12.9	5.1	4.8	369.3	0.7	589.9	316

1 The revenue includes both revenue from third parties and revenue from affiliated companies.

2 The pre-tax profit/loss is operating profit/loss adjusted for internal 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 represent profit available for distribution.

6 Tangible assets include property, buildings and technical equipment.



Dialogue with Stakeholders



For BayWa's **customers**, regular visits on site, for example by sales staff, are the most important opportunity for contact. Due to the restrictions on personal contact as a result of the COVID-19 pandemic, meetings were held virtually on a wider scale in 2021. 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. In Global Produce, fruit producers are informed about current topics such as quality requirements, handling processes and current market conditions at regular events, especially during the harvest season. The Cefetra Group is in regular dialogue with its suppliers through 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.



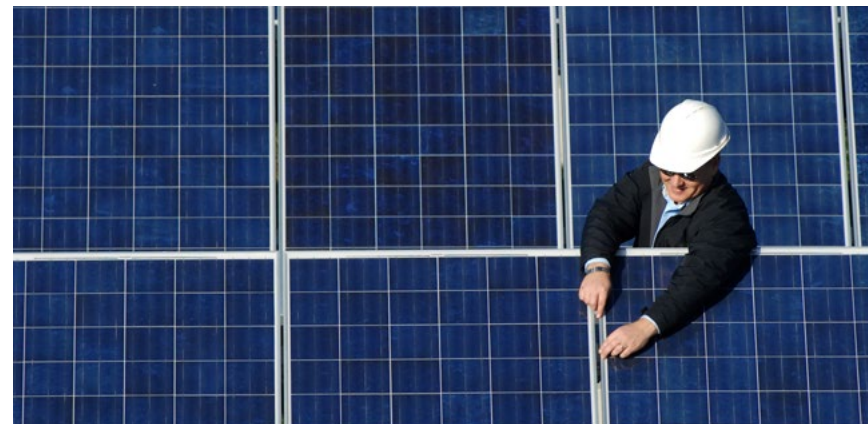
BayWa informs its **employees** about current developments across the Group by means of the employee magazine and employee app and over the intranet – including with video messages from the CEO. One member of the Board of Management and the head of Corporate HR are always represented in the regular employee 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 on the whiteboard in the Group-wide intranet or by taking part in existing working groups. In addition, several regional workshops were held to publicise employee-led initiatives, support existing ideas and projects and share experience.



Furthermore, BayWa r.e.'s internal lecture series on sustainability was launched (see p. 80). BayWa AG's employees can submit their ideas for improvement through the employee suggestion scheme. A total of 101 ideas were received in 2021 (2020: 177).



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 communication with capital market participants.



In its dealings with the **general public**, the Board of Management's members took positions on current issues in talks and at panel discussions, most of which were held online in the reporting year due to pandemic-related restrictions. Furthermore, BayWa is represented in some 150 associations, clubs and academic institutions, including DLG e.V., Deutscher Raiffeisenverband e. V. (the German Raiffeisen Federation) and the Technical University of Munich. BayWa r.e. is working on 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 systems.

Sustainable Finance



Andreas Helber
CFO of BayWa

Andreas Helber, CFO of BayWa, reports what the EU's sustainable finance activities mean for BayWa – and the opportunities and challenges he sees.

BayWa had already issued a green bond in 2019. In 2021, it concluded a syndicated loan with a sustainability component for the first time. What role do environmental, social and governance (ESG) aspects play in financing?

Andreas Helber: As well as the green bond and the syndicated loan, we also placed an ESG-linked promissory note loan in December – our third use of green financing instruments within a short period of time. This shows what outstanding significance the topic has for our business, but also for financing as a whole. In the talks we had with various banks over the course of the year, it became clear that sustainability performance is going to become a key component in future financing.

“I see sustainable finance as a major opportunity”

What impact does the Sustainable Finance Disclosure Regulation have here?

Andreas Helber: With the Sustainable Finance Disclosure Regulation in general and the EU Taxonomy in particular, you can argue about implementation and certainly not everything has been thought all the way through. For example, there's a risk that certain banks will stop lending and projects will increasingly be financed from abroad as a result. Is that something we want? But the fundamental approach is good. Overall, I see it as a major opportunity for the topics of climate protection and sustainability in the broader sense to be put on the agenda and carried into companies via the financial sector. It's inevitably going to have great relevance for all companies and bring about a change in thinking.

What role do sustainability ratings generally play in your opinion?

Andreas Helber: You can discuss criteria or standards, but in the end external ratings are key – and most reliable when there are uniform standards, which you only get through external assessors. And BayWa is well positioned when it comes to ratings. MSCI ESG Research gave us an AA rating, classifying us as a “Leader.”

What trends do you see and what opportunities do the current developments in sustainable finance present for BayWa? How do they impact BayWa's strategic alignment?

Andreas Helber: In the whole ESG area, it's about implementing the United Nations Sustainable Development Goals – that's an iterative process. Currently, the focus is very much on the topics of climate and water consumption, but other aspects are also becoming increasingly important, for example corporate governance.



The EU's Sustainable Finance Strategy

The European Union set the course for an economy fit for the future with the Green Deal. By 2050, the continent should be climate neutral – the EU wants to make its contribution to the Paris Climate Agreement this way. The expansion of sustainable investment and financing is intended to be an important driver. The EU wants to support the financing of the transition to a sustainable economy with the Sustainable Finance Action Plan and its revised sustainable finance strategy. A key instrument to this end is the Taxonomy Regulation. The EU has used the regulation to develop a system for classifying which economic activities will be allowed to be called sustainable in the future – investments in these activities are considered sustainable investments. BayWa is required to publish corresponding information ([see also EU Taxonomy section, p. 31](#)). In addition, there are plans for extended reporting obligations on sustainability for companies. The EU action plan also covers the Sustainable Finance Reporting Regulation – it stipulates that providers of financial products must provide investors with information relevant to their needs on sustainability criteria. All these requirements affect companies such as BayWa either directly or indirectly through banks and investors' increasing transparency and disclosure requirements. Moreover, the EU Green Deal and the Fit for 55 package mean additional challenges for companies. For example, rising carbon prices and additional statutory regulations can be expected.

Of course the current developments also impact BayWa's strategy. Last year, we expanded our Solutions for Life corporate strategy into Sustainable Solutions for Life. This means that of course we need to check whether we're doing what we say we're doing. How do we deal with aspects that might not fit so well into our strategy? Our Conventional Energy Segment with the fossil fuel area, for example, is in the process of being transformed – with pellets, hydrogen fuelling stations and mobility concepts. And we're going to look at the other areas too. It's important that the primacy of sustainability should also influence our other investment decisions and that it becomes an investment criterion that we check just like the financial aspects.



How do you see the role of the trade sector here? People often claim that trade sells what the customer demands and therefore doesn't play a major role. The EU taxonomy doesn't include trading in solar modules, wood pellets or green electricity, for example, in its criteria at all.

Andreas Helber: As far as the European Commission goes, I can't understand that at all. After all, it's trade that's close to the consumer and also brings trends. If we as a trading company stop selling certain products because they don't fit our sustainable portfolio, perhaps we can change customers' thinking – I think the role of trade is extremely important in this respect.

What do you expect policymakers to do to help companies with implementation?

Andreas Helber: I expect policymakers to take a holistic view. All industries need to play a part and should, for example, also be taken into account in the taxonomy process so that there's a level playing field when it comes to financial resources.

The Swiss investor Energy Infrastructure Partners invested €530 million in BayWa r.e. in a capital increase and now holds a 49% stake. What will the future green investment policy look like at BayWa r.e.?

Andreas Helber: BayWa r.e. develops projects that make climate-friendly energy possible – whether in the area of solar or wind. The trade in solar modules is important for the construction of solar parks but also for installations on roofs. Everything that BayWa r.e. does directly contributes to the sustainability issue and is going to become even more important. In the future, we're going to get into producing even more of our own electricity with our Swiss partner and develop the business into an independent power producer.

We want to run our own electricity generation projects on a scale of 2.5 to 3 gigawatts and invest massively – this is therefore going to be a very important milestone in our green investment policy. This electricity generation will also be very profitable for us in the future, but as it is almost always the case, you need to plant the tree before you can harvest the apples.

Are you planning more sustainable financing?

Andreas Helber: I'm convinced that we're going to give all future financing instruments a sustainability component. There's probably not going to be any other sort in the future, or other types of financing will become much more expensive accordingly.

I see a lot of approaches and opportunities for more sustainability not just in renewable energy but also in the agricultural division. The topic of digital farming, for example, makes a major contribution to this. Whether in crop protection, fertilisers or with our start-ups – we now have to examine the issue facet for facet and keep going. I still see incredibly interesting starting points here.

BayWa's ESG ratings from 2021

Rating source	Rating
MSCI ESG	AA (2020: AA)
ISS ESG	C (2019: C-)
CDP (climate)	B (2020: B)

EU Taxonomy

General principles

[In light of global warming, the European states have committed to more climate protection. To achieve the goal of becoming the first climate neutral continent by 2050, the European Commission has put together a package of measures as part of its Sustainable Finance Action Plan, which seeks to direct capital flows into environmentally sustainable activities. To this end, the European Parliament and the Council of the European Union adopted Regulation (EU) 2020/852 (the "EU Taxonomy Regulation") on 18 June 2020. This defines what can be labelled environmentally sustainable economic activities. It also sets out the criteria for classifying economic activities as environmentally sustainable. The aim of the EU taxonomy is to classify economic activities in accordance with their contribution to the EU's six environmental objectives through EU-wide requirements and develop sustainable financial products on this basis. The EU's six environmental objectives are:

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

For the 2021 reporting year, only the contribution to environmental objectives 1 and 2 is initially to be reported. Economic activities are defined as environmentally sustainable when they

1. make a substantial contribution to climate change mitigation or adaptation ("substantial contribution")
2. do no significant harm to the achievement of the five other EU environmental objectives ("do no significant harm" or "DNSH") and
3. comply with minimum requirements for occupational safety and human rights ("minimum safeguards").

BayWa is committed to disclosing the proportion of revenue, capital expenditure (capex) and operating expenditure (opex) that is accounted for by taxonomy-eligible and taxonomy-non-eligible economic activities for financial year 2021. A taxonomy-eligible economic activity means an economic activity that is described in the delegated acts supplementing the Taxonomy Regulation (i.e. the current delegated act on climate change), irrespective of whether this economic activity meets some or all of the technical criteria set out in these delegated acts. A taxonomy-non-eligible economic activity means any economic activity that is not described in the delegated acts supplementing the Taxonomy Regulation.

Reporting on taxonomy-aligned activities is not legally obligatory for financial year 2021.]

Implementation in BayWa

[For the financial year 2021, BayWa is already reporting some selected information on taxonomy alignment that goes above and beyond the legal requirements on a voluntary basis. Thus, although the key performance indicators (KPIs) are disclosed for the Group as a whole, they are not disclosed for each individual economic activity. BayWa already started reviewing its economic activities (including capex and opex) for taxonomy alignment at the beginning of 2021. It follows the principle of the highest transparency and has therefore explicitly decided not to make use of the exemption options to their full extent.

The Taxonomy Climate Delegated Act concerns nine sectors that contribute more than 90% of direct greenhouse gas emissions within the EU. Trading and distribution activities are not currently covered by the taxonomy requirements. In addition, the EU has not yet defined any criteria for the farming sector. The majority of BayWa's business activities thus do not fall under the delegated act on climate change and are consequently not taxonomy-eligible.

BayWa's low proportion of taxonomy-eligible revenue, capex and opex is thus largely because of the taxonomy logic and does not conflict with BayWa's long-standing commitment to sustainability in an economic sector that has been increasingly gearing itself towards sustainability for several years.

The taxonomy-eligible economic activities shown here can, in particular, be found in the field of renewable energies. The following BayWa activities are defined as taxonomy-eligible:]

¹ The term manufacturing is defined neither in the Taxonomy Regulation nor in the Delegated Regulation together with Annexes I and II. However, the recitals of the Delegated Regulation include the note that applicable EU law should be used to interpret the Taxonomy Regulation and the Delegated Regulation (Deleg. Reg. 2021/2139 (margin no. 5)). This is also supported by the harmony aimed for in the interpretation of the applicable EU law. In various EU regulations and directives, any party (1) that manufactures a product itself or has such a product manufactured and (2) markets it under its name or trademark is regarded as a manufacturer. (For example, Construction Product Regulation 305/2011, Art. 2 No. 19; Product Safety Regulation 765/2008, Art. 2 No. 3; Product Liability Directive 85/374/EEC; Art. 3 para. 1).

Taxonomy-eligible activity (number/name)	Description	
3.1. Manufacture of renewable energy technologies	Manufacture of assembly systems for photovoltaics	
3.5. Manufacture of energy efficiency equipment for buildings	Manufacture of insulating products, external wall systems and energy efficient doors ¹	
4.1. Electricity generation using solar photovoltaic technology	Construction and operation of solar parks and solar systems	
4.3. Electricity generation from wind power	Construction and operation of wind farms	
4.20. Cogeneration of heat/cool and power from bioenergy	Construction and operation of biomethane facilities for generating electricity and heat	
4.24. Production of heat/cool from bioenergy	Construction and operation of biomass heating facilities for generating heat	
6.15. Infrastructure enabling low-carbon road transport and public transport	Construction, modernisation, maintenance and operation of free-standing electric charging points	
7.1. Construction of new buildings	Project development/construction of new buildings	
7.3. Installation, maintenance and repair of energy efficiency equipment	Renovation work and LED retrofits 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 electric 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"> Operational management, technical plant management for solar parks and wind farms (on buildings) Installation of PV systems (on buildings) and installation of solar panels for customers: integrated PV system solutions and storage systems Installation of solar thermal systems and consultancy 	
8.2. Data-driven solutions for GHG emissions reductions	Development of smart farming solutions for agriculture	

[The activities all contribute to EU environmental objective 1 “Climate change mitigation”. No economic activity contributing to EU environmental objective 2 “Climate change adaptation” was identified.

The analysis of the technical screening criteria for the substantial contribution, the DNSH criteria and minimum social safeguards showed that the majority of the taxonomy-eligible economic activities are also taxonomy-aligned.]

Process at BayWa



Taxonomy requirements were implemented across departments.

[In financial year 2021, BayWa started a project to implement the taxonomy requirements in connection with EU environmental objectives 1 and 2 – “Climate change mitigation” and “Climate change adaptation”. The core team comprises representatives of the Corporate Sustainability, Corporate Accounting and Investor Relations departments. The BayWa business activities were first allocated to the relevant taxonomy activities in an initial mapping. Interviews and workshops were held with the various people in charge from the business divisions’ departments and key Group companies. The objective of the interviews was to analyse the business activities there and to review whether taxonomy activities are relevant (taxonomy-eligible) and whether the criteria and requirements for the activities defined in each case are met (taxonomy-aligned). The assessment of individual business activities’ taxonomy-eligibility and taxonomy-alignment and corresponding supporting documents and evidence were documented.

The approach for the analysis of taxonomy-alignment was as follows:

- Review of the substantial contribution: Compliance with the corresponding taxonomy criteria was reviewed individually for each taxonomy-eligible BayWa activity, unless the criteria provide for exemptions with the result that criteria fulfilment can be assessed at the level of the entire business activity. This was, for example, the case for the criteria regarding construction and operation of solar parks and wind farms.

- Checking that significant harm is not caused to any of the other five EU environmental objectives (“do no significant harm/DNSH”): The DNSH criteria largely relate to compliance with legal requirements and, in the case of the objective of a “circular economy”, to fundamental aspects of the business activity. Against this background, an assessment of DNSH compliance at the level of the business activity and at site level was regularly appropriate. DNSH compliance with regard to EU environmental objective 2 “Climate change adaptation” was additionally integrated into the Group’s central risk management as well for an assessment at business activity level. The climate risk and vulnerability assessment required by the Taxonomy Regulation were taken into account at BayWa through a survey of experts in the companies instead of a climate projection on the basis of the future scenarios required. Based on this, there are no indications that BayWa’s activities lead to an increased adverse impact of the current climate and the expected future climate, on BayWa itself or on people, nature or assets.
- The criteria for EU environmental objective 3 “Sustainable use and protection of water and marine resources” largely relate to legal and regulatory requirements. The same fundamentally applies to the requirements of EU environmental objective 5 “Pollution prevention and control”. There are no indications that BayWa is breaching corresponding requirements. In respect of EU environmental objective 4 “Transition to a circular economy”, there are general requirements such as long usability, easy maintenance or disassembly. The majority of the components are designed for a very long service life, are recyclable and still have a monetary value at the end of their useful life. With regard to EU environmental objective 6 “Protection and restoration of biodiversity and ecosystems”, BayWa conducts environmental impact assessments and comparable assessments as part of its own business activities where a legal requirement exists.
- Review of minimum requirements for occupational safety and human rights (“minimum safeguards”): A Group-wide approach that makes proper and uninterrupted pursuit of the requirements for minimum safeguards possible has been taken to ensure compliance with these requirements.]

EU taxonomy metrics

[The reporting is carried out using the metrics defined in the Taxonomy Regulation – taxonomy-eligible and taxonomy-aligned revenue, capex and opex, in relation to consolidated Group companies.

It was possible to clearly identify the respective numerators for taxonomy-eligible and taxonomy-aligned revenue, capex and opex through specific enquiries to the units in which the corresponding economic activities were identified, meaning that the risk of double counting was avoided.

BayWa reports the following two ratios and the KPI of the taxonomy-non-eligible activities here:

1. Taxonomy-eligible activities in relation to the total amounts in the Group
2. Taxonomy-aligned activities in relation to the total amounts in the Group

✓	Total in € million	Proportion of taxonomy-eligible activities	Proportion of taxonomy-non-eligible activities
Revenue	19,839.1	5.5%	94.5%
Capex	358.2	15.5%	84.5%
Opex	103.8	16.1%	83.9%

For the 2021 reporting year, the following information beyond the information required for the reporting requirements for 2021 was identified for the BayWa Group's taxonomy-aligned activities:

✓	Total in € million	Proportion of taxonomy-aligned activities	Proportion of taxonomy-non-aligned activities
Revenue	19,839.1	5.4%	94.6%
Capex	358.2	13.1%	86.9%
Opex	103.8	16.1%	83.9%

Overall, this results in a proportion of 5.5% of taxonomy-eligible revenue, of which 97.2% is taxonomy-aligned, and 15.5% taxonomy-eligible capex, of which 84.9% is taxonomy-aligned.] ✓

Revenue The Group revenue KPI corresponds to the proportion of net revenue associated with taxonomy-eligible or taxonomy-aligned economic activities (numerator), over the Group's total net revenue within the meaning of Art. 2 No. 5 of the EU Accounting Directive (revenue pursuant to IAS 1.82 (a)) (denominator). More information on revenue can be found in the consolidated income statement on page 66 of the Consolidated Financial Statements.

Capex The Group capex KPI corresponds to the proportion of taxonomy-eligible and taxonomy-aligned investments. It results from the additions, in the statement of changes in fixed assets, to tangible and intangible assets in accordance with IAS 16.73 (e) (i) and (iii), IAS 38.118 (e) (i), IAS 40.76 (a) and (b) and 40.79 (d) (i) and (ii), IAS 41.50 (b) and (e) and IFRS 16.53 (h), plus the additions from business combinations, which are presented on pages 108/109 of the Consolidated Financial Statements. It is calculated on a gross basis and therefore does not include any remeasurements or depreciation, amortisation or impairments.

In accordance with taxonomy requirements, BayWa also takes account of non-cash investments, whereas additions to financial assets are ignored. BayWa does not pursue a capex plan within the meaning of the taxonomy requirements. Further details on capex can be found in the Notes to the Consolidated Financial Statements on pages 108/109 of the Consolidated Financial Statements in the statement of changes in fixed assets.

Opex The Group opex KPI corresponds to the proportion of taxonomy-eligible and taxonomy-aligned individually attributable, non-capitalised expenses for research and development, building renovation measures and lease expenses, maintenance and repair measures that do not qualify for capitalisation. This largely comprises repair and maintenance expenses within other operating expense. BayWa does not pursue an opex plan within the meaning of the taxonomy requirements.


Outlook

[BayWa has intensively discussed the taxonomy-related reporting obligations and followed the corresponding discussions in expert committees and specialist literature. Nevertheless, no unanimous interpretation of the taxonomy reporting obligations has emerged in some areas. BayWa will continue to actively participate in this process and take account of any new findings in future reports.



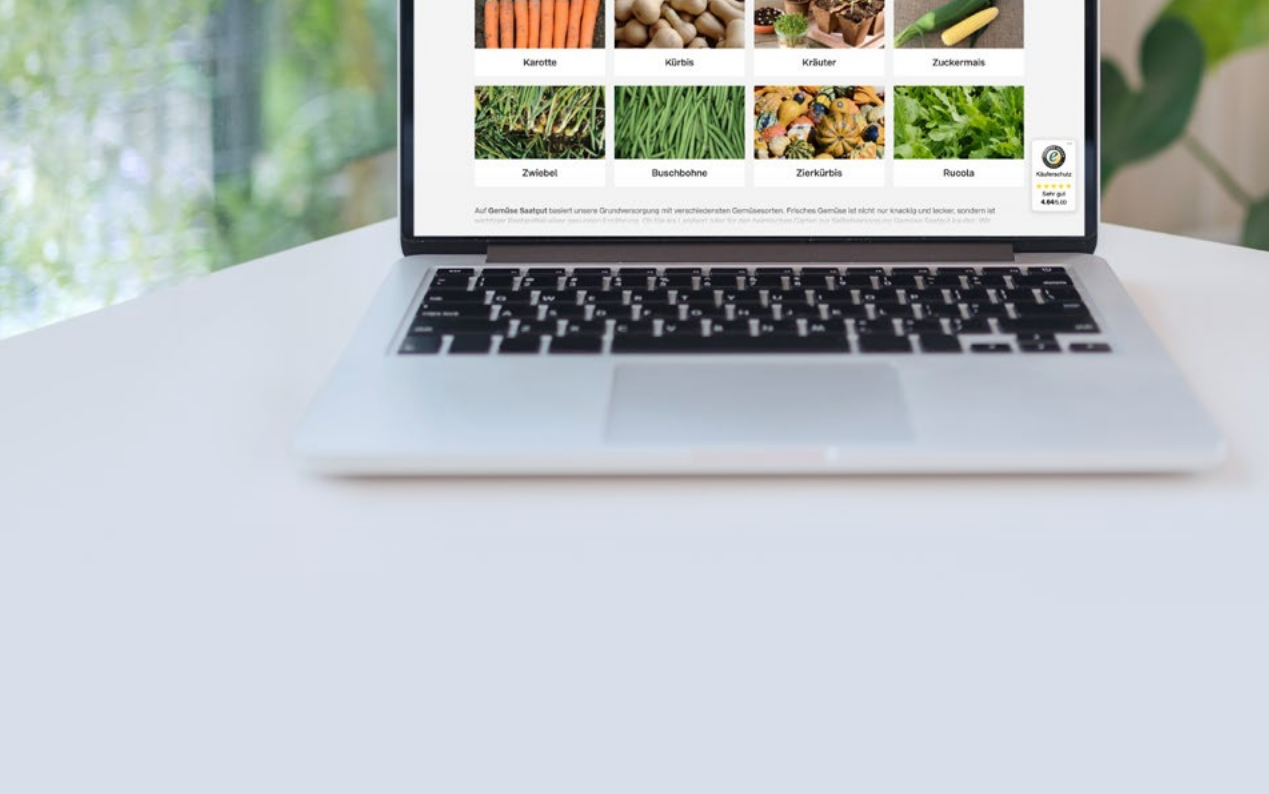
Voluntary disclosure of taxonomy-aligned activities:

A good starting situation for financial year 2022 has been created through ambitious implementation.

