



Acting responsibly

Living the change

Sustainability Report 2020

BayWa

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Foreword



Prof. Klaus Josef Lutz Chief Executive Officer of BayWa AG

“The title of this year’s sustainability report conveys our conviction: acting responsibly means living the change.”

Dear Readers,

The coronavirus pandemic has had a major impact on our lives and our economic activity over the last year. At the same time, we have learnt that changes are possible if people are convinced of their necessity. That gives us hope. As an international company operating in the areas of energy, agriculture and building materials, BayWa knows that global environmental and social challenges, such as climate change, require swift action. The title of this year’s sustainability report conveys our conviction: acting responsibly means living the change.

We started doing exactly that last year and took a major step towards our goal of being climate neutral by 2030. Since 2020, we have been covering our own electricity needs entirely from renewable energies – a commitment we have underlined by joining the global RE100 initiative. With the construction of one of Europe’s largest agrophotovoltaic parks in the Netherlands, our subsidiary BayWa r.e. is demonstrating how the energy transition can work in the face of increasingly limited available space. And with the first “climate change-resistant” apple, launched by our subsidiary in New Zealand, we are making further progress in adapting to changing climatic conditions. In agriculture, innovative solutions also help to meet the growing demand for food with the aid of resource-friendly cultivation methods. For example, we offer our customers satellite-based methods for efficient irrigation and fertilization, as well as the use of agricultural robots in field work. Our range of products and services for climate-friendly wooden construction and resource-friendly prefabrication in the Building Materials Segment takes sustainability into account, as do our intelligent solutions in the fields of heat supply and electromobility.

The coronavirus crisis has shown us quite clearly how important it is to have resilient and sustainable supply chains. This is why we started a Group-wide risk analysis of social and environmental aspects in our value chains last year. We are hoping it will show us how we can better uphold our due diligence obligations concerning human rights and make our supply chains more transparent. The fact that we take our responsibility for people and the environment seriously is being rewarded on the capital market: we successfully concluded the search for investors for the planned capital increase at BayWa r.e. in December 2020. As a result, we can now further boost the expansion of renewable energies. We are also proud of our climate rating from the international non-profit organisation Carbon Disclosure Project (CDP). With a score of B for 2020, BayWa is placed above the average for Europe and has improved its score from the previous year. In addition, Bloomberg and the United Nations included us as one of 50 Sustainability & Climate Leaders in the category “Traditional Conglomerate”.

This shows how our company has also changed in the past year in order to continue acting in a responsible and sustainable manner – always. I would like to extend my heartfelt thanks to all employees for their commitment in these challenging times. I hope you all enjoy reading the report!

Best regards,

Prof. Klaus Josef Lutz
Chief Executive Officer of BayWa AG

About this report

102-45, 102-46, 102-48, 102-49

With its seventh 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 2020 (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 2022.

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-Richtlinie-Umsetzungsgesetz (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) (hereinafter: Non-Financial Group Report). This Non-Financial Group Report consists of the sections referenced in the [overview on page 15](#) and other disclosures. The relevant content was subject to a limited review by an independent auditing firm and is reported accordingly ([see page 77](#)). The auditing company reported its findings to the Supervisory Board. [The Supervisory Board reviewed and approved the Non-Financial Group Report on the basis of these findings.

Information marked with this symbol [] in the report is part of the Non-Financial Group Report and was subject to a limited review by an independent auditing firm in 2020.

Determining the content of the report, scope and coverage of key performance indicators

[The content to be included in the report was determined by way of a materiality analysis conducted in 2019 and based on the UN Sustainable Development Goals (SDGs), and more specifically the business themes (or simply “themes”) of the SDGs. The themes developed by the Global Reporting Initiative (GRI), the UN Global Compact and the World Business Council for Sustainable Development (WBCSD) are geared towards making it easier for businesses to operationalise the SDGs. The business themes identified as material have been allocated to corresponding topics and disclosures according to GRI standards ([see page 14](#)). Since 2018, BayWa has reported in its Non-Financial Group Report pursuant to the CSR-RUG as part of its Sustainability Report. The content for the Non-Financial Group Report was determined by assessing the understanding of the business performance, business results and the company’s position, as well as the BayWa Group’s impact on the non-financial aspects ([see page 12](#)).

Besides the parent company, BayWa AG, the BayWa Group comprises 225¹ fully consolidated Group companies (as at 30 September 2020). The general statements in the management approaches in this report and the performance indicators pursuant to the CSR-Richtlinie-Umsetzungsgesetz (CSR directive implementation act –

CSR-RUG) relate to the whole Group ([see overview table, page 15](#)). Differing approaches, guidelines, structures and processes at subsidiaries are described in the text. [

[In preparing the Sustainability Report 2020, some data from 2019 was subsequently corrected or retroactively gathered, allowing more detailed information to be provided for selected key figures at the BayWa Group. In addition, emissions factors were standardised in the reporting year. The emissions factors come from VDA, GEMIS and BEIS (formerly: DEFRA). For Scope 3.1 calculations, emissions factors from the Scope 3 Evaluator from Greenhouse Gas Protocol and Quantis are also used. As a result, some information will deviate from the information in the Sustainability Report 2019 and is therefore not comparable. These changes will be made clear using footnotes.

Some information for 2020 had to be completed using projections. In the reporting year, less than 0.1% of Group-related information was reported using projections. [There were no relevant year-on-year changes at the company or in its supply chain.

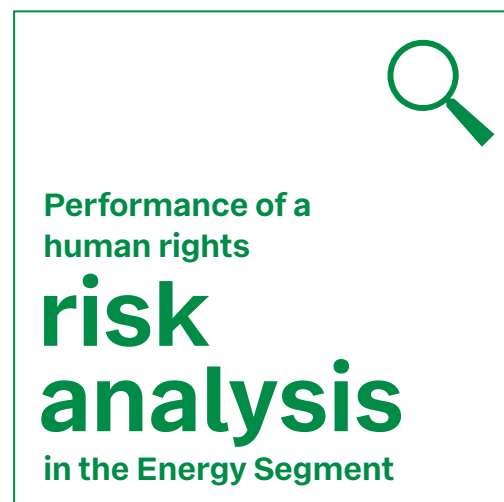
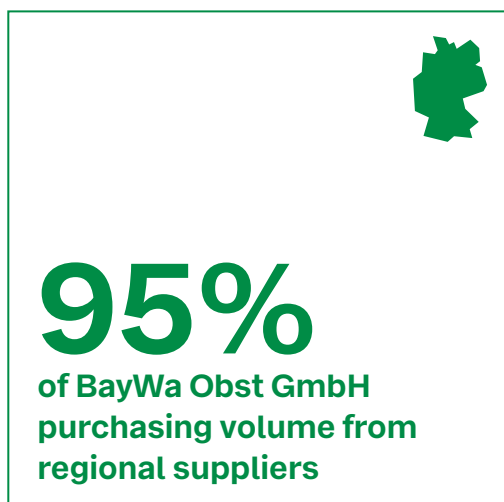
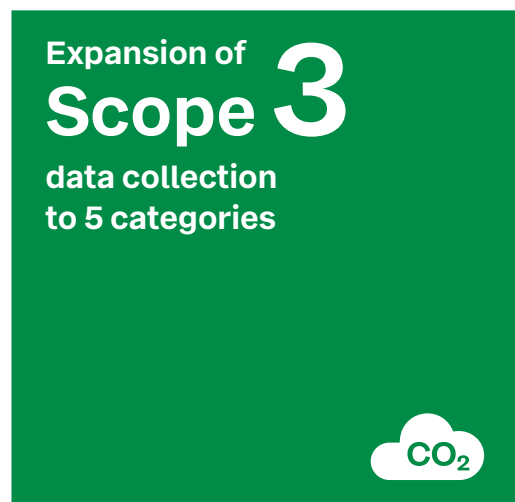
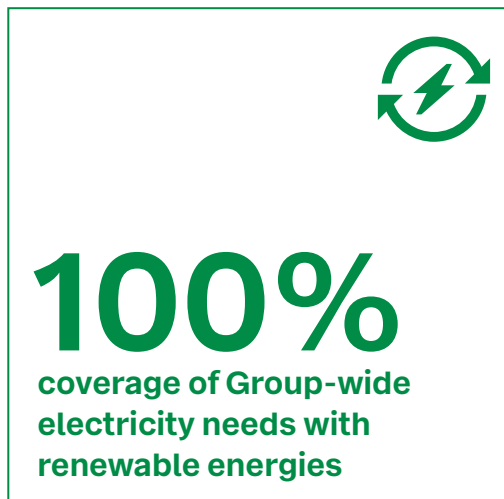
Note from the editor

For improved readability, gender-specific wording and formal reference to all gender identities are not used in this report. The selected form stands for all genders. The editorial deadline was 2 March 2021. The Sustainability Report is available in [German](#) and English.

1 The number of fully consolidated companies reported in financial reporting may deviate from the number reported here.

Our achievements

BayWa achieved a number of important milestones in 2020, from progress on environmental and climate protection to positive developments regarding sustainably certified products, strengthening diversity within the company and remaining committed to society during the coronavirus pandemic. The following pages provide insights into the wide range of sustainability activities at BayWa.



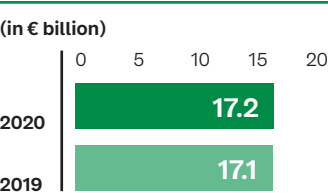
Profile of BayWa

The things that are important to people across the world – healthy nutrition, climate protection and sustainability – are reflected in BayWa’s business model. Since its founding in 1923, the company has focused on basic human needs. As an international group operating in the energy, agriculture and building materials businesses, BayWa helps to responsibly shape the future of our world. It builds plants and systems for renewable energies and helps power the advancement of energy efficiency, develops solutions that make agriculture more efficient in an environmentally sound way and promotes healthy housing in the construction sector.

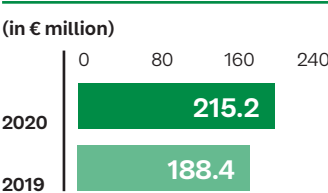
Action driven by values

BayWa’s three core segments – namely the Energy, Agriculture and Building Materials Segments – 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 transformation, which BayWa aims to do through its Innovation & Digitalisation Segment by focusing on the development of new and digital solutions for agriculture and service offerings in eBusiness. Trust, solidity and innovation are hallmarks of how the company does business. These core values at BayWa find expression in transparency, social responsibility and a commitment to global sustainability goals. It is impossible to imagine BayWa without the inherently sustainable Renewable Energies business unit, which is more than ten years old. To promote healthy nutrition and renewable energies, the BayWa Foundation has been supporting sustainable education projects around the world for over 20 years. The largest shareholders of the company, which has been listed in the Prime Standard segment of Deutsche Börse since 2000, include Bayerische Raiffeisen-Beteiligungs-AG, with a 34.5% stake, and Raiffeisen Agrar Invest AG, with a 27% stake. A further 38.5% of shares are free float.