The statutory requirements for collecting and disclosing taxonomy-specific information and KPIs for financial year 2022 are almost certain to go beyond the current requirements. As already described, BayWa is voluntarily reporting on its proportion of taxonomy-aligned activities for this reporting year. For financial year 2022, this disclosure will be mandatory. The proportion of taxonomy-aligned activities in BayWa can also be expected to rise on the regulation of the further environmental objectives (objectives 3 to 6). In order to identify the business activities that make a substantial contribution to environmental objectives 3 to 6, BayWa will take a similar approach to the one taken in this financial year.] 



Value Creation



Innovative & Partnership-Based

BayWa meets basic human needs with its products and services: food, heat, mobility and shelter. In future, sustainability is to play an even more important role across all the business divisions. To this end, BayWa is developing and supporting innovative solutions and forging new partnerships. The international company works with a wide range of business partners around the world. BayWa implements various measures to ensure responsible procurement and has, for example, conducted a human rights risk analysis on social and environmental topics in the value chains. In addition, BayWa emphasises quality and safety standards in its value chains.

Spotlight: How does a robot help reduce the use of crop protection products?

Digital solutions, satellites and sensors make it possible to make farming work more sustainable – for example with robots that weed.

Dino, Oz and Ted are the names of the **electric field robots** from Naïo Technologies that mechanically remove weeds in a new way. They contribute to sustainable land management due to the fact that they protect the soil through their low weight and reduce the use of crop protection products. The weeding robots work with satellite navigation and are suitable for vegetable or herb farming, viticulture and tree nurseries.

BayWa has been selling these devices since 2020. In autumn 2021, it delivered a Dino weeding robots to the Sächsisches Landesamt für Umwelt, Landwirtschaft und Geologie (Saxon State Office for the Environment, Agriculture and Geology) – it is being used for a project there in which research is being conducted on digitalisation and networking in crop production.

Smart technology for fertilisation, flower strips or irrigation

Targeted irrigation:
VariableRain on the basis of
satellite data

Digitalisation offers opportunities to use resources and agricultural inputs more sparingly in many areas of farming – whether in seeding, fertilisation, crop protection or irrigation. For example, GPS-supported guidance systems allow tractors to be steered with high precision in the field, and crop protection sprayers automatically switch off their nozzles during turning or on overlapping areas. Satellite-based technology can also help when planting strips of flowers and can identify which sites are best suited for flower mixes. Smart technology is also used in irrigation: modern automated drip irrigation systems guarantee optimum care of the plant through site-specific distribution of water and liquid fertiliser – which means costs and resources can be saved. With **VariableRain**, BayWa offers simple and smart irrigation management based on satellite data.



Read more about the “Dino”
field robot from Naïo Technolo-
gies here and see it in action in
the field in the video clip.



Products and Solutions

The topic of sustainability is growing in importance. The global challenges are great, and awareness of them is growing around the world, whether on the topic of climate change, loss of biodiversity or resource scarcity. BayWa has a positive and a negative impact with its products in the environmental and the social sphere in a variety of ways. For instance, the company contributes to the energy transition with its Renewable Energies Segment but at the same time causes CO₂ emissions through its business activities in the various segments, for example by transporting products or trading in fossil fuels. BayWa is aware of its responsibility and wants to develop even more in the direction of sustainable products and solutions in the future.

Guaranteeing product safety – and therefore the protection of customers, employees, animals and the environment – is a key concern for BayWa and also a challenging task. This is because, as a globally active group with the business units of Energy, Agriculture and Building Materials, BayWa faces a wide variety of national quality and safety standards and complex supply chains. Defective products winding up on the market may lead to reputational damage or also entail liability claims against the company.

Guiding principles, structures and processes

BayWa has already been increasingly orienting its business, products and solutions to the principles of sustainability for some years. As early as 2008, for example, BayWa invested in the field of renewable energies and has been constantly expanding this area ever since. In the future, sustainability is going to play an even more important role, across all the business divisions, in developing our business models, in investment decisions and thus also in products and solutions. [The corporate strategy BayWa adopted this year is therefore entitled “Sustainable Solutions for Life”. The strategy pursues the aim of implementing responsible management to connect profitable growth with an active contribution to solving global sustainability challenges.] ✓ The topic of sustainable products and solutions also has a key role in the sustainability strategy. The business divisions are responsible for the respective measure, and this is now backed up with concrete targets and measures.

Due to the wide range of products offered by BayWa’s various segments, product responsibility differs in each case and is therefore managed and implemented individually.

Products containing hazardous substances are subject to special labelling obligations regarding their origins, ingredients and use, as are feedstuffs and seed. BayWa complies with those special labelling obligations. BayWa holds training on the current requirements in the relevant departments for the relevant employees (see [Environmental Management chapter p. 72](#)).

Objectives

[The BayWa Group is increasingly working on solutions that support customers and partners in making an active contribution to dealing with global sustainability challenges. BayWa aims to enable its customers to conserve resources in the use phase through its products and services.

BayWa wants to ensure responsible raw material extraction and product production and promote sustainable and renewable materials and product alternatives. BayWa also aims to increasingly align its product range with the principles of a circular economy. Partnerships along the entire value chain are to be used and expanded to this end. As part of product responsibility, the overarching aim is to place the greatest emphasis on safety and compatibility for customers and consumers. BayWa is making greater efforts to raise its customers’ awareness with regard to safe and sustainable use and disposal.] ✓

Measures and results in the segments

[Due to the Group’s extensive and diversified product range, various different aspects play a role in safety, quality and sustainability. Therefore, the Group does not report uniform, Group-wide measures and results. Instead, measures and results for each segment are reported in the following sections.] ✓

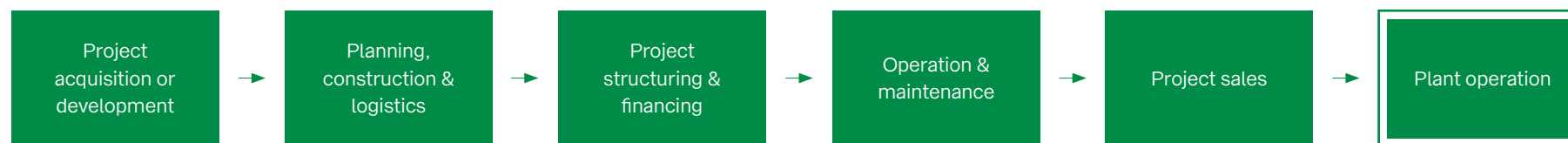
Renewable Energies Segment – BayWa r.e.’s Divisions and Business Entities

BayWa r.e. combines the Group’s activities in the field of renewable energies. The BayWa subsidiary is one of the world’s leading developers, service providers, photovoltaic wholesalers and providers of energy solutions in the field of renewable energies and actively helps to shape the future of the energy sector. Through its

Projects, Operations and Solutions divisions, BayWa r.e. covers the entire renewable energies value chain. At project level, the company’s focus is on photovoltaics (PV) and wind energy. It also has expertise in the field of biogas. Its services comprise the technical and commercial management of wind farms and solar parks and also energy trading. BayWa r.e. is one of the world’s leading wholesalers of PV components, and it provides comprehensive energy solutions for commercial and industrial customers.

Renewable Energies Segment value chain – BayWa r.e.’s divisions and business entities

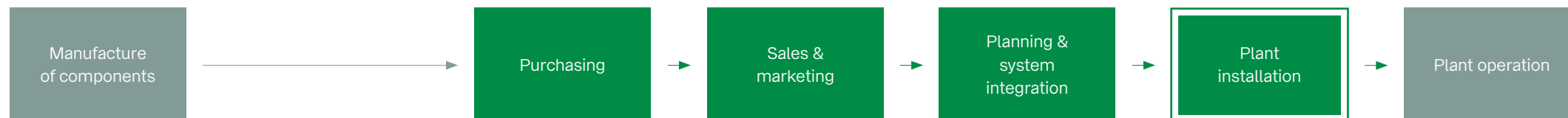
Projects: Wind and solar



Operations: Power generation, energy trading and technical and commercial management



Solutions: Solar trading and energy solutions



BayWa r.e.
 BayWa r.e. and other players
 other players

Measures and results

[In the reporting year, BayWa r.e. connected 2.9 gigawatts of renewable energy generation capacity to the grid worldwide. This was achieved by constructing wind farms and solar parks and selling solar modules. BayWa r.e. is thus making an important contribution to the energy transition.

BayWa r.e. is one of the pioneers of agri-PV solutions, which combine food production and energy generation in a single space. In 2021, BayWa r.e. and the Fraunhofer Institute for Solar Energy Systems ISE, together with other partners, set up the first agri-PV research facility for apples and espalier fruit in Germany. The overarching objective of the subsidised project is to increase climate resilience in fruit production and ensure safe and sustainable apple production with additional solar power generation.



Innovative and efficient:

Floating solar parks
on unused bodies of water

BayWa r.e.'s floating PV systems are also particularly innovative and efficient product solutions: they generate solar power on unused bodies of water without competing with other uses of space. In the reporting year, BayWa r.e., together with its Dutch subsidiary GroenLeven, put two floating PV parks into operation in the Netherlands. These are the largest systems outside of Asia. They were erected in the middle of the lake to protect flora and fauna on the banks, and were designed with a view to maintaining biodiversity and water quality.]

At the end of 2020, BayWa r.e. reached a milestone in the UK – with the completion and sale of the first unsubsidised wind farm there. The wind farm consists of eight turbines and generates green electricity at market prices.

BayWa r.e. is also working on reducing the environmental impact of the projects. One step is to increase transparency and decrease the carbon footprint of renewable energy systems. The carbon calculation focuses on the components used, the construction stage and logistics.



Involving Citizens in the Energy Transition

BayWa r.e. has sold seven of the turbines belonging to the Immenberg Wind Farm in the Hanover region to a citizen energy community. Another system was sold to a likewise local community of landowners. This underlines BayWa r.e.'s commitment to involving members of the public and communities in projects as active players in the energy transition and giving central importance to regional value creation in the development of wind projects.

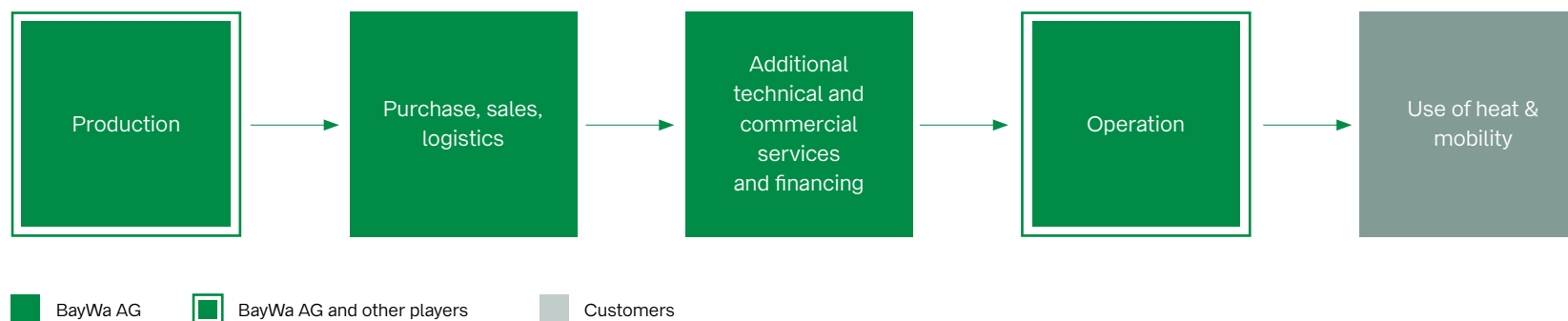
BayWa r.e. has replaced a total of eight wind turbines with new equipment with the repowering project – thus doubling installed capacity. The wind farm will produce around 70 GWh of green electricity each year, which is equivalent to the annual consumption of 22,700 average German households.

Energy Segment

BayWa's Energy Segment supplies customers – primarily in southern Germany and Austria – with heating oil, fuels and lubricants, AdBlue, wood pellets and heating solutions. BayWa Mobility Solutions GmbH additionally offers solutions in the fields of electric mobility, LNG (liquefied natural gas) and digital mobility.

Energy Segment value chain

Heat and mobility: relevant energy sources (diesel, heating oil, wood pellets, liquefied natural gas, electricity)



Measures and results

The Energy Segment has implemented quality management standard ISO 9001. Wood pellets as a renewable energy source have become an important alternative to fossil fuels. A high proportion of the pellets sold by BayWa are PEFC-certified, which means they come from sustainable forestry. The pellets are either manufactured from sawmill residues or from wood that, although it has come from a forest, cannot be used for the production of other wood products.





Energy-saving
heat supply
through contracting


In 2021, BayWa Energie Dienstleistungs GmbH developed solutions through contracting for the efficient supply of largely renewable energy and heat to local authority and commercial properties. Heating needs are analysed and energy-saving concepts developed as part of this process. In the lubricants business entity, BayWa's product range includes a biodegradable product line. Tectrol Cool Protect Clean, for example, provides environmentally friendly antifreeze for field sprayers.

In the reporting year, BayWa became a shareholder of the operating company Hy2B Wasserstoff GmbH. The partners want to generate green hydrogen from renewable energy together with the Landshut district from 2023 – as part of the Bavaria hydrogen model region.



CO₂-Optimised Mobility Solutions

The subsidiary BayWa Mobility Solutions offers mobility solutions with integrated consultancy – for example as fleet solutions for SMEs, for farming or for private individuals. In the **electric mobility**  division, the focus is on advice and planning, installation, operation, maintenance and repair of charging infrastructure. In addition to electric drives and **liquefied natural gas**  (LNG), BayWa Mobility Solutions is also interested in hydrogen. The subsidiary has now set up a nationwide network of seven stations for LNG trucks across Germany. Three additional stations are under construction and two are in the planning stage. Bio-LNG is also set to soon become part of our range: liquefied bio methane from agricultural waste.

BayWa Mobility Solutions also offers **fuel and charging cards**  for cashless refuelling, which customers in Germany can use with more than 95% of the public charging infrastructure and more than 3,500 filling stations.

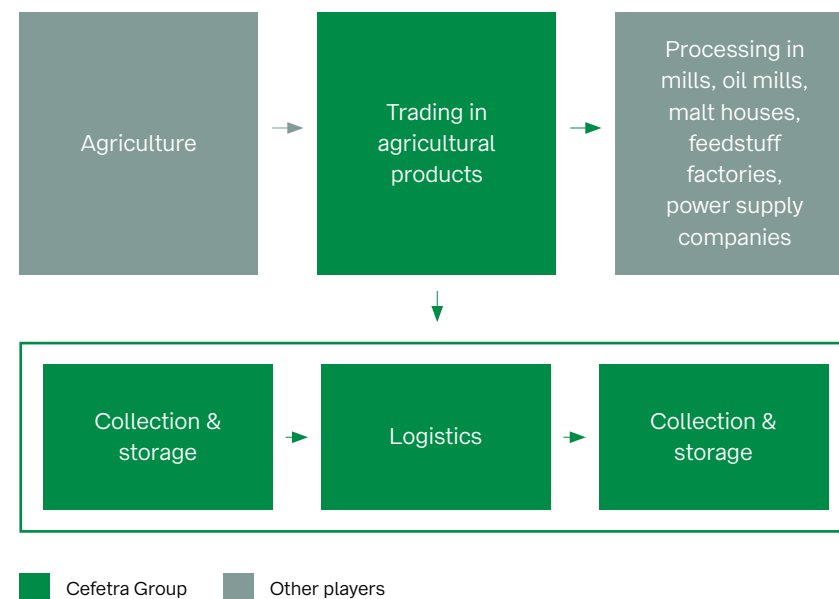
Cefetra Group Segment

The Cefetra Group specialises in the international trade in grain and oilseed and covers the entire value chain from purchasing to logistics to sales in its role as a supply chain manager. Cefetra purchases 26 million tonnes of feedstuff ingredients world-wide (including corn, wheat, soya meal or by-products such as palm kernel expeller) and sells them to the European feedstuff, food and fuel industries. The segment is the market leader in supplying commodities for the animal feed sector in the EU and also the market leader in the supply of environmental feedstuff ingredients.

The Cefetra Group has increased its commitment to sustainable development by firmly embedding the topic of sustainability in its five-year corporate strategy for 2019 to 2024.

Cefetra B.V. traded some 1.8 million tonnes of soya in total in 2021. Around 787,000 million tonnes of the soya traded by Cefetra B.V. were certified in accordance with the CRS, RTRS or ProTerra sustainability standards. The percentage of GM-free soya, certified in accordance with ProTerra, was around 11%.

Cefetra Group Segment value chain



Measures and results

Certifications and standards for sites in the Cefetra Group business segment

Certification/standard for quality or sustainability	Description	Applies to the following Cefetra Group sites	Dissemination of the standard within the Cefetra Group Segment
GMP+ B 3	Feed safety standard	All sites	
GMP+ B 4	Feed safety standard	All sites	
Good Manufacturing Practice (GMP+ International: GMP+ Feed Responsibility Assurance, GMP+ Feed Safety Assurance, GMP+ GMO Controlled)	Quality management	13 sites	
Good Trading Practice (GTP)	Industry standard on the orderly trade in feedstuffs	4 sites	
Cert ID Non-GMO Standard	Sustainability and quality standard	Cefetra B.V. (audited for soya trading)	
International Sustainability and Carbon Certificate (ISCC)	Sustainability standard	Cefetra B.V., Cefetra Feed Service B.V.	
KZR INiG	Sustainability standard	Cefetra Polska	
Round Table on Sustainable Palm Oil (RSPO) Supply chain certification for sites	Sustainability standard	Cefetra B.V., Cefetra Feed Service B.V., Cefetra Ltd.	

The dissemination of the standards is shown using the following classification system:

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

Certifications and standards for selected products in the Cefetra Group business segment

Certification/standard for quality or sustainability	Description	Applies to the following Cefetra Group products	Dissemination of the standard within the Cefetra Group Segment
Certified Responsible Soya standard (CRS)	Sustainable procurement guidelines for soya	Soya	
Roundtable on Responsible Soy Association (RTRS)	Sustainability standard and quality management	Soya	
ProTerra Standard	Sustainability standard	Soya	
Organic standard (EU Organic Regulation , USDA Organic)	Organic farming	Grain, oilseed, pulses, by-products at BioCore B.V.	

The dissemination of the standards is shown using the following classification system:

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

In addition to the aforementioned standards, Cefetra B.V. also undergoes an audit as part of its membership of the Roundtable on Sustainable Palm Oil (RSPO) and the Round Table on Responsible Soy Association (RTRS). In 2021, the scope of the RSPO was extended – Cefetra’s British and Dutch entities are now also eligible to trade in RSPO-certified palm oil products by mass balance.

Cefetra B.V. also participates in

- the UK Roundtable on Sustainable Soya,
- the Dutch Soy Platform Initiative,
- the Cocal Food and Feed Safety Working Group,
- the Cocal Joint Sustainability Group,
- the MVO Food and Feed Safety Working Group,
- the MVO Working Group Sustainable Sourcing,
- the EFISC-GTP Technical Committee,
- the ProTerra Initiative,
- the Collaborative Soy Initiative communication platform convened by RTRS,
- the Roundtable on Sustainable Palm Oil (RSPO) and
- the OECD-FAO Multi-Stakeholder Expert Working Group on Business & Deforestation.

Cefetra B.V. develops the “Certified Responsible Soya” (CRS) standard, which was the first to comply with the revised version of Soy Sourcing Guidelines of the European Compound Feed Manufacturers’ Federation (FEFAC) (see also the following information on the CRS standard).



Experience and knowledge:

Sharing information on sustainability topics in the supply chain

In 2021, Cefetra began to offer its experience and knowledge in the area of sustainability as a consultancy service for its customers. For example, Cefetra wants to support companies with further improving their sustainability efforts. In a first step, a life cycle assessment (LCA) is carried out to identify improvement opportunities. Decreasing the environmental footprint in close collaboration with customers is an effective means for reducing the joint footprint.

To gain a better insight into the complex supply chains of agricultural commodities such as soya, Cefetra participates in multiple projects with other players in the supply chain upstream and downstream of the company. One example is the blockchain-based pilot project True Code, in which Cefetra is looking for ways to achieve future-proof traceability.

Cefetra also works closely together with its direct suppliers to achieve a better insight into where and how the commodities are produced. Developing a better understanding of this is crucial to being able to meet the changing requirements of the market and legislators around the world.