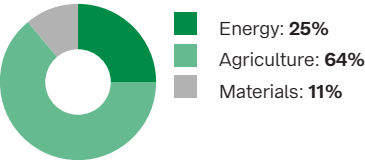
BayWa Group revenues



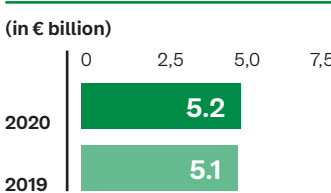
BayWa Group EBIT



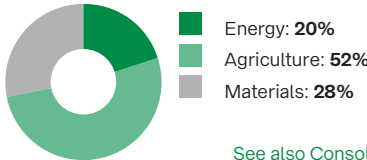
Share¹



BayWa AG revenues



Share¹



[See also Consolidated Financial Report Statements](#)

1 Figures rounded; revenues attributable to the Innovation & Digitalisation Segment and other activities < 1%

There for our customers around the globe

BayWa’s roots are found in agricultural cooperative trading in Bavaria. Nowadays, the Group coordinates some 3,000 locations in 47 countries from its headquarters in Munich. In 2020, the company generated €17.2 billion in revenues with a workforce of 22,000 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. The share of revenues generated abroad stood at 60% in 2020. 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 farmers and foresters, consumers, industry, municipalities, commercial enterprises and trading companies – can rely on the expertise of BayWa’s employees and the manufacturer-independent product range from more than 78,000 suppliers.

Segments for growing needs

BayWa is a major international player in the future market of renewable energies. It has systematically tapped into the wind, solar and biomass value chain through BayWa r.e. renewable energy GmbH (BayWa r.e.) and established a presence in key markets around the world. This includes project business surrounding the planning, project management and construction of wind farms and solar parks, energy trade and trade in components and systems for

photovoltaic plants. In the Conventional Energy business unit, the company markets heating oil, wood pellets, fuels and lubricants, as well as mobility solutions (e.g. in e-mobility), predominantly in Germany and Austria.

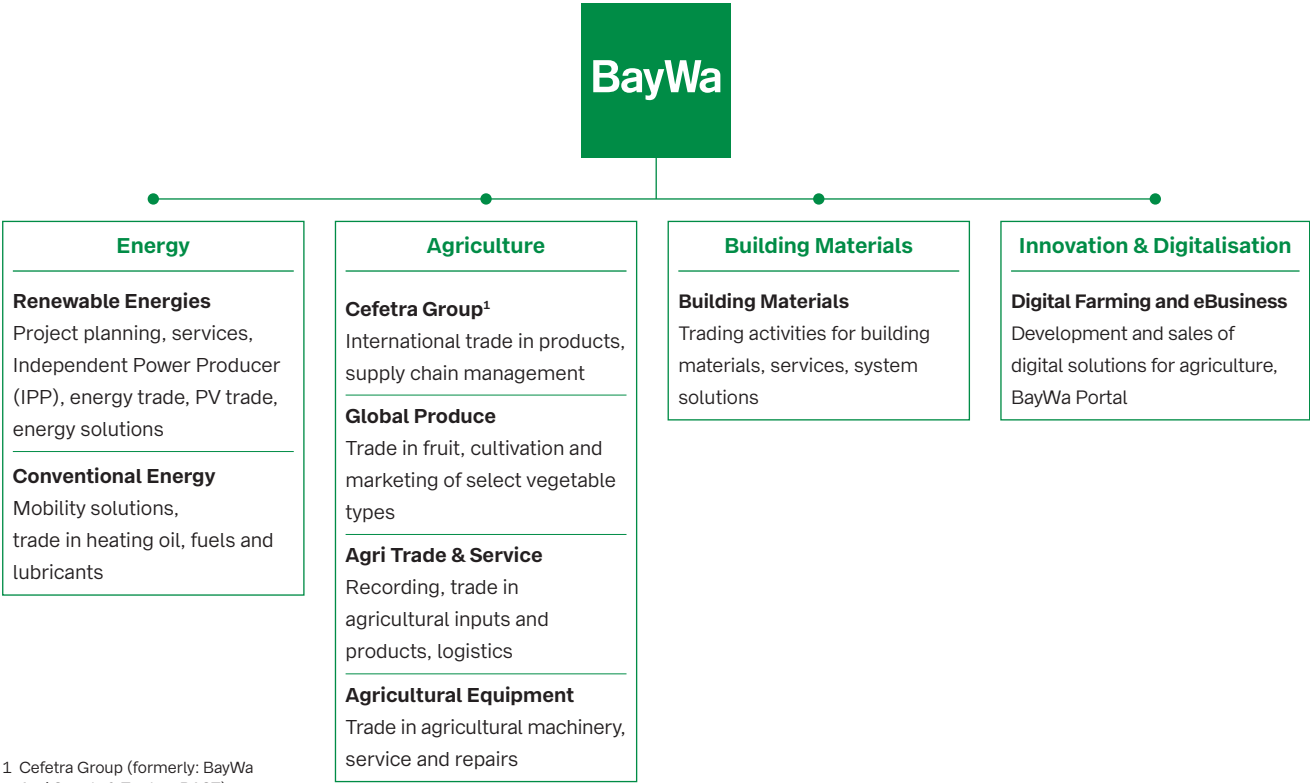
In the Agriculture Segment, BayWa covers nearly the entire value chain in agriculture by combining local presence – during the provision of agricultural inputs such as seed and fertilizers, as well as during harvest collecting activities – with international reach in terms of trade in and logistics for agricultural products, machinery and services. BayWa operates in both the northern and southern hemispheres with its Global Produce business unit. It markets a diverse range of products worldwide: from pome fruit and tropical fruits right up to select vegetable varieties.