Certified Soya Products

Cefetra has been supplying its customers with soya meal for the feedstuff industry for many decades. In 2008, the company developed the CRS (Certified Responsible Soya) standard for soya, which has become an important certification guideline for the European feedstuff industry and for farmers in South America. Since 2009, in addition to products with other, alternative standards such as RTRS or ProTerra, Cefetra has also offered products that are CRS-certified. Farmers who want to be certified under the CRS standard have to meet a wide range of sustainability requirements, including environmental and social requirements and good agricultural practices. A key criterion of the CRS standard is “without deforestation”. In 2020, Cefetra launched soya products that have been produced for 20 years (or more) without deforestation. The number of CRS- and RTRS-certified farmers is rising.

Global Produce Segment

Global Produce is one of the leading global providers of fruit and vegetables. This BayWa segment has its roots in the German fruit trade. 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 trade links to the Americas, Asia, Australia and Europe through its New Zealand subsidiary 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 alliances built on trust in the southern and northern hemispheres alike – both as a high-performing partner to farmers and as a supplier of speciality products.

Global Produce Segment value chain



Measures and results

In Global Produce, food safety, food quality and sustainability have top priority. BayWa Global Produce's sites and products therefore meet a wide range of international standards. The following tables provide an overview of selected standards and certifications at site and product level.

Certifications and standards for sites in the Global Produce business segment

Certification/standard for quality or sustainability	Description	Applies to the following Global Produce sites
International Featured Standard (IFS)	Standard for product quality and product safety	BayWa Obst GmbH and TFC Holland B.V.'s packing locations
Brand Reputation Compliance Global Standards (BRCGS)	Standard for product quality and product safety	BayWa Obst GmbH and TFC Holland B.V.'s packing locations
Organic standards (e.g. EU Organic Regulation , Demeter , Naturland , Bioland)	Quality standard for organic agricultural products	BayWa Obst GmbH and TFC Holland B.V.'s packing locations
QS	Quality standard	BayWa Obst GmbH and TFC Holland B.V.'s packing locations

Certifications and standards for selected products in the Global Produce business segment

Certification/standard for quality or sustainability	Description	Applies to the following Global Produce products	Dissemination of the standard within the Global Produce Segment's product class ¹
GLOBAL G.A.P.	Quality assurance and certification system for agricultural production	Across several product categories (e.g. apples, pears, berries)	
Social standards (e.g. Fairtrade , QS voluntary inspection of working and social conditions , GLOBAL G.A.P GRASP)	Social and ethical standards in agricultural production and processing	Across several product categories (e.g. apples, bananas, mangoes)	
Organic standards (e.g. EU Organic Regulation , Demeter , Naturland , Bioland)	Organic standards in agricultural production and processing	Across several product categories (e.g. apples, pears, berries)	

The dissemination of the standards is shown using the following classification system:

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

¹ Due to complex global supply chain structures, this data is based on quantitative sources (data exports) and qualitative sources (estimates). Global Produce is currently in the process of establishing a systematic data collection process for the entire segment.



State-of-the-Art Technology for a Longer Shelf Life

Fruit tastes best and contains most vitamins when it is harvested ripe. However, some exotic fruits are exported just ripening due to the long transport routes by ship and only then ripened at the destination.

To this end, BayWa Global Produce has invested in the innovative **Softripe® technology** at various sites in the Netherlands and the UK. The technology works with artificial intelligence and ripens avocados and mangoes with pinpoint accuracy. It monitors the atmosphere and individually adjusts it to the fruits' metabolic processes. This ensures better quality and a longer shelf life without the use of additives. As a result, there is less loss of food. The ripening period is also shorter and less energy is needed.

Turners & Growers Fresh Limited (T&G Fresh) in Auckland, New Zealand, uses various programmes on issues such as water treatment and deep-freeze treatment to ensure that the stringent legal requirements regarding food safety and other quality standards are met. T&G Fresh also implements required programmes such as a food control plan (FCP) and HACCP (hazard analysis and critical control points) to ensure that the standards for food safety and quality are met.

The suppliers also meet a variety of national and international standards. The producers are certified under the combined QS-GAP quality standard, which includes the guidelines of GLOBAL G.A.P, an internationally recognised standard for the production of agricultural products, and of the food standards for quality and safety (QS). In Germany, producers also meet the requirements of regional quality labels, such as Regionalfenster, which informs consumers of the product's origin and the area where it is distributed.

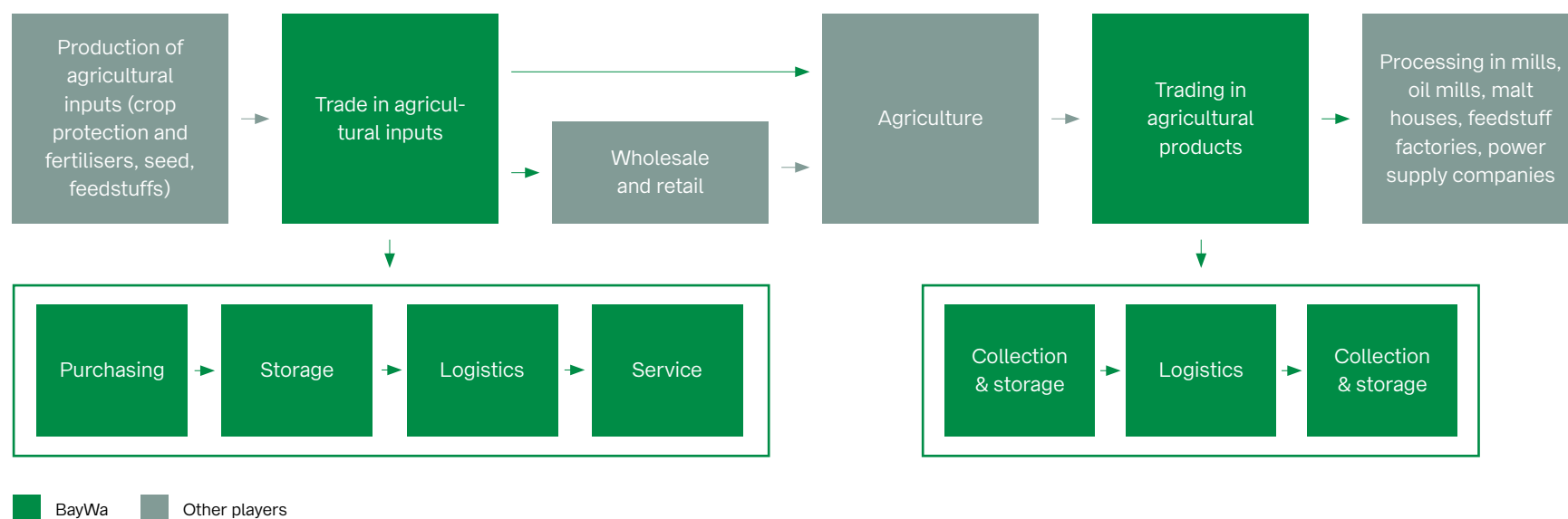
In 2021, T&G Fresh brought Fairtrade-certified bananas whose carbon footprint is offset by the high-quality certificates of an organisation supporting the permanent protection of the rainforest in Peru to the New Zealand market in close cooperation with other players in the supply chain. ➡

Agriculture Segment

The Agriculture Segment's focus is direct trading business with farmers. To this end, the segment supplies its agricultural customers in Germany and Austria with agricultural inputs for agricultural production, including with seed, fertiliser, crop protection products and feed and hygiene products for livestock farming. At the

same time, the segment collects agricultural products such as grain, oilseed and hops after they are harvested and markets them to local and regional processors and also in export markets.

Agriculture Segment value chain



Measures and results

Certifications and standards for sites in BayWa AG's Agriculture Segment

Certification/ standard for quality or sustainability	Description	Applies to the following Agriculture Segment sites	Dissemination of the standard within the Agriculture Segment
GMP+ B 3	Feedstuff safety standard for trade, collection, storage and transshipment	Agricultural sites that collect and/or transship loose agricultural products and feedstuffs	
GMP+ B 4	Feedstuff safety standard for transportation	Agricultural sites that plan and commission vehicles for transporting loose agricultural products and feedstuffs	
GMP+ MI 105 GMO controlled	Trade in and storage and transshipment of GMO-free feedstuffs suitable for production without genetic modification	84 sites	
Donau Soja, Europe Soy Standard	Soya feedstuff of European origin without genetic modification	2 sites	
Geprüfte Qualität – Bayern	Quality assurance and traceability system	3 sites	
Qualitätszeichen Baden-Württem- berg	Regional quality label for products that have been produced and processed in accordance with particular product-specific requirements	1 site	
ISO 9001	Quality management	2 hop-growing sites	
EU Organic Regulation	Trade in and collection of organic products on the basis of the EU Organic Regulation	118 sites	

The dissemination of the standards is shown using the following classification system:

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

Certifications and standards for products in BayWa AG's Agriculture Segment

Certification/ standard for quality or sustainability	Description	Applies to the following Agriculture Segment products	Dissemination of the standard within the Agriculture Segment's product class
REDcert	Sustainability certification for biomass	Grain, oilseed	
Organic certificate of inspection pursuant to EU Organic Regulation	Certification for organically grown products	Feedstuffs, grain, seed, hops, cider fruit	
Donau Soja, Europe Soy Standard	Certification for GMO-free and source-identified quality soya from Europe	Soya	
ProTerra	Sustainability certification	Soya	

The dissemination of the standards is shown using the following classification system:

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

[BayWa AG collected¹ around 1.3 million tonnes of grain (wheat, barley, corn, rye, triticale) and around 154,000 tonnes of oilseed (rapeseed, soybeans) in Germany in 2021. Almost 60% of the grain and 98% of the oilseed is EU-certified in accordance with the REDcert sustainability standard. With the exception of rapeseed, it also meets the GMP+ B 3 feedstuff safety standard. The proportion of non-genetically modified soya meal sold by BayWa AG's Agriculture Segment was 28%² in 2021 (2020: 30%). 72%² (2020: 70%) of the soya meal sold was thus genetically modified, for which a special labelling requirement continues to apply. In addition, 84 sites² (2020: 89) in Germany have obtained GMO-Controlled certification and thus been approved by the German Association for Food without Genetic Engineering (VLOG), which allows farmers participating in non-genetically modified programs to be supplied with certified feedstuff.]

Many farmers want to implement higher animal welfare standards in Germany in the future. BayWa AG is a reliable partner for them and supports its customers with products and services for animal welfare. These include advice and information on animal welfare measures, the planning and construction of more animal-friendly stalls and the development of adapted feeding plans. Furthermore, more feedstuffs that meet the increasing requirements in the area of animal welfare were added to private brand range in 2021.

[Since 2016, BayWa AG's Agriculture Segment has been supporting organic farmers with the BayWa organic concept through a comprehensive range of products and advice. 118 sites (2020: 120) are certified for trade in organic agricultural inputs, and 6 sites (2020: 4) also collect organic agricultural products.] BayWa AG is a member of Biokreis e. V., the fourth largest growers' association in organic farming in Germany. A BayWa team of regional organic experts supports organic farmers with advice. In addition, RWA AG's "Unser Bio" range exclusively offers products that comply with the EU Organic Regulation.

¹ Refers to the physical receipt of goods at BayWa sites

² The information is not comparable with the previous year because the East division region's quantities are no longer included. The activities were spun off into BayWa Agrarhandel GmbH (BAH) in 2021. BAH's share was approximately 30% in 2020.



Climate-Friendly Grain

Can an optimised cultivation method improve the carbon footprint of quality wheat production? That is the question that BayWa is exploring in the Green Grains initiative it launched in 2021. Here, the greenhouse gas savings are attributed not to the area but to the quantity of the products produced.

The fields used have a crop rotation with a positive humus balance within three years. The reduced application of mineral nitrogen and the adaptation of energy-intensive tillage make the biggest contribution to climate friendliness. Satellite maps identify the different potentials of the cultivated land so that good yields can be achieved through targeted use of resources.

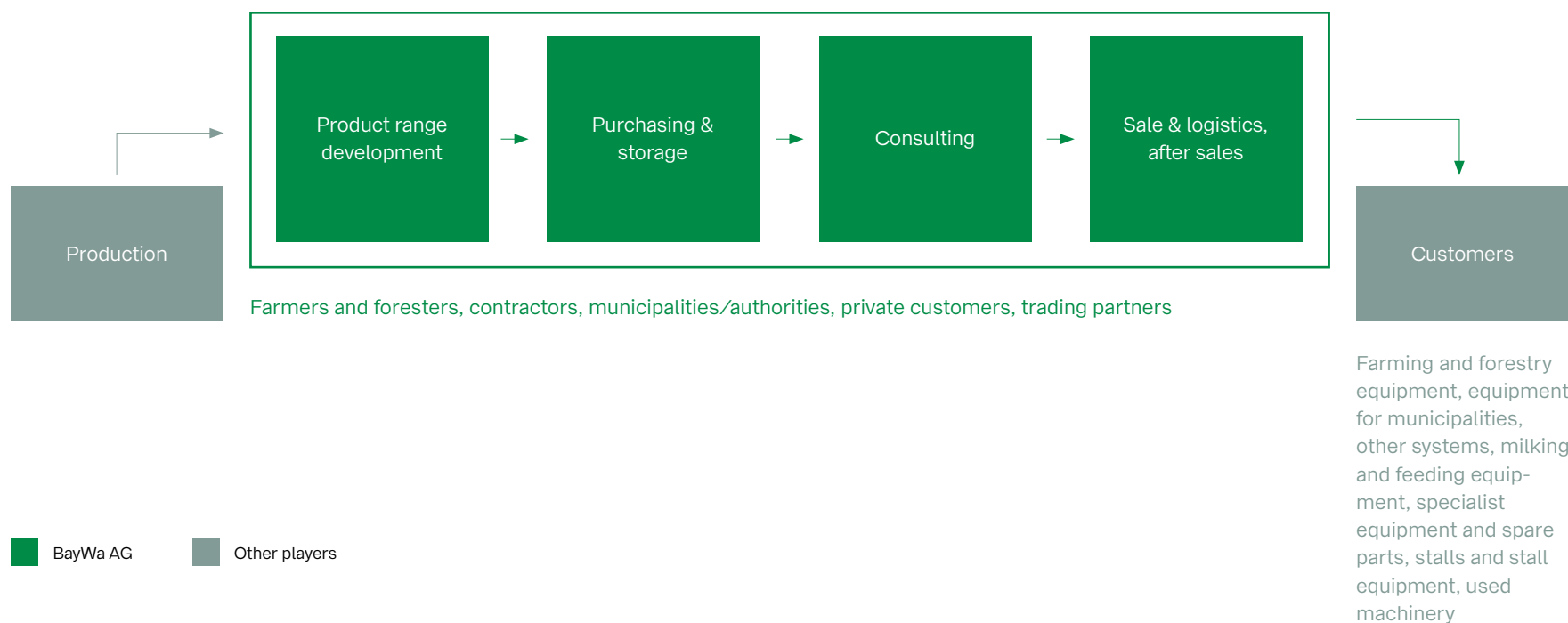
The greenhouse gas accounting takes place based on the BEK calculation standard (the calculation standard for single-farm carbon footprints), which was developed by various farming organisations, including the Thünen Institute of Organic Farming and the Kuratorium für Technik und Bauwesen in der Landwirtschaft (KBTL) (Board of Trustees for Technology and Construction in Agriculture). The aim is to achieve greenhouse gas savings of 20%.

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. The segment 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 over 170 workshops or directly on site by more than 460 mobile service vehicles.

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

Agricultural Equipment Segment value chain



Online Platform for Second-Hand Agricultural Machinery

Whether tractors, forage harvesters or sowing technology: customers can find a broad range of second-hand agricultural machinery from various manufacturers on the [BayWa Börse](#)  platform. BayWa diagnoses, repairs and reconditions the machines – which means they can be re-marketed. BayWa's second-hand machinery business extends the product life-cycle of agricultural equipment. The machines largely come from BayWa's sales territory – if, for example, a customer buys a new machine, BayWa will take the old machine in trade-in for it on request. But the market is not just restricted to Germany, Austria and Switzerland – BayWa supplies second-hand agricultural machinery around the world.

Measures and results

The Agricultural Equipment Segment has various product solutions in its portfolio that contribute to reducing the effects on the environment. In order to reduce the use of agricultural inputs (such as crop protection products), the product range includes smart machinery and device programmes. In addition, BayWa has a wide range of products and services for mechanical fieldwork for organic farming that was expanded in the reporting year to include highly professional equipment for combating weeds. IT-supported guidance systems in tractors and harvesting machines or autonomous field robots enable optimum use of vehicles while reducing the workload.

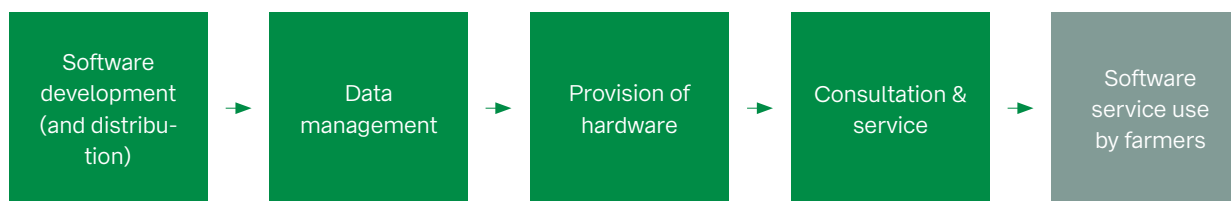
Innovation & Digitalisation Segment

In the Innovation & Digitalisation Segment, BayWa not only uses the potential of increasing digitalisation but thereby underscores the strategic importance of innovations for the entire business. This segment pools digital activities and the further development of innovative approaches. The focus is currently on projects in the areas of digital farming and eBusiness. Digital farming opens up new opportunities for farming to optimise operating processes and thus operate both more cost-

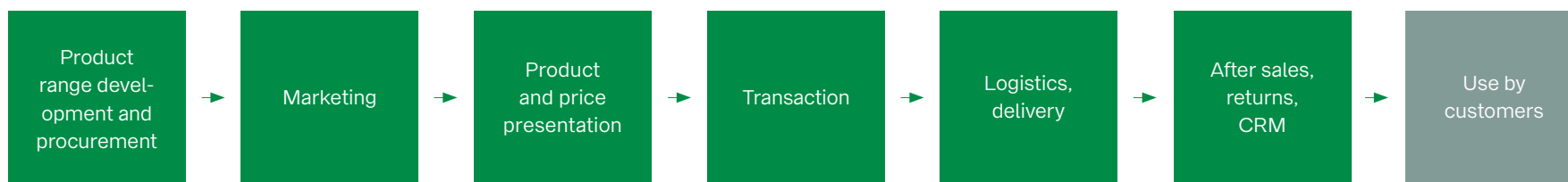
efficiently and more sustainably. Through its Group company FarmFacts, BayWa offers a file management system that makes digital advantages available to farmers irrespective of their farm type or size. Another approach is the use of satellite data for farming. The Group subsidiary VISTA Geowissenschaftliche Fernerkundung GmbH has already brought various solutions that have a positive impact on resource and water use and crop yields to market here. In the field of eBusiness, the aim is to connect digital service options such as online shopping with brick-and-mortar retail and further advance and optimise advice apps.

Innovation & Digitalisation Segment value chain

Digital Farming



e-Business



Measures and results

Innovative technologies and products can contribute to making farming more resource efficient – examples from BayWa's product range include high-performance varieties, the E-Pura electronic seed treatment as an alternative to chemical seed treatment, geo-referenced and yield-zone-based soil sampling and the N-Manager as the basis for needs-based fertilisation. They work together with an extensive sales and consulting network.

The BayWa digital farming portfolio enables even small and medium-sized farms to make use of modern farm management systems to increase productivity. Using satellite data, BayWa is able to offer agricultural advisory services to farmers around the world from Germany. In 2021, BayWa's systems were in use at farms in Germany, Sub-Saharan Africa, Serbia, the Netherlands, the UK and Spain.

BayWa also offers customers a broad range of items for resource-conserving farming in the area of eBusiness, such as organic items. In addition, they can use online services for the balance of material flows so that they always apply fertiliser and crop protection products correctly.



Climate Farmer: Preserving and Building Up Humus

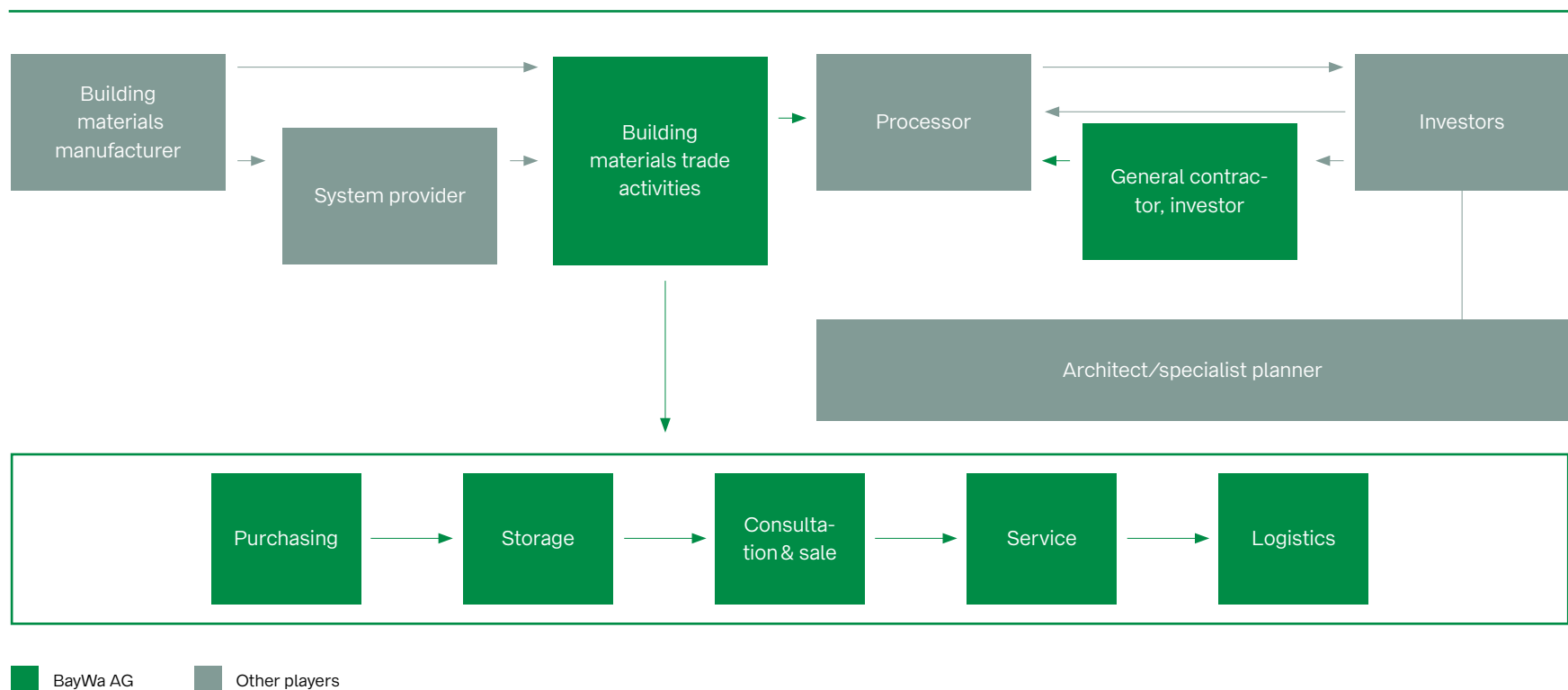
Humus is an important store of carbon – and resilient soils will play a key role in the future given changed environmental conditions such as increased dry periods or heavy precipitation. Species conservation and the management of water resources are also important tasks. That is why the BayWa subsidiary FarmFacts has launched the Climate Farmer Initiative (ICL). The participating farmers agree to use farming systems that promote the humus content in the soil and biodiversity – and are financially rewarded for this. Local authorities, companies or individuals become sponsors and receive documentation proving the farmers' performance of the contract. Soil samples are used to measure humus content to accompany the cultivation agreement – at the start and again after three years. The samples are taken using GPS guidance and digitally logged in the field in accordance with an audited process.