In the Agricultural Equipment business unit, BayWa supplies the whole spectrum of machines, devices and systems, along with the corresponding services, as a sales partner to renowned agricultural manufacturers.

In its core regions of southern and eastern Germany and Austria, the Building Materials Segment markets and sells an entire range of building materials, from construction, civil engineering and extensions, to renovations, modernisation, gardening and landscaping. In addition to this, the Building Materials business unit offers a wide range of services and innovative solutions when it comes to energy efficiency, healthy housing and digital construction.

Through its Innovation & Digitalisation Segment, BayWa develops and markets digital products and services for enhancing productivity in agriculture. It also pools the BayWa Group’s e-commerce activities in the BayWa Portal.

BayWa Group



1 Cefetra Group (formerly: BayWa Agri Supply & Trade – BAST)

As at 01/03/2021

Business development

The BayWa Group developed positively overall in 2020, despite the restrictions in many aspects of life and business as a result of the coronavirus pandemic. In certain business units, the corporate goals for the reporting year were exceeded by a substantial margin. Overall, the Energy Segment developed considerably better than expected. The Renewable Energies business unit, which achieved new highs in both revenues and operating result, was the main factor behind this development. The Conventional Energy business unit also exceeded the goals set for the financial year 2020. Likewise, the Building Materials Segment developed better than planned in the reporting year. The Agriculture Segment also achieved a year-on-year improvement in earnings on the whole. In the domestic agricultural business, however, the economic situation remains unsatisfactory. Given the great importance of these business activities for the BayWa Group, the measures aimed at increasing profitability will be continued at an accelerated pace.

On account of the low price, the Energy Segment's revenues stood at €4,245.8 million in total in 2020 and were therefore €228.5 million lower year on year. By contrast, EBIT increased by 12.0% to €142.7 million, thereby setting a new record. All told, revenues in the Renewable Energies business unit increased by 26.6% to

€2,500.6 million. In the reporting year, EBIT stood at €110.9 million following €101.0 million in the previous year. The improvement in both revenues and EBIT is primarily attributable to project sales and growth in solar trading. Furthermore, the strategic development of the business unit was secured by adding a new partner as part of a capital increase. The Conventional Energy business unit benefited in 2020 from strong demand for heat energy carriers. The business unit's revenues fell significantly by 30.2% to €1,745.2 million in the reporting year on account of the low oil price. EBIT improved by 20.5% to stand at €31.8 million, mainly due to good margins in the heating oil and fuel business, and set a new record in the process.

The Agriculture Segment's revenues increased slightly by 1.2% to €10,988.0 million, with EBIT improving significantly by €10.5 million to €107.1 million. Due to the lower handling volume and the reclassification of Evergrain, the BAST business unit's revenues fell by 6.2% to €4,573.0 million. By contrast, EBIT improved by 31.9% to €25.2 million. The improvement in earnings was due to a positive price trend in the second half of the year along with other factors, such as a default on receivables in the previous year in connection with the suspension of bread grain business with Iran. In 2020, the

Global Produce business unit generated revenue growth of 11.2%, bringing the figure up to €938.5 million, and EBIT increased by €4.9 million to €41.8 million. The revenues of the Agri Trade & Service business unit improved by 4.4% to €3,606.7 million, whereas EBIT recorded a net loss of €14.3 million (2019: €7.8 million). This development was mainly due to high restructuring expenses in connection with the reorganisation of the agricultural trade business in eastern Germany. Revenues in the Agricultural Equipment business unit increased by 11.1% to €1,869.8 million. EBIT increased sharply by 65.9% to €54.4 million.

Revenues in the Building Materials Segment rose 11.5% to €1,899.0 million in the reporting year, with EBIT increasing by 46.1% to €46.9 million. The positive sales development contributed to this improvement, as did the successful expansion of the high-margin range of private brands and the linking together of online and stationary sales channels through the Click & Collect function as part of efforts to position the company as an integrated multi-specialist.

In the reporting year, the Innovation & Digitalisation Segment generated revenues of €10.2 million. As predicted, the segment reported negative EBIT of €10.9 million (2019: minus €14.6 million).

Total revenues at the BayWa Group increased by 0.6% to €17,155.4 million in the reporting year. EBIT improved by 14.2% to €215.2 million. All operating segments contributed to the rise in earnings. Earnings before tax also saw a significant increase to €111.2 million – a rise of 40.4% year on year. Due solely to disproportionately high tax expenses of €49.9 million, the consolidated net result for the year was on a par with the previous year at €61.3 million. The Board of Management and Supervisory Board will recommend to the Annual General Meeting a 5-cent increase in the dividend to €1.00 per share.

In the financial year 2020, the BayWa Group invested a total of €464.7 million (2019: €321.5 million) in intangible assets (€44.1 million) and property, plant and equipment (€420.6 million), in addition to the acquisitions made. The investments made in the financial year were primarily for the purpose of repair and maintenance of technical facilities and machinery, buildings, facilities (in construction) and office fixtures and fittings, as modern locations and seamlessly operating facilities are a precondition for efficient logistics processes.

Taxes and political donations

In the financial year 2020, income tax expense for the BayWa Group amounted to €49.9 million, which resulted in a consolidated net result for the year of €61.3 million. In the reporting year 2020, BayWa AG made a donation to political parties in Germany of €4,000 (2019: €0). Every donation is subject to review by the Board of Management, which discusses the proposal in a transparent manner and logs the decision.



BayWa Portal records growth in online trade

By expanding its digital offerings, such as the BayWa Portal, BayWa is also gaining new customers in the Energy, Agriculture and Building Material Segments beyond its traditional regions of southern and eastern Germany. Existing customers also used the BayWa Portal to place orders during the coronavirus pandemic. As a result, the total BayWa Portal order volume more than tripled between March and June 2020 compared with the preceding months. The largest growth was recorded in agriculture.

Strategy and Governance

› Sustainability approach of BayWa › Overview of our goals › Binding values › Good Corporate Governance › Compliance › Dialogue with stakeholders

For generations, BayWa’s corporate strategy has been based on the concept of acting with a responsible approach to people and natural resources. Its lasting success depends on its brand values of trust, solidity and innovation. BayWa attaches importance to trusting relationships with customers, employees, investors and suppliers and is in constant dialogue with its stakeholders. The company’s sustainability goals are aligned with the United Nations Sustainable Development Goals (SDGs). BayWa also observes the principles of good corporate governance, as well as ethical, environmental and legal principles.



THE GLOBAL GOALS

The BayWa sustainability strategy contributes to **10** of the 17 SDGs

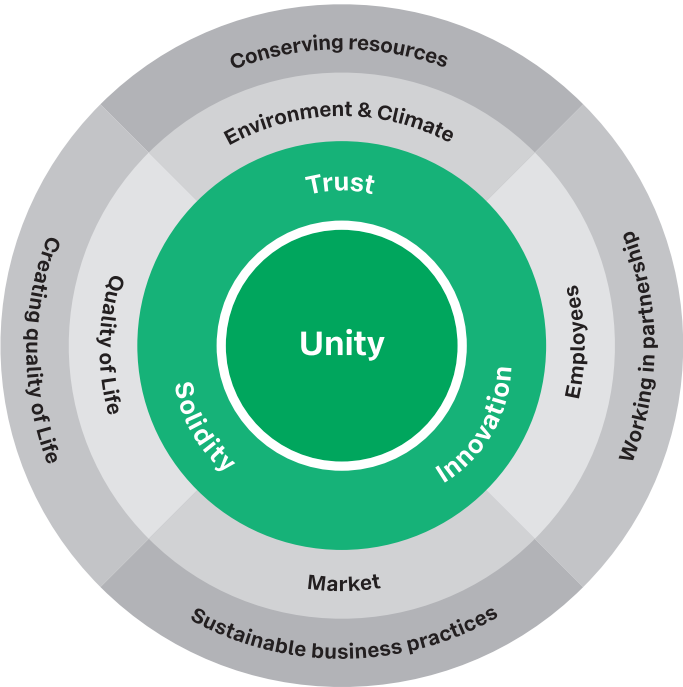


Contents	Introduction	Strategy and Governance	Value Creation and Products	Environment and Climate	Employees and Society	Appendix
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Sustainability approach of BayWa

102-40, 102-42, 102-44, 102-46

Sustainability at BayWa



Tradition and innovation shape BayWa’s understanding of sustainability and of itself as a company. The company has always combined solid, profitable growth with a focus on the interests of future generations. BayWa’s trusting relationships with customers, employees, investors and suppliers are shaped by its origins as a cooperative and are based on its brand values: trust, solidity and innovation (see adjacent diagram). BayWa’s sustainability strategy comprises four fields of action: Market, Environment & Climate, Employees and Quality of Life, which allow it to balance its economic, environmental and social activities.

With its four goals – sustainable business practices, conserving resources, working in partnership and creating quality of life – the sustainability strategy determines the general direction of the Group.

The two subsidiaries T&G Global and BayWa r.e. have pooled their commitment to sustainability in their own ways. In doing so, the two subsidiaries seize on the Group’s goals while addressing regional expectations and key challenges specific to its business.

Since 2018, the New Zealand-based subsidiary T&G Global has pursued an extensive sustainability strategy based on the concept of Kaitiakitanga (Maori for guardianship and protection) that incorporates a wide variety of ecological, social and product-specific aspects throughout the three core areas of people, planet and produce. These aspects include minimising waste, using environ-

mentally friendly packaging, sustainable cultivation methods, responsible collaboration with suppliers, and the promotion of diversity and safety in the company workplace, as well as commitment to society.

The subsidiary BayWa r.e. focuses and structures its sustainability approach in the BayWa r.e. Sustainability Framework 2025. The sustainability goals stipulated therein are based on the Group’s goals and aligned with the United Nations SDGs. With its economic, social and environmental aspects, it covers all three pillars of sustainability.

Material topics

[In 2019, BayWa reviewed its materiality analysis, once again focusing on the United Nations Sustainable Development Goals (SDGs). This combined materiality analysis corresponds to both the requirements of the CSR-Richtlinie-Umsetzungsgesetz (CSR directive implementation act – CSR-RUG) and the Global Reporting Initiative (GRI) standards.


Specifically, BayWa assessed its material topics relating to the contribution it can make to achieving SDGs and analysed the risks and opportunities that arise in relation to this. An initial assessment of 89 defined themes allocated to the SDGs revealed 20 themes considered to have above-average relevance to BayWa. With the help of an external moderator, these 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-Richtlinie-Umsetzungsgesetz (CSR directive implementation act – CSR-RUG).