Building Materials Segment

The Building Materials Segment covers the entire range of products and services – from structural engineering, civil engineering, the construction of new buildings, renovation and modernisation to gardening and landscaping to energy-efficient and healthy building packages of solutions. The Building Materials Segment's core regions are in southern Germany and Austria: BayWa is one of the leading providers in building materials trade activities here. The product range is aimed at construc-

tion companies, local authorities, trades enterprises, commercial businesses, individuals building their own homes and renovators. In addition to this, BayWa offers customers numerous specialisations and diverse services and support on innovative topics such as healthy construction, energy efficiency or building information modelling (BIM). Digital solutions are increasingly expanding traditional business through new impetus and additional sales channels. These include the building materials online portal, the BayWa room designer and the property configurator, with which builders or construction companies can plan a house online, make calculations concerning it and realise it through a connected network of partners.

Building Materials Segment value chain






Green Roofs: Beneficial for Humans and the Environment

Green roofs not only look attractive, they also have a whole range of economic and environmental advantages. For the system to function reliably, careful planning and appropriate waterproofing are needed. To this end, BayWa's Building Materials division offers coordinated complete packages for green roofs with appropriate advice from experts in roof construction, gardening and landscaping.

Green roofs create a new habitat for insects and contribute to filtering dust and pollutants from the air – and the vegetation on the roof humidifies the air. The green roof also creates natural thermal insulation, protects against heat and retains water.

Measures and results

Through a wide range of products and services, BayWa makes safe, healthy and environmentally friendly construction a reality for customers. This includes project planning of homes that are healthy to live in, advising on energy standards and the subsidy advice service, which advises on energy-efficient modernisation measures. Sustainable construction solutions range from climate ceilings, which naturally heat rooms and keep the temperature at a pleasant level, to Efficiency House Plus. BayWa is also involved in innovative products through affiliated companies – for example Tjiko, which provides industrially prefabricated but nevertheless individual bathroom modules constructed from wood.

The Building Materials Segment offers a broad range of certified low-emission products that carry the **BayWa BauGesund seal** . The seal makes it easier for customers to identify low-emission building materials. The products labelled with the seal are subjected to testing and an internal control process for this. BayWa has a number of official BauGesund partners, who also focus on healthy construction.

Around 1% of the products in the Building Materials division have a safety data sheet in accordance with statutory regulations (2020: 1%). The data sheets include handling recommendations intended to ensure the protection of human health and the environment when using the products.

Supply Chain

Procurement

[With an annual procurement volume of around €20 billion, the impact that the BayWa Group's purchasing behaviour has on the prevailing conditions at suppliers is by no means insignificant. For example, any serious violations of environmental and social standards that arise here might not only cause major damage at their point of origin but impact BayWa's reputation as well. At the same time, legal developments at national and international level are increasingly obliging companies to meet human rights due diligence obligations in the supply chain (see [Human Rights Due Diligence section, p. 60](#)).]



Supplier Code of Conduct

[Learn more about the guidelines for joint action online.](#)

Guiding principles, structures and processes

[The segments and their subsidiaries are independently responsible for and implement the procurement processes for products, goods and services. The diversity of the BayWa Group's segments means there are different and segment-specific certification standards for each. The processes are described below and with examples for individual segments. Since the end of 2021, there has been a strategic purchasing team in the parent company BayWa AG, which professionalises and manages the overarching procurement processes, including on the topics of contracts, supplier assessments, legal requirements and sustainability.

The BayWa Group will continuously implement the human rights due diligence obligations, as set out in the Supply Chain Due Diligence Act (LkSG) adopted in Germany in 2021 – and has implemented various measures for this in the reporting year (see [Human Rights Due Diligence chapter, p. 61](#)).

In the Energy Segment, a purchasing and management manual regulates 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 and occupational health and safety.

In BayWa AG's Agriculture Segment, sustainability topics were also included in the supplier assessment in the feedstuff product area – this applies to the private brand

suppliers and the core suppliers. Moreover, agricultural products in this segment are generally purchased from suppliers certified in accordance with the feedstuff safety standard GMP+ or an equivalent standard.

In the Cefetra Group Segment, Cefetra B.V. initiated the Certified Responsible Soya (CRS) Standard for the procurement of sustainable soya, which has become one of the leading certification guidelines for the European feedstuff industry and for farmers in South America since it was created in 2008 (see [Cefetra Group Segment chapter p. 43](#)).

In the food industry, transparency, traceability and optimum process management in particular play a key role in procurement processes. The Global Produce Segment has implemented a quality management system for procurement. Global Produce's suppliers also undertake to comply with relevant laws and standards and quality and safety requirements in a supplier self-disclosure. Moreover, a growing proportion of Global Produce's suppliers meet the International Labour Organization's social standards and/or other social standards (see [Global Produce Segment chapter p. 46](#)).]

Objectives

[The BayWa Group has the aim of making sustainability a key element in its purchasing practices and decisions. BayWa supports its suppliers' compliance with sustainability standards and works in partnership with them. One key objective is to work towards compliance with sustainability standards in the supply chain. To this end, BayWa created a Supplier Code of Conduct in 2021, which meets the requirements of the German Supply Chain Due Diligence Act (LkSG) and international conventions on compliance with human rights requirements. This will be gradually passed on to existing and new suppliers from 2022 (see [Human Rights Due Diligence chapter, p. 61](#)).

Another of the BayWa Group's objectives is to increase transparency along the global value chain in order to also be able to contribute to improving human rights and environmental conditions at upstream suppliers.]



Measures and results

[BayWa began a Group-wide risk analysis on social and environmental topics in the value chains in 2020. This was conducted for the Agriculture business unit and the Innovation & Digitalisation Segment in the reporting year. The results of the risk analysis will be used in the risk model currently being developed and are expected to be reported from 2022 (see [Human Rights Due Diligence chapter, p. 61](#)).

Since the BayWa Group's Supplier Code of Conduct was only adopted at the end of 2021, no disclosure can be made on how many suppliers have received it.

Many of BayWa's business divisions procure goods and services as regionally as possible – as this shortens transport routes and comparably high environmental and social standards can generally be assumed within the EU.

BayWa r.e. has taken steps to optimise the social and environmental impacts along its supply chains. This includes recording the carbon footprint of key product groups from core suppliers (including wind turbines, solar modules and inverters). The climate effects of systems for generating renewable energies are identified here in order to understand the systems' greenhouse gas savings potential. Dialogue with core suppliers on the topic of sustainability was also intensified in the reporting year. During a pilot project, BayWa r.e. began to assess the suppliers of selected product groups using sustainability criteria. These include environmental criteria and social issues, such as working conditions and local procurement. The Cefetra Group created a supplier code of conduct in 2020, which has been shared with all suppli-

ers. In addition, Cefetra is pursuing a 5-year strategy with the objective of expanding the business more strongly to include additives and specialties, including products and product categories beyond animal feed.

These products are largely purchased from continental Europe and not imported as commodities from overseas. In addition, Cefetra launched a pilot project to measure the carbon footprint of the CRS-certified farms in 2021 – this is intended to test whether trading in emission certificates for reduced emissions can financially support the farms. This project has proven successful and is set to be extended until 2022.]

Human Rights Due Diligence

[The BayWa Group purchases commodities, goods and services from suppliers from over 65 countries. 99% of the parent company BayWa AG's direct suppliers that were active in financial year 2021 are based in Europe, where a relatively high level of controls and laws on compliance with human rights prevails. Fewer than 1% of BayWa AG's suppliers come from countries where there is an increased risk of human rights violations.]

Guiding principles, structures and processes

[The BayWa Group is committed to upholding human rights and will continuously implement the associated due diligence obligations, as set out in the Supply Chain Due Diligence Act (LkSG) adopted in Germany in 2021. BayWa is also subject to other national laws, such as the UK Modern Slavery Act. The entire Board of Management bears responsibility for dealing with human rights risks. The new Corporate Social Compliance Department was established in September 2021 – a team of four employees ensures compliance with legal requirements. To this end, there is close communication between the Corporate Social Compliance and Corporate Sustainability departments and the operating units' purchasing departments.

Corporate Sustainability reviewed the value chains of the BayWa Group's Conventional Energy and Renewable Energies business units and the Agriculture and Innovation & Digitalisation segments as part of a risk analysis on social and environmental topics in 2020 and 2021 (for further information, see "Measures and results").

Corporate Sustainability also conducted an annual screening of selected suppliers of the parent company BayWa AG. This process was transferred to Corporate Social Compliance in 2021. Suppliers based in risk countries were reviewed in the reporting year. The evaluation of the country risk was prepared in a risk model based on a report by the German Federal Ministry of Labour and Social Affairs (Research Report 543: "Respect for human rights along global value chains"). An external service provider's software solution was used for the screening. The review includes an adverse media search, which flags up potential human rights violations, and terror lists and sanction lists screening. The screening yielded no indications of human rights violations in 2021.

For future risk identification within the Group's own area of business and among direct suppliers, Corporate Social Compliance began implementing a risk management system in the reporting year. The risk management initially encompasses BayWa AG and its affiliated companies on which BayWa AG has a decisive influence in the sense of the German Supply Chain Due Diligence Act (LkSG). Corporate Sustainability's findings in the risk analyses conducted in 2020 and 2021 are used in the Group's risk management. Classification into risk groups will be made on the basis of country and sector risks. Suppliers will undergo a risk analysis regarding human-rights and environmental risks from 2022 and will be monitored through continuous web-based adverse media screening depending on the risk profile determined. If a human-rights or environmental risk or a violation by a supplier is identified through this monitoring or by other means, appropriate remedial measures will be immediately introduced in cooperation with the operating units in order to remedy the problems. Risks and violations among indirect suppliers are tracked where there is substantiated information, and remedial action is taken independently or in collaboration with sector initiatives and associations. If the supplier does not remedy the problem with suitable measures, this may lead to a termination of the business relationship. In addition, self-disclosures and relevant certifications are requested from suppliers and Corporate Social Compliance takes these into account for the risk assessment.

BayWa's existing and Group-wide complaints procedure is being updated in line with the requirements of the German Supply Chain Due Diligence Act (LkSG). Information can currently be reported online in German or English in the [anonymous whistleblower system](#) . The update includes the addition of further languages and criteria and the allocation of clear responsibilities depending on the type and scope of the information reported.

The individual business units also have specific procurement processes and guidelines that contribute to respect for human rights (see [Procurement chapter](#), p. 58).]



The new Corporate Social Compliance Department ensures compliance with legal requirements on human rights.



Objectives

[The BayWa Group will continuously implement the human rights due diligence obligations as set out in, for example, the German Supply Chain Due Diligence Act (LkSG) and is pursuing the following objectives and measures to this end:

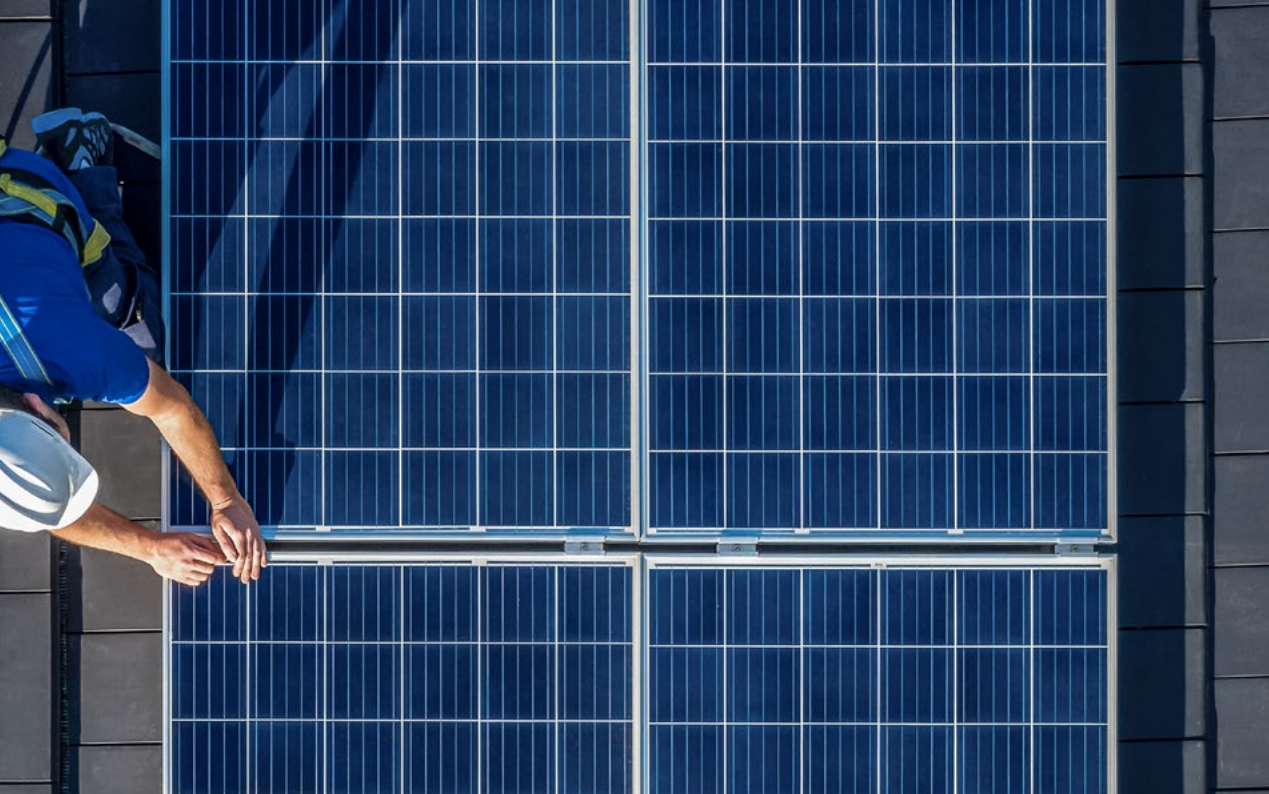
- Publication of a human rights policy statement in 2022
- Completion and operation of a risk management system for (early) identification of human-rights and environmental risks in the Group's own area of business and among direct suppliers by the end of 2022
- Passing the Supplier Code of Conduct on to all existing and new suppliers from 2022
- Implementation of transnational and cross-sector screening for adverse media sources with regard to human-rights and environmental risks in the Group's own business area and among direct suppliers by Corporate Social Compliance with the aid of external software in 2022
- Implementation of Group-wide prevention and remedial measures
- Expansion of the training concept on human rights for relevant employees in 2022 and expansion to suppliers
- Update of the existing Group-wide complaints procedure in accordance with the legal requirements by the first quarter of 2022
- Ongoing review of the effectiveness and suitability of the risk management system by Corporate Audit and public auditors] ✓

Measures and results

[BayWa began a Group-wide risk analysis on social and environmental topics in the value chains in 2020. The Conventional Energy and Renewable Energies business units were covered in 2020. The risk analysis was conducted for the Agriculture and Innovation & Digitalisation segments in the reporting year. The risk analysis will be continued for the Building Materials Segment in 2022. This risk analysis will analyse and assess the potential social and environmental risks in the value chains that could have a negative impact on human rights. The analysis comprises interviews with representatives of the segments' individual product areas and research on country and sector risks using independent data sources. The results of the risk analysis conducted will be used in the risk model currently being developed and are expected to be reported from 2022. The risk analyses described have been conducted at product level. Recommendations for action, which the BayWa Group will gradually implement, were derived from the risk analysis and are described under "Objectives" above.

Corporate Social Compliance created BayWa's policy statement on human rights strategy in 2021 together with Corporate Sustainability and the Board of Management. It will be published in 2022. In addition, in 2021 BayWa created a Supplier Code of Conduct that meets the requirements of the German Supply Chain Due Diligence Act (LkSG) and international conventions on compliance with human rights requirements. This is intended to give suppliers clear guidance on BayWa's human rights principles in the future. Training and awareness-raising was sporadically carried out on the topic of human rights in the BayWa Group's segments and subsidiaries.] ✓ 1,368 relevant employees were trained or had their awareness raised on the topic of human rights in the reporting year.

Environment and Climate



Forward-Looking & Transparent

As a group that operates worldwide in the areas of energy, agriculture and building materials, BayWa impacts the environment and the climate through its business activities. The Group wants to reduce negative impacts as far as possible and help to protect the basis for life, including with its climate strategy and forward-looking management of the environment. One place where BayWa has significant leverage for reducing emissions is in transport and logistics. In addition to climate and energy, it has also defined water, ecosystems and biodiversity as key topics in its new sustainability strategy.

Spotlight: How can solar systems provide space for insects and plants?

The Pöchlarn eco-solar biotope project combines technology and nature conservation. It allows energy generation and biodiversity in a single space.



Agri-PV:

Solar panels protect the plants.

RWA Solar Solutions, a subsidiary of the subgroup RWA AG, has realised a [pilot project](#) in Pöchlarn in Austria that enables energy to be generated in harmony with nature: a photovoltaic system with 10,000 solar panels was constructed on the grounds of Garant Tiernahrung, a compound feedstuff manufacturer belonging to RWA AG, and directly generates half of the power Garant consumes.

The Pöchlarn eco-solar biotope is divided into two areas: The majority of the area contains solar panels oriented southwards and with a fixed tilt angle. The soil below these has been planted with a biodiverse seed mixture and the entire facility is bordered with a biodiversity hedge to create habitat for insects, birds and butterflies. Rainwater can run between the PV modules and soil sealing is avoided. This biodiversity area will be evaluated by the University of Natural Resources and Life Sciences, Vienna over the course of the next few years.

Agri-PV: Double use for energy generation and food production

Three different models of agri-photovoltaics are being tested on the rest of the area: the “Travelling Fruit” with pivotable panels for optimum cultivation with tractors, “Southern Harvest” for use with combine harvesters and “Power Culture” for fruit trees and bushes. The panels protect the cultures from weather influences such as sunlight or heavy rain.

BayWa r.e. also builds [agri-PV systems](#) and has realised projects in which areas are used twice – to generate green energy and for food production ([see the Products and Solutions chapter in the Renewable Energies Segment section, p. 39](#)).



Photovoltaic facility
with 10,000 solar panels
in Pöchlarn.

Biodiversity area:
Sheep also graze here.



Climate and Energy

Energy and Emissions



BayWa achieved a B in the CDP (climate) rating for 2021.