Besides internal viewpoints, this also involved gathering the opinions of BayWa stakeholders, particularly customers, suppliers, employees, investors and service providers. Experience shows that these groups have the biggest impact on the company. They were requested to participate in an online stakeholder survey covering a total of 20 themes, their relevance to BayWa and their potential negative impacts on the environment, employees and society.


BayWa based this materiality analysis on the SDG business themes.

The results (see figure on page 13) have formed the foundations of sustainability management at BayWa ever since and help to hone in on potential courses of action to achieve the SDGs. In the future, BayWa intends to ramp up its efforts to implement these courses of action. With its climate strategy and the activities intensified in the reporting year to ensure due diligence obligations concerning human rights, BayWa is making a contribution to SDGs 7, 8, 12 and 13. The company's contribution to the SDGs is also shown in the report by the projects of BayWa and its subsidiaries, each of which has been assigned the SDGs. That is also why annual reporting in accordance with the GRI standards is geared towards the material topics and shows progress in pursuing the SDGs.]



BayWa receives improved CDP climate rating

In 2020, BayWa AG achieved a climate rating of B from the Carbon Disclosure Project (CDP) and was thereby able to improve its score by one compared to the previous year (2019: C). The CDP rating of B places BayWa AG above the average for Europe and the industry. This successful performance can be attributed to many factors, including a more fundamental disclosure of climate-related risks and opportunities, a closer link between the climate and corporate strategies, and additional information on greenhouse gas emissions along the value chain (Scope 3). The Carbon Disclosure Project is an international non-profit organisation that every year evaluates the commitment of companies, local governments and countries in the fields of climate and environmental protection.

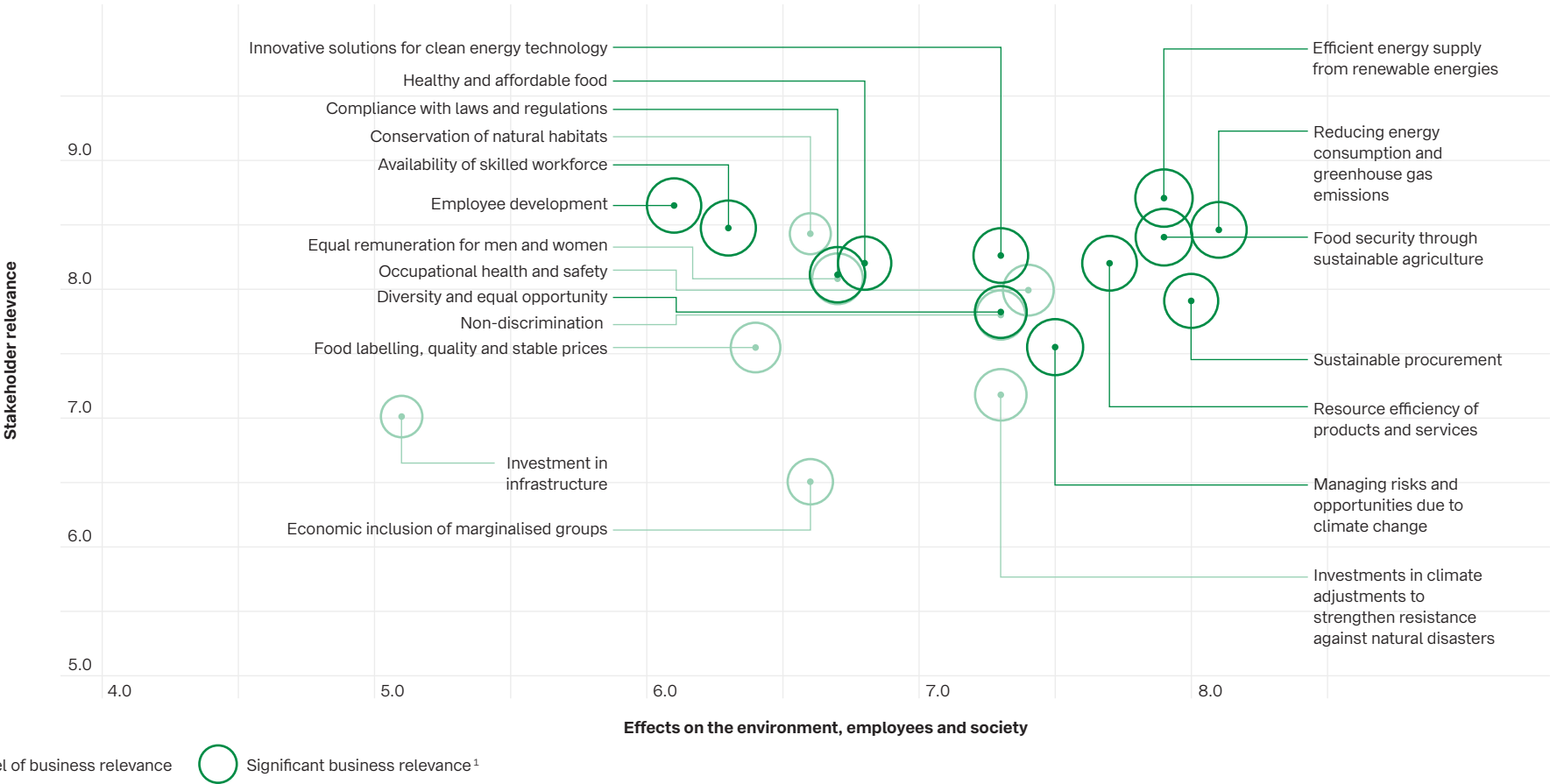


Implementation of the CSR-Richtlinie-Umsetzungsgesetz (CSR directive implementation act – CSR-RUG)

[Given that BayWa AG has published its Non-Financial Group Report pursuant to the CSR-Richtlinie-Umsetzungsgesetz (CSR directive implementation act – CSR-RUG) since 2018 as part of its Sustainability Report, the requirements of the CSR-Richtlinie-Umsetzungsgesetz (CSR directive implementation act – CSR-RUG) must also be taken into account as part of the materiality analysis 2019. All themes have therefore also been reviewed in terms of their importance to the understanding of business performance, business results and the company's position (or simply "business relevance"), as well as their impacts on the environment, employees, society, respecting human rights and on the efforts to fight corruption and bribery (non-financial aspects pursuant to the German CSR-Richtlinie-Umsetzungsgesetz (CSR directive implementation act – CSR-RUG)). The sustainability steering committee has defined a number of themes to focus the management of business where BayWa considers there to be a particularly significant impact on non-financial aspects and significant business relevance.

The overview on page 15 shows the material business themes of the SDGs, the associated aspects and matters as defined in the German CSR-Richtlinie-Umsetzungsgesetz (CSR directive implementation act – CSR-RUG) and the underlying performance indicators. BayWa AG is working towards defining other significant performance indicators, especially in the Market field of action, that aim to operationalise associated matters and make them controllable.]

Results of the materiality analysis



1 A significance threshold was introduced to focus the management of business through performance indicators.

Material themes for the strategy and report

based on the business themes of the UN Sustainable Development Goals (SDGs)^{1, 2}

102-46, 102-47



- Healthy and affordable food
- Food labelling, quality and stable prices
- Food security through sustainable agriculture
- Indirect economic impacts (i, o) • Marketing and labelling (i, o)
- Local communities (o) • Procurement practices (o) • Customer health and safety (i, o) • Healthy and affordable food (o)
- Economic performance (i, o) • Energy (i, o) Supplier environmental assessment (o)



- Occupational health and safety
- Indirect economic impacts (i, o) • Emissions (i, o) • Effluents and waste (i, o) • Marketing and labelling (i, o) • Customer health and safety (i, o) • Occupational health and safety (i)



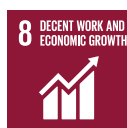
- Equal remuneration for men and women
- Diversity and equal opportunity
- Procurement practices (o) • Diversity and equal opportunity (i)
- Employment (i) • Training and education (i) • Economic performance (i, o) • Indirect economic impacts (i, o) • Non-discrimination (i, o) • Supplier social assessment (o)



- Managing risks and opportunities due to climate change
- Reducing energy consumption and greenhouse gas emissions
- Investments in climate adjustments to strengthen resistance against natural disasters
- Efficient energy supply from renewable sources
- Innovative solutions for clean energy technology



- Energy (i, o) • Emissions (i, o) • Materials (o) • Effluents and waste (i, o) • Environmental compliance (i, o) • Economic performance (i, o) • Indirect economic impacts (i, o) • Supplier environmental assessment (o)



- Availability of skilled workforce
- Economic inclusion of marginalised groups
- Non-discrimination
- Employee development
- (i) Procurement practices (o) • Economic performance (i, o)
- Market presence (i, o) • Training and education (i) • Employment (i) • Energy (i, o) • Supplier social assessment (o)
- Non-discrimination (i, o) • Occupational health and safety (i)
- Materials (o)



- Investments in infrastructure
- Indirect economic impacts (i, o)



- Sustainable procurement
- Resource efficiency of products and services
- Emissions (i, o) • Energy (i, o) • Environmental compliance (i, o)
- Procurement practices (o) • Marketing and labelling (i, o)
- Materials (o), Effluents and waste (i, o) • Supplier environmental assessment (o) • Supplier social assessment (o)



- Conservation of natural habitats
- Procurement practices (o) • Environmental compliance (i, o)
- Emissions (i, o) • Materials (a) • Energy (i, o) • Waste and waste water (i, o) • Environmental assessment of suppliers (o)




- Compliance with laws and regulations
- Anti-corruption (i, o) • Environmental compliance (i, o)
- Indirect economic impacts (i, o) • Socioeconomic compliance (i, o) • Anti-competitive behaviour (i) • Public policy (i) • Customer health and safety (i, o) • Marketing and labelling (i, o)
- Human rights assessment (o) • Local communities (o)
- Non-discrimination (i, o) • Supplier social assessment (o)








¹ The following SDGs are not considered material for BayWa: Clean Water and Sanitation; Quality Education; Sustainable Cities and Communities; Reduce Inequality within and among Countries; No Poverty; Life Below Water; Partnerships to achieve the Goals. For information on the methodology, see pages 11–13.

² Source: UN Sustainable Development Goals, UN Guidelines for Use of SDG logo and 17 icons; German translation: United Nations Information Service, Vienna