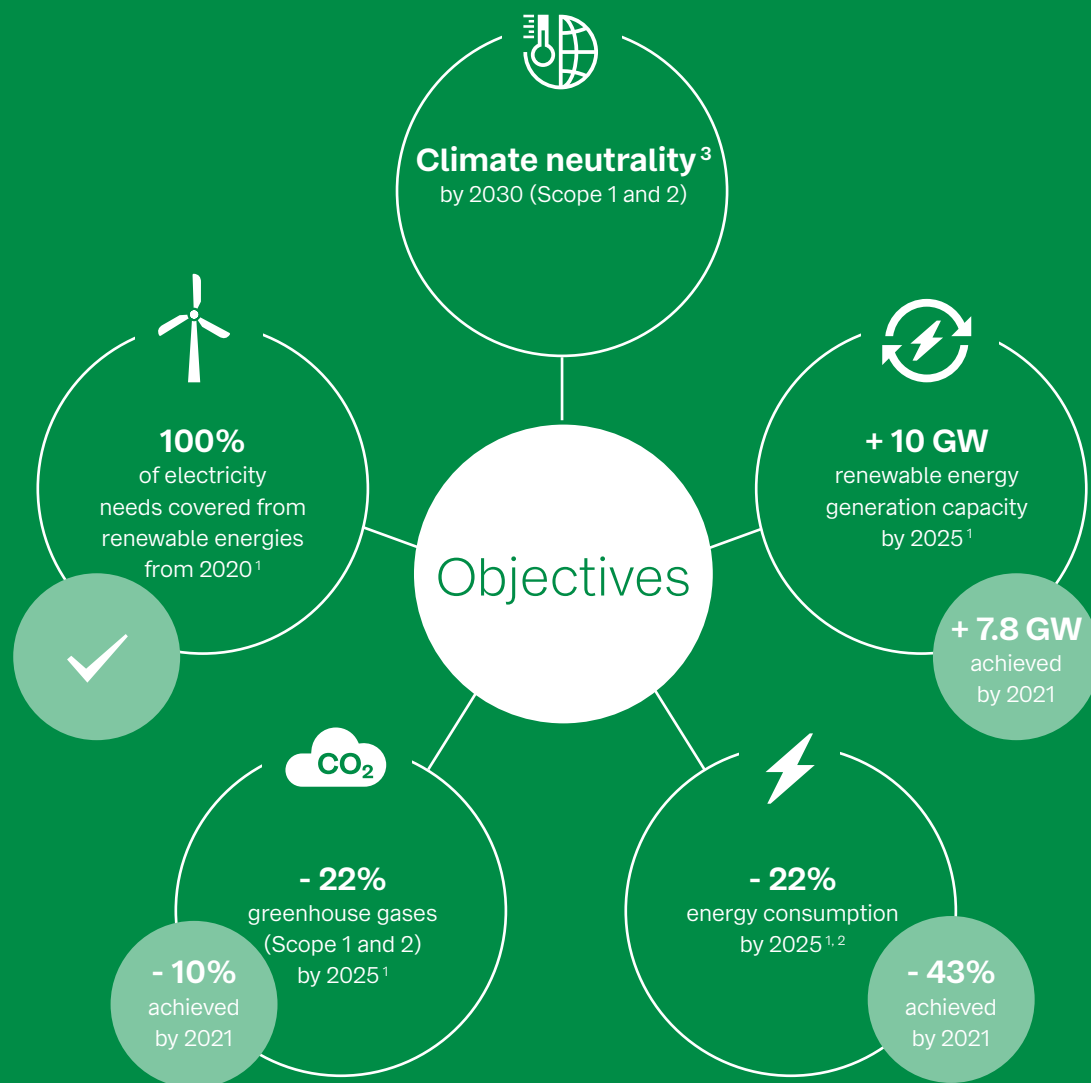
As a trading services group with worldwide operations, BayWa consumes energy at its own sites and along the value chain, causing relevant quantities of greenhouse gas emissions (GHG emissions). BayWa wants to reduce its emissions and thus make a contribution to the Paris Climate Agreement. At the same time, energy costs should be lowered, which will improve profitability. In its own operations, energy is consumed in particular by the car and truck fleet, operating facilities and lighting and heating buildings. GHG emissions also occur outside of the company's boundaries as a result of value creation by BayWa. BayWa is progressively expanding the degree to which these emissions are taken into account in its sustainability activities in order to enable a holistic view of GHG management.

Guiding principles, structures and processes

[The BayWa Group has set the course for its contribution to limiting global warming with the climate strategy it adopted in 2018. In this, BayWa was guided by the "well below 2°C" goal and is aiming for climate neutrality by 2030 in terms of Scope 1 and 2 emissions. The climate strategy encompasses five objectives (see diagram, p. 65). The Climate Working Group is making an operational contribution to achieving and implementing the objectives. It consists of representatives of the subsidiaries and departments. The Corporate Sustainability division has produced a climate strategy manual to support the subsidiaries and divisions with implementation. In addition to providing technical and professional support to the subsidiaries in planning and implementing measures for reducing energy and/or GHG emissions, Corporate Sustainability monitors progress towards the climate targets.

The "Carbon offsetting certificates and guarantees of origin for electricity" corporate policy has regulated the responsibilities and minimum requirements for the acquisition of carbon certificates and guarantees of origin for green electricity in the BayWa Group since 2021. The quality requirements to be met relate to, for example, criteria on the project standard, size and location and on the certificates' year of issue. It also regulates the procurement processes for guarantees of origin.

BayWa AG has supported the Development and Climate Alliance created by the Federal Ministry for Economic Cooperation and Development since 2018. The alliance pursues the objective of linking development cooperation with climate protection through the tool of voluntary greenhouse gas offsetting projects. BayWa also strengthens the implementation of its climate objectives through its actions as a member of the global RE100 initiative. The objective of RE100, under the leadership of The Climate Group in partnership with the Carbon Disclosure Project (CDP), is to advance the use of renewable energies worldwide. BayWa reports its progress to RE100 and, for 2020, was certified as having more than 99% compliance with the technical criteria.]



¹ Base year: 2017

² In relation to 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). The offsetting is carried out through investments in high-quality carbon credits.

Objectives and classification 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 – this objective was also achieved in 2021.

Beyond that, the company has also set itself the goal of reducing the greenhouse gas emissions of BayWa's sites, company cars and own logistics by 22% compared to 2017 by 2025. The GHG emissions in the BayWa Group were down 10.0% by 2021 compared to the (2017) base year used for the climate strategy (by 2020: minus 13.1%). The slight decrease in target attainment is explained by an increase in the drying requirements for agricultural products. BayWa will review and undertake the implementation of further reduction measures to ensure target attainment in 2025. In addition, BayWa has set itself a relative energy objective in its climate strategy: to achieve a reduction in its energy intensity per euro of EBITDA by 22% compared to 2017 by 2025. This target was also exceeded in 2021 at minus 42.9% in relation to EBITDA (2020: minus 37.0%). This result was achieved due to successful financial development. BayWa will review the ambition level of its objectives in the future to respond to changing framework conditions.

BayWa also wants to create 10 gigawatts (GW) of additional renewable energy generation capacity by 2025. In the reporting year, the figure achieved was 7.8 GW (2020: 4.9 GW) and is thus within the target range.

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

BayWa is aware of its responsibility for GHG emissions that occur in the upstream and downstream value chain (Scope 3). The Group therefore plans to define a Scope 3 objective for itself in the future.]

Recording and calculating greenhouse gas emissions

[With its large number of administrative centres, warehouses, service locations, workshops and cold stores, BayWa has an extremely fragmented consumption structure. The segments and subsidiaries record consumption data independently, and an extensive energy and climate management system was established for this as early as 2018.

Scope 3 reporting was expanded in 2021.

BayWa Corporate Sustainability helps companies to record consumption data by providing a data collection tool, a manual with explanations and tips, and training opportunities. The data collected is checked for plausibility at subsidiary level and then consolidated at Group level. During the reporting year, BayWa continued to collect energy and emission data from all fully consolidated subsidiaries, thus achieving 100% coverage for Scope 1 and 2 emissions and for part of the upstream emissions, for example from energy procurement, transportation and business travel. The BayWa Group's GHG emissions are calculated in line with the internationally recognised Greenhouse Gas (GHG) Protocol Corporate Standard. BayWa has chosen the financial control approach as its consolidation approach.

The following emissions are reported:

- **Scope 1:** Direct emissions from combustion processes of stationary systems (natural gas, heating oil, wood chips and wood pellets), mobile systems (fuel from procurement and distribution shipments and other logistics using own and leased vehicles) 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 emissions (3.3), upstream transportation and distribution (3.4), business travel (3.6) and employee commuting (3.7)

In accordance with the GHG Protocol guidelines regarding Scope 2 emissions accounting, BayWa reports its greenhouse gas emissions from electricity procurement in two ways: firstly the location-based method using the emissions factors of the respective national electricity mix and secondly the market-based method, under which – if available – the specific emission factors from electricity suppliers' contractual instruments are used for all electricity purchases.

The data collection for Scope 3 emissions was further refined and expanded in 2021. There was a particular focus on calculating emissions from purchased goods and services (Scope 3.1). A disclosure-based approach was no longer used for calculating Scope 3.1 emissions in 2021, and a quantity-based approach was selected instead. In addition, Scope 3.1 emission data collection was expanded from BayWa AG to additional companies in the BayWa Group. In future, additional companies are also to be included in the calculation.]

Measures

[In 2021, further advances were made in continuously boosting the share of electricity from green electricity tariffs and the Group's own renewable energy systems. Moreover, remaining amounts of electricity from non-green sources were covered by appropriate green electricity guarantees of origin. BayWa therefore prioritises self-generation above purchasing green electricity or guarantees of origin.

To further advance the climate objectives of reducing energy and greenhouse gases, a Group-wide potential analysis was conducted together with the Climate Working Group in the reporting year to identify possible measures. As a result, it was possible to identify more than 180 measures with the potential to reduce energy and GHG emissions. The greatest potential was in the use of alternative energy sources for heat supply and the vehicle fleet, in increasing energy efficiency (e.g. vehicles, process optimisation, lighting) and in measures reducing volatile gases.

Numerous segments and subsidiaries identified and took measures to implement the Group-wide climate strategy during the reporting period. For example, they brought photovoltaic systems online and took energy efficiency into account when renovating their office buildings. Actions taken to this end included replacing existing lighting systems with more energy-efficient alternatives. They also optimised car, truck and forklift use from an environmental standpoint, for instance by conserving fuel or switching to electric models (see further measures in the Logistics and Mobility section). In the course of the transition to climate-friendly mobility, BayWa also faces the challenge that, especially for trucks, economic alternative technologies are only available on the market to a limited extent. BayWa supplements its reduction measures by offsetting GHG emissions through the purchase of carbon credits that meet the corporate policy's requirements (see p. 68).

BayWa r.e. AG offsets all operating emissions from Scope 1 and 2 and from business travel with high-quality carbon credits. BayWa Obst GmbH and TFC Holland B.V. also operate climate neutrally in their own businesses by means of energy-efficiency measures and offsetting.

In 2021, a working group was founded on the topic of life cycle assessments. The result was guidelines for the uniform performance of life-cycle assessments in the Group. In addition, a start was made on individual assessments, for example for solar projects and agricultural products.] ✓

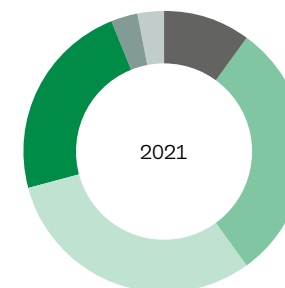
Performance indicators and results

Energy consumption

[The BayWa Group's energy consumption during the reporting year was 771,078 MWh (2020: 717,182 MWh). This increased not only due to acquisitions but also due to increased business activity and various special effects, such as an increase in the drying requirements for agricultural products. Since 2020, 100% of the electricity consumed within the BayWa Group has been covered by electricity from renewable energies. The proportion of externally purchased green electricity guarantees of origin came to almost 19% in the reporting year. Self-generation of electricity and heat from renewable energy sources amounted to 1,091,988 MWh Group-wide in 2021 (2020: 1,232,507 MWh). Of that amount, 21,009 MWh was used by BayWa itself (2020: 18,771 MWh).] ✓ Consumption per employee was 35.5 MWh (2020: 33.1 MWh).

100%
electricity from renewable energies

Energy consumption by energy source for the BayWa Group ✓



in MWh	2019	2020	2021
Total	731,857	717,182	771,078
Heating oil ¹	66,815	66,506	80,316
Natural gas ²	178,908	175,166	193,791
Fuels ³	267,251	260,884	257,066
Electricity ⁴	175,113	168,375	188,323
Electricity and heat from our own renewable energy sources	23,031	18,771	21,009
Biogenic combustibles ⁵	3,507	3,014	3,897
District heating	16,792	24,094	25,882
Other energy consumption	440	372	794

1 Heating oil for heating and drying purposes

2 Natural gas for heating, drying and other purposes. The previous year's figure was updated due to an error correction.



3 Diesel, petrol, LPG and CNG

4 Including electricity for cars


5 Wood pellets and wood chips



Greenhouse gas emissions

[In the BayWa Group, greenhouse gases (Scope 1 and 2) amounting to 137,539 tonnes of CO₂ equivalents were generated in 2021 (2020: 132,728)] , corresponding to 5.9 tonnes of CO₂ equivalents per employee (2020: 6.2 tonnes). [98% (2020: 98%) came from Scope 1, meaning that these emissions came from the combustion of heating oil, natural gas and fuels and from volatile gases.]  The 5,063 tonnes of CO₂ equivalents (2020: 6,559 tonnes) from volatile gases arise, for example, from coolants. The GHG emissions increased significantly due to the increased need for heating oil and natural gas, particularly for drying purposes.

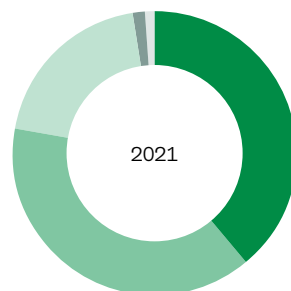
[The Scope 3 emissions recorded amounted to 44,143,728 tonnes of CO₂ equivalents in 2021 (2020: 10,342,597 tonnes). The majority of the Scope 3 emissions come from purchased goods and services (Scope 3.1) due to the high level of trading activity in the Group. These emissions amounted to 43,217,265 tonnes of CO₂ equivalents. Transport commissioned (Scope 3.4) resulted in 857,492 tonnes of CO₂ equivalents Group-wide (2020: 1,286,871 tonnes). The fuel- and energy-related emissions (Scope 3.3) were calculated Group-wide and totalled 29,408 tonnes of CO₂ equivalents for 2021 (2020: 24,467 tonnes).

The BayWa Group offset 209,890 tonnes of CO₂ equivalents from Scope 1, 2 and 3 emissions in the reporting year by purchasing high-quality carbon credits in accordance with the corporate policy.] 

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



Greenhouse gas emissions (Scope 3) at the BayWa Group



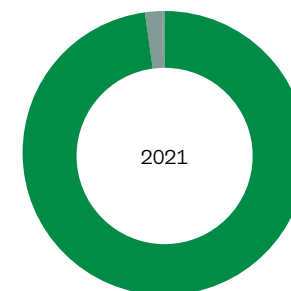
in t CO ₂ equivalents	2019	2020	2021
Total Scope 1 + 2	148,130	132,728	137,539
Scope 1	128,145	129,518	134,448
Heating oil ¹	17,749	17,678	21,318
Natural gas ²	36,184	35,428	39,219
Fuels ³	71,511	69,806	68,789
Biogenic combustibles	55	47	59
Volatile gases	2,646	6,559	5,063
Scope 2⁴	19,985	3,210	3,091
Electricity	16,837	0	0
District heating	3,148	3,210	3,091

1 Combustion of heating oil for heating and drying purposes

2 Combustion of natural gas for heating, drying and other purposes. The previous year's figure was updated due to an error correction.

3 Combustion of diesel, petrol, LPG and CNG

4 The market-based method was used for the calculation; values according to the location-based method: electricity 84,390 tCO₂e (2020: 74,976 tCO₂e), district heating 4,419 tCO₂e (2020: 3,209 tCO₂e)



in t CO ₂ equivalents	2019	2020	2021
Total Scope 3	9,245,969	10,151,516	44,143,728
3.1 Purchased goods and services ¹	8,759,325	8,809,954	43,217,265
3.3 Fuel and energy-related emissions ²	24,277	24,467	29,408
3.4 Transportation and distribution (upstream) ³	429,144	1,286,871	857,492
3.6 Business travel	6,304	1,372	2,450
3.7 Employee commuting ⁴	26,919	28,852	37,113

1 As a result of the expansion of data collection to include additional companies and first-time quantity-based calculation, the figure for 2021 is not comparable with prior-year figures.

2 Pre-chain emissions from all energy sources used from Scope 1 and 2

3 Quantity-based calculation of commissioned transport based on tonne-kilometres recorded. The previous year's figure was updated due to an error correction. Figures include estimates.

4 Modal split from primary data (Germany and Austria) and secondary data (partly country-specific). The emissions were calculated using the well-to-wheel (WTW) method in 2021. Data collection based on commuting behaviour prior to the COVID-19 pandemic. The previous year's figures were updated due to an error correction. Figures include estimates.

Logistics and Mobility

As a trading company, BayWa moves many products by truck, train, ship and air, which results in greenhouse gas emissions (GHG emissions). BayWa's sustainability strategy therefore plays a key role in optimising logistics activities to reduce GHG emissions. The majority of the transportation is commissioned externally and only a small proportion is transported by BayWa's own trucks.

Guiding principles, structures and processes

[All matters regarding the fleet are organised in the parent company BayWa AG via the Fleet Management Department. It has the task of efficiently managing the Group's own fleet, optimising processes, reducing costs and operating sustainably. This is done with the aid of fleet guidelines, company car regulations and a car policy. For the most part, the German subsidiaries are also supported by BayWa AG's Fleet Management Department. The foreign subsidiaries each organise the operating field of transport and logistics independently.]

The BayWa Group generally pursues the following strategic approaches to reduce emissions in the area of logistics:

- Creating optimal distribution structures through network planning
- Increasing the proportion of shipments by rail and inland waterways
- Emission savings through route optimisation, driver training and modernisation of the fleet
- Anchoring sustainable transport partnerships in the purchasing policy

Objectives

[BayWa's climate strategy includes the aim of reducing greenhouse gas emissions by 22% in the Group's own area of business compared with base year 2017 by 2025. To this end, in particular the consumption of fuel arising from transporting products needs to be reduced. To achieve the climate objective, BayWa is, for example, gradually converting its vehicle fleet to alternative drive technologies across the Group, taking into account the availability and suitability of such technology for the use in question. The focus is therefore currently on vehicles with hybrid and electric drives. By 2025, electric vehicles are to replace at least 20% of the parent company BayWa AG's fleet, especially its diesel vehicles. The subsidiaries have in some cases set their own objectives and are also increasingly converting their fleets to more fuel-efficient and electrically powered vehicles. For example, within BayWa r.e. only

electrically powered company vehicles will be permitted in Germany from 2023. In the medium and long term, it is envisaged that other alternative drive technologies, such as hydrogen, will join the electric drive to open up additional uses, especially in the case of commercial vehicles.]

Measures

[BayWa is implementing a range of measures to reduce the environmental impacts from its own transport activities. In the reporting year, a potential analysis for the reduction of GHG emissions from the Group's own transportation was conducted, and great potential was identified, including in the area of logistics optimisation and drive technologies. One of the steps taken to implement the measures was to set up a new working group in BayWa r.e.

Some years ago, the parent company BayWa AG introduced intelligent route planning – all its own trucks and some trucks from partner companies are now equipped with telematics. The shortest routes are calculated based on data on vehicles and their cargo. A number of companies cooperate with specialised logistics service providers to guarantee the best possible capacity utilisation and route planning, and distribution processes are continuously being streamlined. Furthermore, transport is in some cases carried out on a cross-company basis to make optimal use of transport capacities. BayWa AG holds regular driver training sessions for its employees to learn how they can reduce GHG emissions with a fuel-saving style of driving.

Under the BayWa car policy in place since 2020, carbon emissions from the parent company's company cars are capped at 120 g/km, with a handful of exceptions (e.g. for trailers). In addition, BayWa is constantly modernising its own fleet with efficient drives. For instance, the truck fleet is continuously being renewed with low-emission vehicles. An increasing number of electric and hybrid vehicles have been added to the BayWa AG vehicle pool since 2019.]



76 charging stations for e-vehicles at BayWa's headquarters

The Building Materials and Agriculture segments have been testing electric forklifts since 2020 with the aim of also gradually replacing diesel with electric technology in heavy-duty forklifts. In the Building Materials Segment, more than 60% of the forklift trucks are powered by electric drives, which is equivalent to around 300 vehicles. The electricity used for the batteries comes either from the Group's own PV systems at the sites or from green electricity contracts.

76 charging stations are available for employees' electric vehicles at BayWa's headquarters in Munich. In addition, there are 4 quick-charging stations in front of the building, which are also publicly accessible.

There were similar measures to those at BayWa AG's segments at the international subsidiaries, e.g. intelligent route planning, driver training and pilots to change the drive technologies in the vehicles.

Results

[In the reporting year 2021, the BayWa Group consumed 15.9 million litres of diesel (2020: 16.7 million litres) through the use of its own and leased trucks. This fuel consumption caused GHG emissions of 42,139 tonnes of CO₂ equivalents (2020: 44,549 tonnes). The majority of transportation in connection with BayWa AG's business activities is, however, provided by transport and logistics service providers. To calculate greenhouse gas emissions from transport by external service providers, BayWa consistently records the transport service provided in tonne-kilometres. A total of 56 billion tonne-kilometres (2020: 66 billion tonne-kilometres) resulted from truck, rail, air, bulk-cargo-carrier and ship transport by service providers in 2021. This resulted in total GHG emissions of around 857,492 tonnes (2020: 1.3 million tonnes) through outsourced logistics activities.]

In the reporting year, the Group-wide fleet contained 608 vehicles with alternative drives (2020: 229 vehicles), which is equivalent to 12%. The alternative drives used were hybrid, gas, electric, fuel cell and hydrogen.

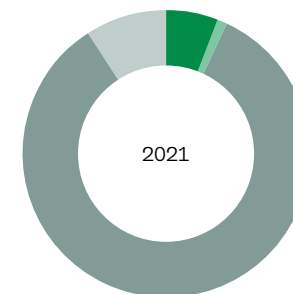
Greenhouse gas emissions from transport at the BayWa Group

in t CO ₂ equivalents	2019	2020	2021
Own and leased trucks ¹	44,509	44,549	42,139
Commissioned transport (Scope 3.4) ²	429,144	1,286,871	857,492

1 Diesel combustion in own and leased trucks.

2 Quantity-based calculation of commissioned transport based on tonne-kilometres recorded. Figures include estimates. Prior-year figures differ from information in the Sustainability Report 2020 due to data corrections.

Commissioned transport by type of transport at the BayWa Group



In tonne-kilometres	2019	2020 ³	2021
Total	10,961,535,590	65,950,609,373	56,018,698,652
Truck	2,550,718,611	6,921,144,458	3,425,760,757
Train	285,188,662	441,041,086	384,374,412
Bulk cargo carrier	106,735,147	42,720,524,019	46,812,287,092
Ship	8,018,893,170	15,841,193,146	5,309,054,778
Air freight	Not collected	26,706,664	87,221,613

3 Information differs from information in the Sustainability Report 2020 due to data corrections.

Environment

Environmental Management

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 the company's sites or in the transport of products.

121

training sessions carried out
within the EH&S Academy

Guiding principles, structures and processes

The central organisational unit Corporate Environment, Health & Safety (EH&S) makes sure that all BayWa companies comply with the relevant national requirements on environmental protection. The EH&S coordinators are responsible for the operational implementation of the standards in the segments. Corporate EH&S advises and supports those responsible within the segments and subsidiaries and reports regularly on key developments and relevant legal provisions that apply to environmental protection. 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 dangerous goods, waste law, incident law, ambient pollution protection, chemical and hazardous materials storage and water law. It is Corporate EH&S's responsibility to develop and standardise Group-wide standards. A uniform safety management system was introduced in 2021 for sites subject to the German Hazardous Incident Ordinance (Störfallverordnung).

At some subsidiaries, environmental and energy management is carried out through a certified management system. Six BayWa r.e. subsidiaries have an ISO 14001-certified environmental management system, BayWa Obst GmbH works with an ISO 50001-certified energy management system at its Kressbronn site and BayWa Rotor Service GmbH also works with an ISO 50001-certified energy management system.

Objectives, measures and results

Corporate EH&S at BayWa AG is driving planned Group-wide content management for data on hazardous substances and will continue ensuring the correct handling and storage of such substances in the future. To this end, data on hazardous substances and safety data sheets are regularly updated and provided to customers, in line with regulatory requirements. A system for the fully automated digital transmission of safety data sheets to customers has been set up with this goal in mind. Some 17,000 of these documents for hazardous substances and hazardous goods are also available to customers and employees online and on the intranet.

BayWa continues to pursue two aims: the first is to further raise employees' awareness on the issues and challenges surrounding environmental management. The second is that BayWa wants to achieve ongoing improvements in training on environmentally relevant products, the transport of hazardous goods, the storage of hazardous substances and waste management and disposal. To that end, the established seminar concept in the area of environmental management is constantly being further developed. In 2021, Corporate EH&S announced an EH&S Academy, which provides increased digital training. In 2021:

- 121 training courses¹ were held on environmentally relevant products, the transport of hazardous goods and the storage and delivery of hazardous goods at BayWa AG (2020: 28 training courses)
- 2,632 BayWa AG employees¹ took part in these training courses (2020: 535)

BayWa also has the objective of digitalising all environmentally relevant documentation and simplifying processes for the implementation of environmentally relevant measures. A number of sites already successfully digitised the documentation in 2021, and this is constantly being expanded.

As a result of a total of 92 cases of environmental damage (such as leaked heating oil or fuels), total expenditure of approximately €375,500 was incurred within the parent company in 2021 (including for clean-up and compensation) (2020: 134 cases of damage, around €505,000).

¹Number not comparable with the previous year, as no annual training cycle.

Waste and Recycling

BayWa generates waste in the course of its business activities – handling it properly and in compliance with the law is important and a matter of course for the Group. Violations can harm the environment and nature, and entail steep fines for the Group. In addition, BayWa is paying more attention to the resource-saving and environmentally friendly use of packaging.



Designing packaging material to be recyclable and circular is one of the sustainability strategy's goals.

Guiding principles, structures and processes

The waste management of the parent company BayWa AG is allocated to the Corporate Environment, Health & Safety (EH&S) organisational unit and is managed by two employees. Ongoing participation in training ensures the required expertise. The subsidiaries are independently responsible for the implementation of guidelines and measures. There too, clear responsibilities and central control ensure effective waste management.

BayWa AG's standardised instructions on dealing with waste and proper disposal channels ensure that environmentally harmful incidents, either on site or as a result of transporting goods, are avoided and the impact of incidents is limited. Long-term collaboration with carefully selected disposal companies that operate nationally makes it easier to monitor and control the processes. The subsidiaries independently take care of corresponding instructions on dealing with waste.

BayWa AG supports the establishment of collection points at its sites and organises regular campaigns to take back waste. More than 300 sites are registered as collection points for Verwertungsgesellschaft für Gebinde der Mineralölwirtschaft (GVÖ), a collection society for containers in the petroleum industry. Customers can use these collection points to dispose of such containers free of charge.

Measures and objectives

BayWa aims to continuously reduce the amount of waste generated throughout the Group while increasing the recycling rate. Designing packaging to be recyclable and circular and reducing packaging material are two of the new sustainability strategy's goals: the Group's private brand packaging is to be gradually changed so that resources are conserved through the use of more circular materials and efficient designs.

In order to reduce the amount of waste generated and increase the recycling rate, the parent company BayWa AG continuously interactively provides information and training content on waste management on the intranet and communicates this to employees in a targeted way. This is intended to raise their awareness concerning the issues of waste and recycling and motivate them to take action. The Digital Signature project reduces paper consumption with the DocuSign program, which was successfully established at BayWa AG as part of the Digital Work programme.

The subsidiaries are also making efforts to reduce waste in various places. In 2021, the Cefetra Group developed an environmental policy that is going to be introduced in 2022. The policy will, among other things, promote differentiated recycling and waste management.

Global Produce aims to package products safely and in a way that gives them a long shelf life while minimising the amount of packaging and making the packaging material more sustainable. For example, T&G Global has introduced new recyclable packaging in Europe with a cardboard tray for JAZZ™ apples. All T&G Global's sites in New Zealand want to significantly reduce the proportion of waste disposed of through landfill in the next few years. Instead, waste is to be disposed of using alternative means or eliminated entirely. T&G Global liaises with suppliers on how packaging can be reduced and which recycling options are available for problematic waste.

BayWa r.e. aims to review and increase the recyclability of its products. There was a pilot project on this in 2020 with second-life batteries. The subsidiary also continues to use used cardboard for packaging solar plant components. A shredder system breaks down existing cardboard boxes and this material is reused as filler for packaging new products. A BayWa AG agricultural site in Fürth has also been using a shredder for old cardboard since the end of 2020, meaning that no new filling material is needed.

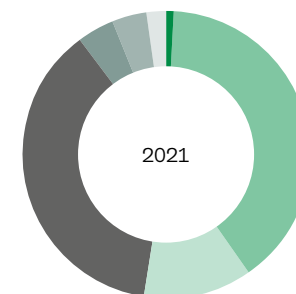
Results

The waste generated by the entire Group amounted to 38,291 tonnes in 2021 (2020: 43,310 tonnes) and was thus down by 12%. Of this, around 40% (2020: 41%) was recycled.

In the reporting year, across the Group, 1,023 tonnes (2020: 4,277 tonnes) of hazardous waste (hazardous materials such as machine oils, transmission fluid and lubricating oils, oil filters, starter batteries and other hazardous substances such as fuel, contaminated packaging and solvents) were properly disposed of in accordance with the instructions. Almost 5,000 tonnes of hazardous waste were recycled.

Through regular take-back campaigns and collection points set up at the sites, the parent company BayWa AG took back 5,552 tonnes of waste in 2021 (2020: 6,236 tonnes).

Waste by disposal method at the BayWa Group



in tonnes	2019	2020	2021
Total	40,589	43,310	38,291
Reuse	461	1,009	432
Recycling	17,602	17,808	14,865
Composting	4,286	4,613	4,464
Reprocessing incl. incineration with energy recovery	4,309	12,458	14,228
Thermal treatment	7,989	1,360	1,673
Landfill	3,899	3,607	1,670
Storage	7	21	49
Other methods of disposal	2,036	2,434	910



Ecosystems and Biodiversity

Ecosystems and biodiversity are an essential basis for the life of humankind – and their endangerment is a major global challenge. Causes for the increasing loss of biodiversity include change of land use as a result of urban sprawl and farming, climate change, eutrophication and pollution. BayWa is aware that it impacts ecosystems and biodiversity with its business activities – directly at the sites but also in the supply chain through the commodities and products traded. At the same time, biodiversity, for instance with pollinating insects, is an important basis for producing food and thus also for BayWa's business in the field of farming.

Guiding principles, structures and processes

BayWa has defined ecosystems and biodiversity as a key topic in its new sustainability strategy. The Group wants to support the protection of biodiversity and the creation of semi-natural areas at its sites and in the context of its product range in cooperation with its suppliers. No Group-wide biodiversity concept has yet been established at BayWa. Currently, the segments and subsidiaries implement individual measures to protect biodiversity.

Objectives

BayWa has set itself strategic goals on three subtopics in its sustainability strategy:

- Biodiversity management and land management at the sites: BayWa wants to support the protection of biodiversity and efficient land use at the sites through projects and measures.
- Biodiversity management in supply chains: BayWa wants to work on approaches and strategies in partnership with key suppliers.
- Deforestation- and conversion-free agricultural supply chains: BayWa also has the aim of ensuring that its agricultural products come from deforestation- and conversion-free supply chains.

Measures

In the Agriculture Segment BayWa aims to provide products, advice and services to help farming customers pursue agricultural production while maintaining a high level of biodiversity. The Group's range includes special seed mixes for planting strips of flowers, seeds for diverse crop rotations and satellite-based soil analyses that support the planting of biodiverse areas. Another important approach is digital solutions for farming. In precision farming, for example, the focus is on the more efficient use of fertilisers and crop protection products or water. BayWa also arranges sponsorships for areas of flowering plants for farmers with the "Combayn" brand. Since 2016, BayWa has been supporting organic farmers with the BayWa organic concept through a comprehensive range of products and advice.

BayWa's subsidiary BayWa r.e. takes a two-pronged approach to dealing with the impact of its business activities on biodiversity. First, expansion of renewable energies fundamentally helps to mitigate climate change: temperature changes and climate impacts have a direct effect on biodiversity. Second, the construction and operation of wind farms and solar parks directly affect the habitats of animals and plants. There are already legal requirements aimed at protecting biodiversity, including requirements for replacement and compensatory space when wind farms are built or cut-off mechanisms for wind turbines. In addition, open-space solar power plants in particular can make a positive contribution to conserving and recovering biodiversity locally through suitable planning and maintenance, as, for example, a [study](#) commissioned by BayWa r.e. proved. One key driver for diversity of species around these solar facilities is the ongoing extensive use and maintenance of the green land between the rows of panels. Both scientific investigation and close communication with local authorities and nature conservation organisations regarding biodiversity measures that also take local specifics into account are an important part of project planning and implementation for BayWa r.e.

Cefetra trades in feed additives, including soya. Approximately half of this soya traded meets sustainability standards, one of which is the "Certified Responsible Soya" (CRS) standard (see [Products and Solutions chapter, p. 45](#)). The CRS standard includes the following principles: the producers take measures to limit any negative effects on the land used for soya production and on biodiversity in the immediate vicinity of the production site. This includes committing to deforestation- and conversion-free products with a strict cut-off date of May 2009. The farmers have to conserve and safeguard the native vegetation on their farm in order to protect and create habitats for native species. Another principle of the standard is good agricultural practice (GAP), which includes various requirements. One of these concerns the use of crop protection products and fertiliser: these need to be employed with methods that do as little harm as possible to human health, wildlife, the biodiversity of plants and water and air quality.



BayWa offers organic farmers an extensive range of products and advice under the name "BayWa Öko" (BayWa Organic).



Water and Waste Water

Water is the basis for life on Earth. In particular, rising consumption and climate change are creating increasing water stress in many regions around the world. The topic also involves business risks: water stress, pollution, water distribution problems and legal requirements can lead to supply or production bottlenecks, supply interruptions or also to a decrease in demand for products. Because water is a local resource, a context-based approach is required for water management.

Guiding principles, structures and processes

For BayWa as a trading company in the fields of agriculture, energy and building materials, clean and sufficiently available water is of great importance. The resource is particularly relevant for agricultural production. This impacts BayWa directly with its Global Produce Segment and indirectly for the entire agricultural sector. But water risks may exist beyond the field of agriculture and at BayWa's own sites and must be avoided and reduced accordingly. Proper handling of waste water is also important and is a matter of course for BayWa.

Water stewardship project in South

Africa: Worldwide Fruit, which is part of the Global Produce Segment, is involved in the project. For example, Cerasus Farming was able to produce a good-quality harvest during a drought thanks to a biological approach.

Objectives

For BayWa, managing the complex and context-based risks in the area of water is crucial – it therefore wants to analyse water risks in future and establish management systems on the topic.

BayWa has defined water as a key topic in its new sustainability strategy (see also [Strategy and Governance chapter, p. 9](#)). It is guided by the recommendations of context-based water management and water stewardship of the UN Global Compact and the WWF. The Group has set itself the following strategic targets to this end:

- An analysis of water risks at the sites and in the main supply chains is to be carried out by 2025.
- Building on this, BayWa wants to establish management systems with corresponding measures for the topic of water at the relevant sites by 2030. Context-based management with adaptation to local conditions is planned.
- BayWa also wants to implement a water stewardship strategy by 2025 – and reduce the water risks identified along the value chain together with its partners.

Measures and results

The Global Produce Segment recognised the topic of water's relevance to business at an early stage. Measures have therefore already been initiated in some subsidiaries: water treatment plants at the two sorting facilities of BayWa Obst GmbH and at the T&G Fresh tomato greenhouses in New Zealand ensure that up to 70% of the process water used is recycled. This means only a small amount of freshwater is used. Worldwide Fruit, which is a British subsidiary of T&G and part of the Global Produce Segment, has also classified water and climate risks as strategically relevant. The company purchases fruit from countries such as South Africa, Spain, Chile and Peru. The Western Cape Province in South Africa, for example, is an important region for fruit production and is repeatedly hit by droughts, with the sector as a whole reacting particularly sensitively to water stress. To reduce these risks, Worldwide Fruit works with non-governmental organisations and universities and conducts research work with producers and other interest groups in watershed areas. As a signatory to the Courtauld Commitment, a sustainability initiative by the UK food sector, the T&G subsidiary is specifically involved in, for example, a Courtauld 2025 Water Ambition project. This water stewardship project, led by WWF South Africa and several organisations, addresses an entire catchment area, with water risks being jointly analysed and reduced across the board.

Water withdrawal across the Group amounted to approximately 2 million cubic metres, of which 25% was recycled or reused.



Employees

Trustworthy & Supportive

BayWa is a globally active employer with employees in 41 countries – its cooperative roots and regional ties continue to shape how it sees itself. The basis for the Group's HR work is the ONE HR strategy with areas of action such as Leadership & People Development, Inclusion & Diversity and New Work. It is geared towards enabling employees to create added value as a global team. BayWa also sets store by occupational health and safety and preventative protection at its sites.

Spotlight: **How does BayWa r.e. promote internal dialogue on sustainability?**

From climate protection and marine conservation to diversity and sustainable consumption: BayWa r.e. wants to cover a broad range of issues with its lecture series on sustainability.



Additional topics in 2022, including plastic in oceans.

The lecture series, which was launched in 2021, gives employees of the subsidiary BayWa r.e. the opportunity to hear talks by leading scientists or committed activists and engage in dialogue with them about their work.

External speakers give insights into their experiences

The first speaker in the spring was Prof. Markus Rex, the leader of the MOSAiC expedition, the largest Arctic ice expedition of all time. He spent a year in the Arctic ice together with an international team of researchers and shared his observations and urgent call for immediate action against climate change at the virtual sustainability lecture. More than 300 employees listened to this important talk.

In October, Kotchakorn Voraakhom, a landscape architect, TED fellow and winner of the UN Global Climate Action Award in 2020, featured as the second speaker. She reported on the challenges that cities face when adapting to the impact of climate change and presented examples from her work on establishing innovative green spaces – including Asia's largest urban rooftop farm. Around 400 employees listened to this talk.

The lecture series is part of the BayWa r.e. Sustainability Framework 2025. The aim is to broaden the perspective of employees on the topic of sustainability and to share the great work that is being done at various levels by so many dedicated people around the world. Employees can make their own suggestions for speakers and topics. The talks are also intended to make a contribution to discussing new findings and promoting internal dialogue. In 2022, three talks are currently planned on additional topics (e.g. plastic in the oceans and diversity).



Innovative green spaces (above):

The landscape architect Kotchakorn Voraakhom presented examples of her work in her talk – including Asia's largest urban rooftop farm.

Observations from the Arctic ice (right):

The MOSAiC expedition was the topic of the first sustainability lecture. Expedition leader Prof. Markus Rex shared his call for immediate action against climate change.





Human Resources Strategy

Guiding principles, structures and processes

[The ONE HR strategy has formed the foundation for the BayWa Group's human resources work since 2018. The strategy was optimised and updated in spring 2021. The cornerstones are a Group-wide HR mission and five strategic action areas.

BayWa's ONE HR mission comprises three principles:

- We are a global team of HR experts guided by our hearts and our heads.
- We are passionate about working with people and nurturing enthusiasm for BayWa.
- Together with our customers, we find innovative, creative solutions for the global success of the company in a digital world.

HR Strategy



1. HR – Operational Business



2. Recruiting and Employer Branding

Inspire, attract and retain the best with a strong employer brand



3. Leadership and People Development

Combine talent development and lifelong learning and create success



4. Inclusion and Diversity

Make a difference together



5. New Work



Guide and support people on the path to the world of tomorrow]

All HR activities are aligned with the strategic goals and needs of the BayWa Group, with a constant focus on digitalisation. HR is a key driver of corporate culture and a strategic partner to the business divisions.

The HR structure is geared to the requirements of the operating business and corporate strategy with a focus on the following key topics:

- **Global collaboration for combined HR expertise:** We create the necessary conditions so that our expertise as the ONE HR team can create added value throughout the world. In order to be effective across the Group and capitalise on global synergies, the HR managers of the major subsidiaries report functionally to the HR management of the BayWa Group. Expert HR knowledge is made accessible to the entire BayWa Group. The HR Transformation division brings together expertise and develops an infrastructure in which it can have the optimal effect.
- **Focus on Germany:** BayWa AG's activities focus on Germany. The HR Germany division ensures that we can do justice to this and directly gear ourselves towards the needs of the business.

Objectives

BayWa pursues strategic topics and objectives in the areas of Inclusion & Diversity (p. 85 ) and learning and development (p. 88 ). The relevant sections of this chapter provide an overview of where the Group stands with respect to achieving each of these objectives and the results from the previous year.

Measures

The three-part "Leadership Conference 2020" concluded in January 2021 with around 400 participants. The core element of the event was participant voting on the BayWa Group "Next Leadership Principles". The principles put to the vote are the result of surveys and workshops with the Board of Management and various managers of the BayWa Group, which took place during the three-part conference. These five principles are to become the core of BayWa's leadership culture and an active driver of business success:

BayWa Group "Next Leadership Principles"

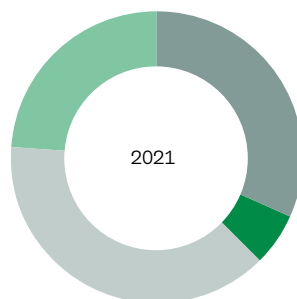
Meaning	At the BayWa Group, we take care of basic human needs. I constantly communicate awareness of this to my employees – because our work makes a valuable contribution to society.
Unity	I actively keep in contact with colleagues, employees, customers and business partners, irrespective of whether in person, digitally or by hybrid means – because only by being united can we achieve success.
Authenticity	I consistently bring my personality and values to my role as a manager – because this is the only way I can be effective on a sustained basis.
Trust	I see to it that trust in my employees grows – because that is the foundation of a strong team.
Appreciation	I appreciate the individual employee's value and contribution – because only together are we BayWa.

Employee structure¹

The number of employees at the BayWa Group increased slightly in 2021. At the end of the year, the Group employed 23,156 people in more than 35 countries worldwide (2020: 22,876).

Across the Group, 11.3% work part-time (2020: 10.7%) and 17.6% are employed on a fixed-term basis (2020: 20%). 70.3% of employees are male (2020: 70%) and 66.1% are between the ages of 26 and 54 (2020: 64.9%).

BayWa Group employee structure

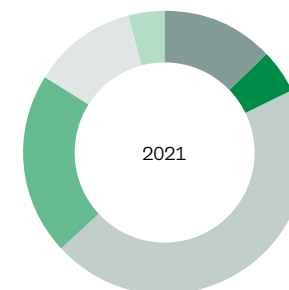


in percent	2019	2020	2021
Industrial, male	32.6	32.7	31.8
Industrial, female	3.8	7.6	5.8
Commercial, male	39.6	36.9	38.5
Commercial, female	24	22.8	23.8

¹ Employee figures include all fully consolidated companies as of 30 September 2021. Deviations from the Consolidated Financial Statements may therefore arise.

² Figure corrected because calculation method has changed

BayWa Group age structure



in percent	2019	2020	2021
≤ 25, male	12.9	13.3	12.9
≤ 25, female	4.3	5.8	5.0
26–54, male	46.6	44.2	45.4
26–54, female	19.4	20.7	20.7
≥ 55, male	12.8	12.1	12.1
≥ 55, female	4.1	3.9	3.9

Length of service and employee turnover

Employees having a long term of service on average and low employee turnover are indicative of high employee satisfaction at BayWa. At the end of 2021, the average length of service at the BayWa Group was 9.3 years (2020: 9.0 years)². The employee turnover rate across the Group was 13.4% (2020: 10.7%), with 4,709 new recruits compared with 3,108 people leaving.



Inclusion & Diversity

Companies that actively promote diversity and equality boost employee satisfaction and motivation and increase their attractiveness to people on the job market. The challenge of an increasing skills shortage and the risk of decreasing numbers of applicants can be countered by actively promoting Inclusion & Diversity. Because diverse teams, such as mixed-age, mixed-gender and mixed-experience teams, have been proven to work more creatively with a wider range of perspectives and therefore more successfully, the Group benefits from anchoring Inclusion & Diversity as a concept and embracing it as a principle. With more than 23,000 employees in over 35 countries, BayWa offers a broad range of different prospects, ideas and experiences.

Guiding principles, structures and processes

[Inclusion & Diversity has been an integral part of BayWa's ONE HR Strategy since the end of 2018. The concept of diversity goes beyond the differentiation criteria set out in the anti-discrimination and equal treatment laws. Rather, it describes all the different characteristics, values and modes of behaviour that are present at birth or acquired through conscious or unconscious learning or experience.

BayWa does not tolerate employee discrimination on the basis of origin, gender, age, physical or mental impairment or sexual orientation. This principle is anchored in the BayWa Group's Code of Conduct and the Inclusion & Diversity policy adopted in 2019, and is communicated through the Corporate Leadership Guide and at mandatory management training courses.

Corporate HR is responsible for strategically anchoring Inclusion & Diversity as a policy. The HR Transformation division is responsible for building up initiatives and policies to strengthen Inclusion & Diversity across the Group. It is the task of all managers to promote and use the diversity of perspectives that comes with a diverse workforce in daily cooperation. The BayWa Group's Inclusion & Diversity policy applies internationally – from the recruitment process to staff development to management development.

The promotion of Inclusion & Diversity is a strategic objective for BayWa.

Another important step towards anchoring Inclusion & Diversity in the corporate culture was signing the Diversity Charter in 2019 and the associated voluntary commitments. These include creating a culture of mutual respect and cooperation. BayWa makes sure that all policies, processes and programmes, including search and selection criteria in the recruitment process, career models and staff and management development programmes, contribute to avoiding discrimination and that diversity is seen as an opportunity and an enrichment in the Group.

In the areas falling under the BayWa collective agreement, remuneration is based on evaluation of job functions in accordance with the collective wage and salary agreement.]

Objectives

[The promotion of Inclusion & Diversity is a strategic objective of the BayWa Group because diverse and mixed teams can contribute to improved corporate success. People of many different nationalities already work together at BayWa across the Group. In addition, the achievement of this objective is continually ensured through the measures for improving diversity and inclusion described below.

In terms of equal opportunities, the Group pursues the aim of securing the most suitable person for every vacant management position, regardless of origin, gender, age or sexual orientation. BayWa puts a particular focus on gender equality here – the proportion of women in the first and second levels of management is to be 22% across the Group by 30 June 2022.]

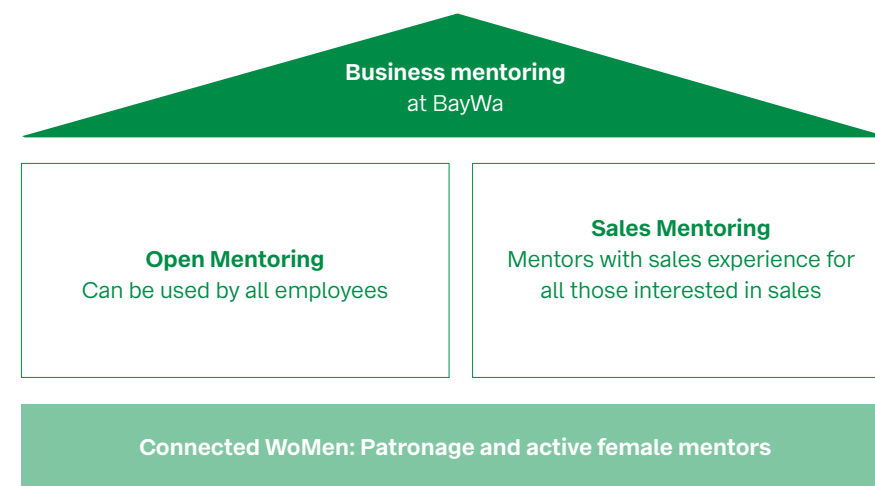
Measures

[The “BayWa Connected WoMen” network creates an interactive, open community for all employees of the parent company BayWa AG. The aim is to promote networking and communication and to give impetus for personal development. In addition to regular virtual network events, there are contributions from the business divisions and on the topics of leadership, digitalisation, collaboration, diversity, sustainability etc. In addition, BayWa Connected WoMen’s core team acts as the patron for the

BayWa Business Mentoring programme. The mentoring programme aims to support employees in sharing knowledge and constantly learning from and with each other. It promotes understanding for each other, breaks down prejudices and supports networking within BayWa. BayWa Business Mentoring is divided into “Open Mentoring” and “Sales Mentoring”.

In the case of Sales Mentoring, experienced employees act as mentors with the aim of giving interested mentees an insight into the roles and functions in sales and thus showing career prospects. This strengthens dialogue between BayWa’s business divisions and promotes a culture of openness. In Open Mentoring, the focus is also on dialogue between an experienced and a less experienced person, although the focus is not specifically on sales here.

The mentoring programme



In the reporting year, the parent company BayWa AG and its German-speaking subsidiaries started to integrate concrete aspects of the topic of Inclusion & Diversity into management development programmes and career models – for example the topic of unconscious bias. The subsidiary BayWa r.e. began standardising all recruiting processes in 2021 to ensure transparency – this also includes, for example, applicants no longer needing to upload a photo into the application system.



A virtual parent cafe facilitates the sharing of information on work-life balance.

To promote a better work-life balance, the parent company BayWa AG provides its employees with various flexible working time models, for example part-time work – or flexitime at all administration sites. A company agreement on “mobile working” allows employees in Germany to work from locations other than the agreed place of work under certain circumstances.] ✓ Employees returning from parental leave should be enabled to return to work quickly. In addition to the established “Returning to work after parental leave” online course, the virtual parent cafe now provides a space to facilitate the sharing of information and talks on work-life balance. For better work-life balance, the parent company BayWa AG offers its employees the chance to take time off for up to six months under certain conditions.

To promote inclusion in the company, BayWa AG encourages people with disabilities to apply in its job advertisements. For many years, BayWa has also had a cooperation with the Munich-based foundation Stiftung Pfennigparade, which makes employment possible for numerous people with disabilities through its extensive range of services. To expand this cooperation, BayWa Corporate HR launched a joint project called “Inclusive Workplace of the Future” (see box for more information). Trainees with disabilities will also be employed in suitable central areas of BayWa in the future.

The subsidiary BayWa r.e. encourages all employees worldwide to take part in the dialogue on diversity, equity and inclusion (DEI) in regional working groups to discuss and accelerate the progress of relevant topics. In addition, BayWa r.e. is developing a DEI strategy that will describe the basis of future measures and the alignment of processes already implemented.

To raise awareness of the topic, the subsidiary is initiating various communication campaigns in which employees around the world can attribute their ideas on the topic.



Joint Project on Inclusion

BayWa has been running the “Inclusive Workplace of the Future” project with the foundation Stiftung Pfennigparade since 2020. The aim is to create a better and more future-proof working environment for people with disabilities and develop common niches for further cooperation opportunities. This includes work opportunities in commercial enterprises for people with disabilities or adequately equipping the workplace. In 2020, BayWa supported the modernisation and accessible design of IT workstations at Stiftung Pfennigparade. In 2021, there was a joint workshop with BayWa on the potential range of work that can be performed by people with disabilities and on possible cooperation with the foundation – this resulted in new orders for Pfennigparade. In the course of the support, a virtual opening of the artists’ division of Pfennigparade was held, during which €15,670 was collected.

Performance indicator and results¹

[At the end of the reporting year 2021, the percentage of women in the first and second levels of management at the BayWa Group came to 21.6% (2020: 20.6%). The target rate of 22% to be reached in mid-2022 has thus been 98% achieved.]

Across the Group, the proportion of female employees was 29.6% (2020: 30.4%). The BayWa Group's Board of Management was composed of a total of four men in the reporting year. The proportion of women on the Supervisory Board was 25.0% in the reporting year (2020: 25.0%).

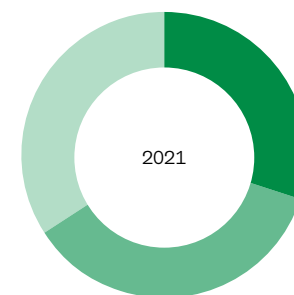
55.9% of employees are employed under collective bargaining agreements across the Group. In 2021, 1.8% (2020: 1.8%) of employees took parental leave, of which 84.6% were female (2020: 88.6%). Across the Group, the proportion of employees working part-time was 11.3% (2020: 10.7%), of which 68.0% (2020: 68.8%) were female. Group-wide, the proportion of employees with a disability was 1.5% in 2021 (2020: 1.5%). In 2021, 12 incidents of discrimination were reported across the Group. 9 were resolved in the reporting year.

¹ Employee figures include all fully consolidated companies as of 30 September 2021. Deviations from the Consolidated Financial Statements may therefore arise.

Women in management positions at the BayWa Group

	2019	2020	2021
Proportion of women in management positions (1st and 2nd levels)	21.0%	20.6%	21.6%
Number of women in management positions (1st and 2nd levels)	191	179	213

BayWa Group age structure for management positions



	2019	2020	2021
Total managers (1st and 2nd levels)	911	868	987
≤ 40	30.7%	30.5%	30.4%
41–50 years	37.9%	36.9%	36.1%
≥ 51 years	31.4%	32.6%	33.6%



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 promotes the professional and personal development of its employees, securing its edge with regard to expertise, its attractiveness to people on the job market and the satisfaction of its employees. Young people in particular expect companies to offer good opportunities for personal development. Attractive training and professional development programmes are therefore crucial for recruiting and retaining talented junior staff.

Guiding principles, structures and processes

[Education and training are a component of the parent company BayWa AG's HR strategy. BayWa AG takes a three-pronged approach to employee development: a) a systematic training structure, b) a range of in-house and external seminars and development programmes for employees and managers and c) strategic talent-management and succession-planning processes. The subsidiaries largely pursue their own approaches on the topic of education and training.

The BayWa Group's ONE HR strategy describes a Group-wide action area: "Leadership and People Development: Combine talent development and lifelong learning and create success."

As a training provider, BayWa plays an important role in securing the next generation of talent. Young employees are systematically prepared for a profession in 14 apprenticeships. In addition to 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 pursues the objective of offering its employees the opportunity to train according to their strengths and interests and build skills at every stage of their career. It should continue to be possible to fill specialist, project and management positions with the Group's own junior staff in the future – the foundation for this is already laid in training. Through targeted development programmes, BayWa aims to ensure that specialists and managers are qualified at a high and uniform level. Among other things, the programmes aim to teach them to independently pursue goals they set themselves. This intrapreneurial approach is to become even more firmly rooted in the corporate culture over the long term.]

Measures

The topic of sustainability is now an integral part of the training programme at the parent company BayWa AG. In addition, managers complete training that aims to raise their awareness of stakeholder expectations. These training courses are organised at the BayWa Academy, which opened in 2020 and focuses more on digital formats. The BayWa Academy aims to deepen the intrapreneurial approach, and the content is available to employees of the parent company and the German subsidiaries. The training offered is continuously evaluated and improved using feedback forms and more detailed feedback selectively obtained in personal interviews. In addition, BayWa is in constant communication with the trainers – and those responsible regularly take part in the training themselves.

In addition, BayWa runs strategic development programmes that focus on the development and networking of people with high potential and high achievers in the Group. The talent programmes are aimed at motivated employees after initial training, with the aim of systematically supporting them and developing their strengths in professional practice. Another programme, the Think Tank (Ideen-schmiede), aims to train people with above-average potential from all corporate divisions and Group companies. It is also an important instrument of the BayWa Group's innovation management and promotes general sharing of information.

Seminars and training courses focus on strengthening personal and social skills, technical and methodological skills and business and leadership skills.

The large, international subsidiaries organise individual training programmes for their employees. The New Zealand subsidiary T&G Global, for example, wants to establish its own leadership development programme in addition to the existing development and training programmes – it implemented the first activities for this in the reporting year.

[The annual employee assessment remains an important and mandatory leadership instrument. Based on the competence model, managers and employees identify personal strengths and areas for improvement and define individual career development measures.]

24,225

training participants
across the Group in 2021

Performance indicator and results¹

[Across the Group, 24,225 individuals participated in training in the reporting year (2020: 19,163). This equates to 5.3 hours of training per employee (2020: 6.9).]
BayWa also uses e-learning that is available to all employees to continuously share knowledge. Group-wide, the number of participants was 64,904 (2020: 39,065). Group-wide, 37.2% (2020: 32.3%) of all employees participated in employee assessments in the reporting year. A total of €7.9 million was spent on training across the Group.

¹ Employee figures include all fully consolidated companies as of 30 September 2021. Deviations from the Consolidated Financial Statements may therefore arise.

BayWa Group training courses²



	2019	2020	2021
Training participants	20,226	19,163	24,225
Total hours per employee	10.6	6.9	5.3
Hours per female employee	8.9	7.2	5.2
Hours per male employee	11.2	6.7	5.3
Hours per industrial employee	13	10.6	4.7
Hours per commercial employee	9.2	4.3	5.7

² Including live online training courses

Occupational Health and Safety

Employees spend a large portion of their lives at companies. Good working conditions can motivate them and prevent stress and health problems. By providing a healthy working environment, BayWa helps its employees to stay healthy and thus retain greater quality of life. This approach allows the Group to decrease the number of absences caused by illness, which come at a high cost and affect operations.

Guiding principles, structures and processes

BayWa is working on a Group-wide plan for the prevention of psychological stress.

With 20 employees, the parent company BayWa AG's Corporate Environment, Health & Safety (EH&S) organisational unit is a Group-wide point of contact for employee health and safety and develops international standards. In this function, the organisational unit reports directly to the CEO. The "Safety, Health and Environmental Management" mandate sets out responsibilities for EH&S and the tasks and powers of Corporate EH&S. In addition, all Group companies have a coordinator who is in charge of these matters.

BayWa's guiding principles on the environment, health and safety are based on the ISO 45001 global standard for occupational health and safety management systems. The guiding principles define the minimum precautionary measures for matters of occupational health and safety and environmental management at each site – and apply to all companies and employees within the BayWa Group and its subcontractors. The approach focuses on the integration of employees in improvement processes because they are the ones who best know their work and the possible exposure to danger.

The parent company BayWa AG's occupational health management system is based on a working group, the addiction officer, EHS coordinators and cooperation partners. In addition, BayWa AG's Occupational Health and Safety Committee meets regularly to exchange information and ideas concerning current topics and measures in the area of occupational health and safety. Some subsidiaries have also defined their own EHS policies. For example, BayWa r.e. has its own policy that includes the Group-wide requirements and occupational health and safety measures. These rules also apply to all BayWa r.e.'s subcontractors. The Cefetra Group Segment updated its EHS policy in 2020.

The health management system of the parent company BayWa AG and various subsidiaries promotes the health and safety of employees with various free, primarily preventive measures (for further details see the "Measures" section). In addition, in 2021 the foundation was laid for a Group-wide plan for preventing and raising awareness of psychological stress.

Due to the physical nature of their work, BayWa AG's industrial employees – such as warehouse staff or employees responsible for agricultural machinery – are exposed 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. Occupational healthcare (mandatory and optional health checks) is coordinated and organised centrally for BayWa's Group companies in Germany through an external company doctor. BayWa AG's occupational reintegration management system provides employees suffering from longer-term or more frequent illnesses with the right support. The parent company BayWa AG identifies how accidents can be avoided and work conditions improved by analysing and assessing accidents and associated events such as types of injury and accident causes, and also through the employee suggestion scheme.

The BayWa Group keeps systematic records of occupational accidents. BayWa is in the process of harmonising the recording and analysis of all incidents relating to occupational health and safety and environmental management across the Group (for more information see the "Measures" section). BayWa AG's EH&S and PR/Corporate Communications/Public Affairs organisational units must be informed immediately of serious or fatal occupational accidents and of incidents that impact the environment. For example, an extensive catalogue of personal protective equipment and a comprehensive training programme on prevention in occupational safety help prevent accidents and injuries at the BayWa Group. For activities involving electrical hazards, there is also, for example, a special series of online training courses for people trained in electrical engineering. In addition, a practical training centre for these activities was finished at the BayWa r.e. AG site in the reporting year. New relevant employees need to pass a comprehensive e-learning course at the start and additionally attend corresponding on-site training as needed.



The parent company BayWa AG's EH&S organisational unit promotes Group-wide EH&S reporting at regular intervals via the companies' respective coordinators. The relevant performance indicators are retrieved digitally from the business divisions and Group companies each year.

The EHS guidelines, which apply across the Group, specify that subcontractors and all other parties that work at a BayWa site must be provided with the relevant information on the site-specific risks and emergency escape routes. The subcontractor must present relevant information on how it will carry out the work it does safely.

Objectives

BayWa aims to continuously reduce the number of occupational accidents through Group-wide provisions in EH&S with a focus on prevention. A further BayWa objective is to reduce days of absence. The number of ISO 45001 certifications for management systems for occupational health and safety at work is to be increased continually throughout the Group.

The global occupational health and safety management system, which was developed in partnership with BayWa r.e. Group companies in 2019, is aimed at gradually enabling all BayWa r.e. companies to achieve ISO 45001, 14001, 9001 and 50001 certification. With this measure, the company aims to satisfy the continuously

increasing requirements in the renewable energies sector for the field of EH&S and also strengthen 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, individual risks are to be tackled with priority – work such as driving a vehicle and working with mechanical equipment and devices.

Measures

In 2019, BayWa launched a process aimed at harmonising the recording and analysis of all incidents relating to occupational health and safety and environmental management. In 2021, these processes were harmonised by BayWa AG and BayWa r.e. and a unit of Global Produce. The process is to be successively rolled out to additional companies. This will enable BayWa to ensure the correct documentation that is required by law. Furthermore, the system uses software solutions to enable systematic post-processing of accidents to reduce hazards. The subsidiary T&G Global has implemented its own software system for its sites in New Zealand.

BayWa provided masks and other protective equipment, such as single-use gloves and disinfectants, and hired indoor air disinfection equipment for a COVID-19 protection system. A testing station and temperature measuring devices were set up in head office and were available to employees in addition to self-tests to take away.

To combat the spread of COVID-19, BayWa launched a nationwide vaccination campaign across Germany with a vaccination vehicle. As part of a Bavarian federal state government pilot project, 1, 000 employees were vaccinated in Münchberg. This was followed by further vaccination campaigns that family and friends of employees could also come to and weekly COVID-19 consulting hours with the company doctor. In 2021, vaccinations were carried out at 13 sites in Germany on 51 days.



Preventive health measures such as yoga and back training

BayWa's preventive health measures include health seminars for Group employees in Germany – on topics such as stress management, strengthening resilience, healthy eating, mindfulness, flexibility, back training or yoga. In order to be able to carry on offering health programmes during the pandemic, these were shifted to digital formats. In addition, individual coaching in the area of mental health was offered. Some subsidiaries offer their own services. For example, BayWa r.e. launched the #socialandhealthy online program with options for back training, yoga courses and mindfulness. In 2021, T&G Global offered its employees a programme for promoting mental health, and EH&S Academy announced a digital training room on all topics, which is now to be continuously expanded. To ensure that all relevant employees of the parent company BayWa AG are continuously kept up to date, the Corporate Environment, Health & Safety division has developed a comprehensive training catalogue that includes practice-oriented seminars on the areas of occupational safety, waste disposal, health management, the storage of hazardous substances and transporting hazardous goods. The training is geared towards protecting employees and the environment and aims to communicate legal requirements and experience.

Results

In the reporting year, there were 757 occupational accidents across the Group (including accidents at work and commuting accidents) (2020: 665) and the rate of illness was 3.0% (2020: 2.8%). The rise in occupational accidents can be explained by the increased headcount and improved data collection. The accidents and their causes are analysed to develop corrective precautionary measures to continuously reduce occupational accidents. There were no fatal occupational accidents in 2021. 186 employees (2020: 80) took advantage of the parent company BayWa AG's free health training in the reporting year. Implementation of BayWa r.e.'s global occupational health and safety management system was continued in relevant BayWa r.e. subsidiaries in 2021 and was confirmed through successful initial certification and re-certification. The number of ISO 45001 certifications for management systems for occupational health and safety increased to a total of three BayWa r.e. companies in the reporting year, meaning that eight companies have now been certified.

BayWa Group occupational accidents

	2019	2020	2021
Number of occupational accidents	588	655	757

Society



Supportive & Committed

BayWa AG set up the BayWa Foundation as early as 1998. Since then, the foundation has been involved in more than 60 social projects that promote knowledge about healthy eating and renewable energy in Germany and provide assistance to help people help themselves at an international level. The projects are varied – from forest projects and a nutrition education programme for children in Germany to supporting young mothers in Zambia to funding training courses and Deutschlandstipendien (German Scholarships). In addition, the BayWa Foundation is also involved in communicating knowledge for a broad audience, for example as a funding partner of BIOTOPIA Labs in Munich.

Spotlight: How is knowledge shared between Europe and Africa?

The BayWa Foundation funds a postgraduate course at the Weihenstephan-Triesdorf University of Applied Sciences, as a result of which sustainable business ideas for Africa are developed and supported.

Image 1

The winners of the 2020 and 2021 courses with course instructor Dr. Bernd Müller (left) and Sarah Rauch from the BayWa Foundation (centre).

Image 2

Vinjeru Nyirenda, African agricultural scientist, in conversation with Maria Thon, managing director of the BayWa Foundation.

25 African university graduates in the agricultural sector come together in a postgraduate course at the Weihenstephan-Triesdorf University of Applied Sciences each year. They develop a business case for agriculture in their home countries and learn important content about sustainable cultivation and the organisation of value chains. Country-specific optimisation processes and renewable energies play an important role. The postgraduate course is part of the Weihenstephan-Triesdorf University of Applied Sciences and the Federal Ministry for Economic Cooperation and Development's major "Training Pact with Africa" initiative. BayWa Foundation has been a [funding partner for the course](#) since 2019.

During the two months of practical training at the university, the students develop sustainable business ideas for advancing African agriculture. The BayWa Foundation awards prize money for the best projects. The funding is intended to give the students start-up support for implementing the business idea in their home countries and thus promote long-term economic stability. The BayWa Foundation presented awards for two courses in 2021: because COVID-19 meant the course participants could not travel to Germany in 2020, the 2020 participants were invited to come in 2021. The two first places went to a start-up for natural pest control in olive trees and a business idea for improving the production of juice and powder from the noni fruit.





Social Commitment to Education

Companies that are actively committed to improving the well-being of people and the environment beyond their actual core business can increase their acceptance in society. Approaches that shed light on new business prospects can have a positive impact on companies' innovative capabilities. This is all the more true the more closely the social commitment is thematically linked to the company's business purpose.

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 a civil-law foundation with legal capacity. It operates under the oversight of the government of Upper Bavaria and is intermittently audited by an external auditor. The principles and purpose 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 management board and management regularly assess and monitor its work.

The foundation's management board comprises three members who are appointed by the Board of Management of BayWa AG. The BayWa Foundation's management board has appointed a managing director, who steers the work of the foundation. The managing director reports directly to the BayWa Foundation's management board. BayWa AG covers the foundation's administrative costs and doubles donations so that 200% of these donations benefit projects that it funds. In 2021, the foundation funded 42 educational projects worldwide (2020: 36).

Image

Planting and harvesting in their own school garden.



Image 1

Primary schoolchildren experience the forest ecosystem in the forest school.

Image 2

The BIOTOPIA Lab of the Naturkundemuseum Bayern (Bavarian Museum of Natural History): the BayWa Foundation is the main funding partner.

Objectives

The BayWa Foundation's objective is to establish sustainable educational projects in the areas of healthy eating and renewable energies. The BayWa Foundation is active in an operational and funding capacity in these areas.

In 2022, the BayWa Foundation plans to continue and further develop its educational projects. For example, the "Die Waldschule" (forest school) project is to have more forest school teachers so that more schools can take part. "Der Ernährungskompass" (The Nutrition Compass) is to be expanded to Baden-Württemberg. Additional educational projects in the Berchtesgadener Land district were also realised with a ring-fenced donation.

Internationally, the BayWa Foundation is focusing on helping people to help themselves. In 2022, for example, the funding of training courses for young single mothers in Zambia and the commitment to providing school education and food to homeless children in Indonesia is to be continued. The BayWa Foundation's individual projects are described in more detail in the "Measures" section on the right.



Measures

The BayWa Foundation's educational projects contribute to 11 of the 17 United Nations Sustainable Development Goals (SDGs).

The BayWa Foundation's projects in the area of healthy eating promote agriculture and help to educate children and young people about the origins of food and healthy nutrition. A total of 224 school gardens have already been established across Germany as part of the "Planting Vegetables. Harvesting Health." nutrition education programme. In classrooms, the text and activity book "Der Ernährungskompass" (The Nutrition Compass) helps children learn about food and nutrition playfully.

In 2021, the BayWa Foundation developed the "Digital Classroom" to provide children with nutritional knowledge playfully. The online learning platform introduces children to the topics of healthy eating and gardening with the aid of educational games, knowledge contributions and video tutorials.

In the school garden project, the BayWa Foundation mainly focused on sending school-garden packages to primary schools and special schools in 2021 – these contained raised beds, gardening tools, seeds and colourful instructions for creating a school garden.

The "Die Waldschule" project allows primary school children to experience the forest ecosystem and contribute to the conservation of native forests by planting trees. The project was expanded during the reporting year: it has had two new forest school teachers since autumn 2021.

100,000

copies of “Der Ernährungskompass”
are in use in primary schools
and special schools.

The BayWa Foundation is involved in educating young people through its involvement in Germany Scholarships and educational initiatives. Moreover, it supports facilities for children and young people in Munich, including Sonderpädagogisches Förderzentrum Neuperlach (Neuperlach Special Education Centre) and Tillmann Kinder- und Jugendhaus (Tillmann Centre for Children and Young People), with educational offerings. Communicating knowledge for a broad audience is also a priority: for example, the BayWa Foundation is the main funding partner of the BIOTOPIA Lab in the Munich Natural History Museum and the new exhibition “Landwirtschaft und Ernährung” (agriculture and nutrition) in the Deutsches Museum (German museum).

Since the outbreak of the pandemic in spring 2020, the BayWa Foundation has also supported a Munich homeless shelter with daily deliveries of food and has supported 30 families with children with life-threatening illnesses with a healthy meal each week.

The international foundation projects are geared towards providing long-term assistance to help people help themselves. In Zambia, 20 young mothers in need receive support in the form of education on their way to leading independent lives. The project was extended to 2 years of support in 2021: after the training, the young mothers additionally receive start-up support to found their own companies.

In Tanzania, the BayWa Foundation promotes the dissemination of knowledge on the use of biogas as a cooking fuel, for example in a girls’ school – and in Indonesia, it funds schooling and food for 10 street children in the “Peduli Anak” project.

Results

In the reporting year, €2.6 million was donated across the Group. BayWa AG donated almost €1.9 million of this amount (2020: €733,000), of which around €783,000 (2020: €612,319) was used on BayWa Foundation projects.

The BayWa Foundation invested a total of €1.5 million for 42 educational projects in 11 countries in 2021 (2020: €1.1 million for 36 projects in seven countries). €877,719 of which (2020: €954,554) was used in projects to promote healthy eating, and 44 action days were held on this topic (2020: 39).

The foundation’s commitment was reflected, among other things, by the success of the text and activity book “Der Ernährungskompass”. In total, 100,000 copies of “Der Ernährungskompass” are already in use at Bavarian primary schools and special schools. Nutrition campaign days were organised at schools in Bavaria, and teacher training and educational materials were provided. A total of 58 new school gardens were built and supported by the BayWa Foundation as part of the “Planting Vegetables, Harvesting Health” nutrition education programme. Furthermore, the foundation granted a total of 220 Germany Scholarships of €1,800 each to students studying agricultural sciences, energy and resource management, and food management in 2021.

A total of 19 primary schools and special schools took part in action days in the “Die Waldschule” project. In 2021, 322 trees were planted (2020: 325) and 322 Waldtagebücher (forest diaries) (2020: 293) were given to school students.

About This Report

Note from the editor

The editorial deadline was 7 March 2022.

The Sustainability Report is available in German and English. In the event of any discrepancies, the German version shall prevail.

With its eighth 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 financial year 2021 (1 January to 31 December). Where available, data from the previous year is included for comparison. Reporting is carried out annually. The next Sustainability Report is scheduled for publication in April 2023.

Framework, review and non-financial report

This report has been prepared in accordance with the GRI Standards: Core option. It complies with these standards to ensure international comparability.

[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) (the "combined non-financial report"). This combined non-financial report consists of the sections referenced in the overview on page 15 and other disclosures. The report also discloses the proportion of BayWa's revenue, capital expenditure (capex) and operating expenditure (opex) that is accounted for by taxonomy-eligible economic activities (in accordance with EU Regulation 2020/852). The content to meet the requirements of the German CSR Directive Implementation Act (CSR-RUG) and the Taxonomy Regulation has been subjected to a review to obtain limited assurance by an independent auditing firm. The content for the non-financial report is accordingly shown in the table on page 15. The Taxonomy Regulation content can be found on pages 31–35. Information marked with this symbol [...] ✓ in the report is part of the combined non-financial Group report. The Supervisory Board has thoroughly audited the Sustainability Report 2021 and discussed it with the auditor in the auditor's presence and with the Board of Management, which was also present.] ✓

After considering the report itself, the Supervisory Board concurred with the auditor's opinion and approved the Sustainability Report 2021 for publication.

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

[The content to be reported was defined using a materiality analysis updated in 2021. This was based on the United Nations Sustainable Development Goals (SDGs) and, more specifically, the business themes of the SDGs. The business themes identified as material have been allocated to the corresponding topics and disclosures of the GRI Standards (see p. 15 ☞). The content for the combined non-financial report was determined taking account of business relevance and impact on the non-financial aspects (see p. 14 ☞).

In addition to the parent company BayWa AG, the BayWa Group comprises 497¹ fully consolidated Group companies (as at 30 September 2021). The basic scope of this report and the associated statements relate to the entire BayWa Group (see overview table, p. 15 ☞), which is also referred to as "BayWa" in the Sustainability Report. Differing concepts, guidelines, structures and key figures that do not relate to the entire BayWa Group are identified as such in the text. In this case, these relate either to the parent company BayWa AG (or just BayWa AG) or to the subsidiaries or segments listed accordingly.] ✓

Prior to the preparation of the Sustainability Report 2021, the data for 2020 was in some cases retrospectively corrected. As a result, some information will deviate from the information in the Sustainability Report 2020 and is therefore not comparable. Corrections made are indicated by footnotes. [Climate-relevant figures and performance indicators are stated in CO₂ equivalents that encompass CO₂ and other relevant climate gases. Emissions factors used originate from VDA (AR5), GEMIS (AR4), DBEIS (AR4 and 5) and ecoinvent. A minimal proportion (below 0.2%) of energy consumption and thus also GHG emissions was completed using extrapolations.] ✓ There were no relevant changes in the Group or its supply chain compared with the previous year.

Any questions or comments on BayWa's Sustainability Report can be emailed to nachhaltigkeit@baywa.de.

¹ As at 30 September 2021: The number of fully consolidated companies in the financial reporting may therefore differ from the number reported here.

BayWa AG

Non-Financial Report

Notes on BayWa AG's non-financial report pursuant to Section 289b of the German Commercial Code (HGB)

[In addition to the above explanations relating to the Group in the combined separate non-financial report, this report also presents significant performance indicators concerning BayWa AG. All concepts and processes presented, disclosures, regulations and key figures for the BayWa Group always include BayWa AG, which is controlled by the Group. No additional aspects pursuant to the German CSR Directive Implementation Act (CSR-RUG) that only apply to BayWa AG were identified. The following table shows BayWa AG's significant performance indicators.]

Significant performance indicators for BayWa AG

	2019	2020	2021
Compliance ¹			
Participants in on-site compliance training courses ²	243	342	259
Participants in compliance e-learning courses	4,519	866	4,521
Energy & GHG emissions			
Energy consumption <i>in MWh</i>	231,915	236,030	260,914
Proportion of electricity from renewable energies <i>in percent</i>	98.7	100	100
GHG emissions (Scope 1 and 2) in tCO ₂ e ³	50,381	48,014	52,534
Inclusion & Diversity			
Proportion of women in management positions (1st and 2nd levels) <i>in percent</i>	20.3	20.7	20.7
Learning & development			
Training hours per employee	12.9	4.5	5.0

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 2021 is not directly comparable to the information for previous years.

2 Including virtual live training courses that could not be held in person due to COVID-19

3 The market-based method was used for the calculation; value according to the location-based method: 77,482 t CO₂e

Audit Note

Independent practitioner's report on a limited assurance engagement on non-financial reporting¹

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 2021 to 31 December 2021, which includes the information marked in green brackets and with a "☑" in the Sustainability Report 2021 (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 "Sustainable Finance", subchapter "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 Company 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 "Sustainable Finance", subchapter "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 Control¹ published by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany; IDW): Requirements for Quality Control in Audit Firms (IDW Qualitätssicherungsstandard 1: Anforderungen an die Qualitätssicherung in der Wirtschaftsprüferpraxis - IDW QS 1) – and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

¹ PricewaterhouseCoopers GmbH has performed a limited assurance engagement on the German version of the Combined Separate Non-financial report and issued an independent practitioner's report in German language, which is authoritative. The following text is a translation of the independent practitioner's report.

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 "Sustainable Finance", subchapter "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
- 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 economic activities and the corresponding disclosures in the Combined Separate Non-financial Report
- Evaluation of the process to identify taxonomy-aligned economic activities and a selection of corresponding disclosures in the Combined Separate Non-financial Report
- Inquiries on the relevance of climate risks

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 2021 to 31 December 2021 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 “Sustainable Finance”, subchapter “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, which are marked unassured.

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.

Frankfurt am Main, 22 March 2022
PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

Nicolette Behncke
Wirtschaftsprüferin
[German public auditor]



Theres Schäfer
Wirtschaftsprüferin
[German public auditor]


GRI Content Index

This report has been prepared in accordance with the GRI Standards: Core option. For the materiality disclosures service, the Global Reporting Initiative checked that the 2021 Sustainability Report's GRI index is presented clearly and the references for standards 102-40 to 102-49 match the corresponding sections in the main body of the report.



GRI Standard	Page reference	Notes
GRI 101: Foundation 2016		
GRI 102: General Disclosures 2016		
Organizational profile		
GRI 102-1 Name of the organization	98	
GRI 102-32 Activities, brands, products and services	4/5	
GRI 102-3 Location of headquarters	4	
GRI 102-4 Location of operations	4	
GRI 102-5 Ownership and legal form	4	
GRI 102-6 Markets served	4	
GRI 102-7 Scale of the organization	4; Consolidated Financial Statements 4/5, 15, 32, 186 et seq.	
GRI 102-8 Information on employees and other workers	4, 83, 87	
GRI 102-9 Supply chain	58–61	
GRI 102-10 Significant changes to the organization and its supply chain	5, 98	
GRI 102-11 Precautionary principle or approach	18–21	
GRI 102-12 External initiatives	3, 12, 15, 64, 85, 98, 102	
GRI 102-13 Membership of associations	27, 45, 64	
Strategy		
GRI 102-14 Statement from senior decision-maker	3	
GRI 102-15 Key impacts, risks and opportunities	8, 13, 15, 18	

GRI Standard	Page reference	Notes
Ethics and integrity		
GRI 102-16 Values, principles, standards and norms of behavior	16	
Governance		
GRI 102-18 Governance structure	16/17; Consolidated Financial Statements 218-220 	
GRI 102-19 Delegating authority	11, 16/17	
Stakeholder engagement		
GRI 102-40 List of stakeholder groups	8, 26/27	
GRI 102-41 Collective bargaining agreements	85, 87	
GRI 102-42 Identifying and selecting stakeholders	8, 26/27	
GRI 102-43 Approach to stakeholder engagement	26/27	
GRI 102-44 Key topics and concerns raised	8, 26/27	
Reporting practice		
GRI 102-45 Entities included in the consolidated financial statements	98; Consolidated Financial Statements 186 et seq. 	
GRI 102-46 Defining report content and topic boundaries	12– 5, 98	
GRI 102-47 List of material topics	13, 15	
GRI 102-48 Restatements of information	5, 98/99	
GRI 102-49 Changes in reporting	5, 98/99	
GRI 102-50 Reporting period	98	
GRI 102-51 Date of most recent report		20 April 2021
GRI 102-52 Reporting cycle		Annual
GRI 102-53 Contact point for questions regarding the report		Imprint
GRI 102-54 Claims of reporting in accordance with the GRI Standards	98, 103	
GRI 102-55 GRI content index	102–109	
GRI 102-56 External assurance	100/101	Assurance statement; elements of the non-financial report

GRI Standard		Page reference	Notes
Material topics			
GRI 201:	Economic Performance 2016		
GRI 103	Disclosures on Management Approach 2016 (including GRI 103-1, 103-2, 103-3)	5	
GRI 201-1	Direct economic value generated and distributed	4/5; Consolidated Financial Statements 64/65 	
GRI 201-2	Financial implications and other risks and opportunities due to climate change	19–21	
GRI 202:	Market Presence 2016		
GRI 103	Disclosures on Management Approach 2016 (including GRI 103-1, 103-2, 103-3)		
GRI 202-2	Proportion of senior management hired from the local community		BayWa AG and its companies define “regional” differently due to their diverse segments. For this reason, BayWa currently does not record this data. However, whether a uniform definition will become possible and meaningful in the future and whether data can be collected and reported in the long term is being assessed.
GRI 203:	Indirect Economic Impacts 2016		
GRI 103	Disclosures on Management Approach 2016 (including GRI 103-1, 103-2, 103-3)	8	
GRI 203-1	Infrastructure investments and services supported	94–97	
GRI 204:	Procurement Practices 2016		
GRI 103	Disclosures on Management Approach 2016 (including GRI 103-1, 103-2, 103-3)	58/59	
GRI 204-1	Proportion of spending on local suppliers	59	
GRI 205:	Anti-corruption 2016		
GRI 103	Disclosures on Management Approach 2016 (including GRI 103-1, 103-2, 103-3)	21–23	
GRI 205-2	Communication and training about anti-corruption policies and procedures	23	
GRI 206:	Anti-competitive Behaviour 2016		
GRI 103	Disclosures on Management Approach 2016 (including GRI 103-1, 103-2, 103-3)	21–23	
GRI 206-1	Legal actions for anti-competitive behavior, anti-trust and monopoly practices		In the reporting period, BayWa was not involved in any legal proceedings on account of anti-competitive behaviour or violations of anti-trust and monopoly law.

GRI Standard		Page reference	Notes
GRI 207: Tax 2019			
GRI 103	Disclosures on Management Approach 2016 (including GRI 103-1, 103-2, 103-3)	24	
GRI 207-1	Approach to tax	24	
GRI 207-2	Tax governance, control and risk management	24	
GRI 207-3	Stakeholder engagement and management of concerns related to tax	24	
GRI 207-4	Country-by-country reporting	24/25	
GRI 301: Materials 2016			
GRI 103	Disclosures on Management Approach 2016 (including GRI 103-1, 103-2, 103-3)	73/74	
GRI 301-1	Materials used by weight or volume		The data is not yet available in sufficient quality. BayWa plans to further optimise data collection in the years ahead in order to report the data in future.
GRI 302: Energy 2016			
GRI 103	Disclosures on Management Approach 2016 (including GRI 103-1, 103-2, 103-3)	64–67	
GRI 302-1	Energy consumption within the organization	67	
GRI 302-3	Energy intensity	67	
OG 3	Energy from renewable sources	67	
GRI 303: Water and Effluents 2018			
GRI 103	Disclosures on Management Approach 2016 (including GRI 103-1, 103-2, 103-3)	77/78	
303-1	Interactions with water as a shared resource	77/78	
303-2	Management of water discharge-related impacts	78	
303-4	Water discharge		
GRI 304: Biodiversity 2016			
GRI 103	Disclosures on Management Approach 2016 (including GRI 103-1, 103-2, 103-3)	75/76	
GRI 304-2	Significant impacts of activities, products and services on biodiversity		No analysis of significant impacts of BayWa's products and services on biodiversity was conducted in the reporting year.
GRI 305: Emissions 2016			
GRI 103	Disclosures on Management Approach 2016 (including GRI 103-1, 103-2, 103-3)	64–67	
GRI 305-1	Direct (Scope 1) GHG emissions	66–69	

GRI Standard		Page reference	Notes
GRI 305-2	Energy indirect (Scope 2) GHG emissions	66–69	
GRI 305-3	Other indirect (Scope 3) GHG emissions	66–69	
GRI 305-4	GHG emissions intensity	66–69	
GRI 306: Waste 2020			
GRI 103	Disclosures on Management Approach 2020 (including GRI 103-1, 103-2, 103-3)	73/74	
GRI 306-1	Waste generation and significant waste-related impacts	74	
GRI 306-2	Management of significant waste-related impacts	74	
GRI 306-3	Waste generated	74	
GRI 306-4	Waste diverted from disposal	74	
GRI 306-5	Waste directed to disposal	74	
GRI 307: Environmental Compliance 2016			
GRI 103	Disclosures on Management Approach 2016 (including GRI 103-1, 103-2, 103-3)	72	
GRI 307-1	Non-compliance with environmental laws and regulations	72	
GRI 308: Supplier Environmental Assessment 2016			
GRI 103	Disclosures on Management Approach 2016 (including GRI 103-1, 103-2, 103-3)	44/45, 47, 50/51, 58/59	
GRI 308-1	New suppliers that were screened using environmental criteria		The risk analyses described were carried out at product level. Individual suppliers were not reviewed with regard to their social or environmental impact, which means that this information cannot be reported.
GRI 308-2	Negative environmental impacts in the supply chain and actions taken		The risk analyses described were carried out at product level. Individual suppliers were not reviewed with regard to their social or environmental impact, which means that this information cannot be reported.
GRI 401: Employment 2016			
GRI 103	Disclosures on Management Approach 2016 (including GRI 103-1, 103-2, 103-3)	81/82	
GRI 401-1	New employee hires and employee turnover	83	
GRI 401-3	Parental leave	86	

GRI Standard	Page reference	Notes
GRI 402: Labor/Management Relations 2016		
GRI 103 Disclosures on Management Approach 2018 (including GRI 103-1, 103-2, 103-3)	26/27	
GRI 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		
GRI 103 Disclosures on Management Approach 2016 (including GRI 103-1, 103-2, 103-3)	90–92	
GRI 403-1 Occupational health and safety management system	90/91	
GRI 403-2 Hazard identification, risk assessment and incident investigation	90–92	
GRI 403-3 Occupational health services	90	
GRI 403-4 Worker participation, consultation and communication on occupational health and safety	90	
GRI 403-5 Worker training on occupational health and safety	90–92	
GRI 403-6 Promotion of worker health	91/92	
GRI 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	90–92	
GRI 403-8 Workers covered by an occupational health and safety management system	90	
GRI 403-9 Work-related injuries	92	
GRI 404: Training and Education 2016		
GRI 103 Disclosures on Management Approach 2016 (including GRI 103-1, 103-2, 103-3)	88	
GRI 404-1 Average hours of training per year per employee	89	
GRI 404-3 Percentage of employees receiving regular performance and career development reviews	89	
GRI 405: Diversity and Equal Opportunity 2016		
GRI 103 Disclosures on Management Approach 2016 (including GRI 103-1, 103-2, 103-3)	84–86	
GRI 405-1 Diversity of governance bodies and employees	87	
GRI 406: Non-discrimination 2016		
GRI 103 Disclosures on Management Approach 2016 (including GRI 103-1, 103-2, 103-3)	84–86	

GRI Standard		Page reference	Notes
GRI 406-1	Incidents of discrimination and corrective actions taken	87	
GRI 412: Human Rights Assessment 2016			
GRI 103	Disclosures on Management Approach 2016 (including GRI 103-1, 103-2, 103-3)	58–61	
GRI 412-1	Operations that have been subject to human rights reviews or impact assessments	60/61	
GRI 414: Supplier Social Assessment 2016			
GRI 103	Disclosures on Management Approach 2016 (including GRI 103-1, 103-2, 103-3)	58–61	
GRI 414-1	New suppliers that were screened using social criteria		The risk analyses described were carried out at product level. Individual suppliers were not reviewed with regard to their social or environmental impact, which means that this information cannot be reported.
GRI 414-2	Negative social impacts in the supply chain and actions taken		The risk analyses described were carried out at product level. Individual suppliers were not reviewed with regard to their social or environmental impact, which means that this information cannot be reported.
GRI 415: Public Policy 2016			
GRI 103	Disclosures on Management Approach 2016 (including GRI 103-1, 103-2, 103-3)	58–61	
GRI 415-1	Political contributions		Political contributions in the reporting year 2021 amounted to €23,540.
GRI 416: Customer Health and Safety 2016			
GRI 103	Disclosures on Management Approach 2016 (including GRI 103-1, 103-2, 103-3)	38, 44/45, 47, 50/51	
GRI 416-1	Assessment of the health and safety impacts of product and service categories	38	
GRI 416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	38	
GRI 417: Marketing and Labeling 2016			
GRI 103	Disclosures on Management Approach 2016 (including GRI 103-1, 103-2, 103-3)	38, 44/45, 47, 50/51	
GRI 417-2	Incidents of non-compliance concerning product and service information and labeling		No indications of incidents of non-compliance concerning product and service information and labelling were discovered in the financial year.
GRI 419: Socioeconomic Compliance 2016			
GRI 103	Disclosures on Management Approach 2016 (including GRI 103-1, 103-2, 103-3)	16, 21–23	
GRI 419-1	Non-compliance with laws and regulations in the social and economic area	23	

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