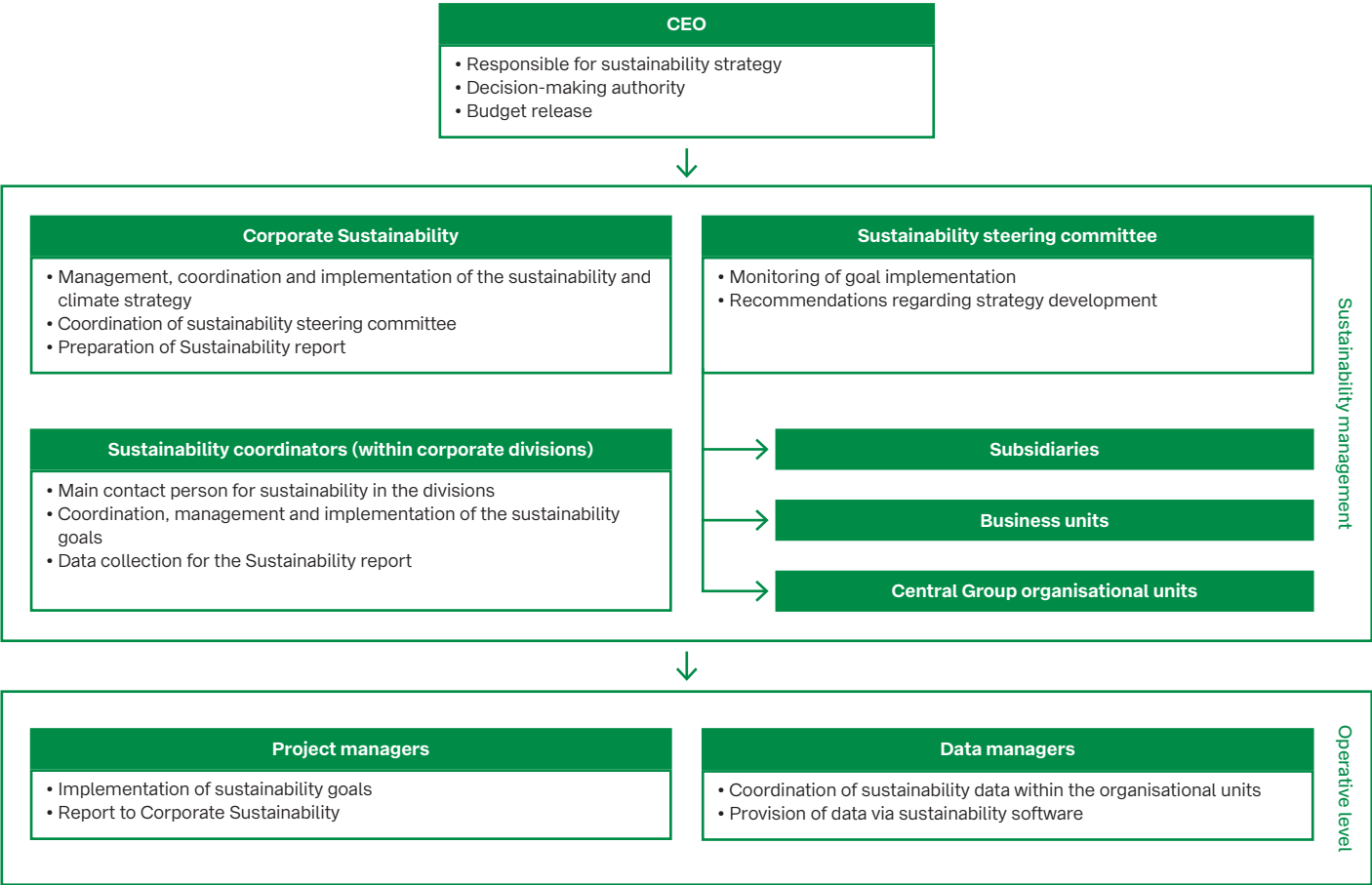
³ Significant within (i) or outside (o) the organisation; attribution based on: Linking the SDGs and GRI; attribution to multiple categories possible

The separate non-financial report pursuant to Section 315b German Commercial Code (HGB) of BayWa Aktiengesellschaft, Munich, which was combined with the non-financial report pursuant to Section 289b German Commercial Code (HGB) of BayWa Aktiengesellschaft, Munich, comprises the sections and other information listed below. These sections and other information have been marked in the Sustainability Report using green square brackets and a green tick  at the end of the closing bracket and have been subject to a limited review by Deloitte.

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SDG	Themes with significant importance to the understanding of business performance, the business results and the position of the company, as well as impacts on the aspects pursuant to the German CSR-Richtlinie-Umsetzungsgesetz (CSR directive implementation act – CSR-RUG)	Aspects pursuant to the German CSR-Richtlinie-Umsetzungsgesetz (CSR directive implementation act – CSR-RUG)	Corresponding areas	Significant performance indicators	Sections and page numbers in the Sustainability Report
					Framework used p. 4; business model pp. 6 / 7; process and findings of the identification of aspects and risks to be reported pp. 11 – 16, 20
	Reducing energy consumption and greenhouse gas emissions	Environmental concerns	Energy and emissions	Energy consumption and greenhouse gas emissions (Scope 1 and 2)	Management concept pp. 49 – 51 and the identified significant performance indicators pp. 52 / 53
	Managing risks and opportunities due to climate change	Environmental concerns; social concerns	Energy and emissions	Not yet defined	Management concept pp. 49 – 51
	Innovative solutions for clean energy technology	Environmental concerns	Energy and emissions	Not yet defined	Management concept pp. 49 – 51
	Efficient energy supply from renewable sources	Environmental concerns	Energy and emissions	Not yet defined	Management concept pp. 49 – 51
	Resource efficiency of products and services	Environmental concerns	Transport and logistics	Greenhouse gas emissions from transports with own and leased vehicles (Scope 1)	Management concept pp. 55 – 57 and the identified significant performance indicators p. 57
	Sustainable procurement	Respecting human rights	Human rights due diligence	Not yet defined	Management concept pp. 30 / 31
	Food security through sustainable agriculture	Social concerns	Product responsibility	Not yet defined	Management concept pp. 32 – 42
	Healthy and affordable food	Social concerns	Commitment to healthy eating	Number of campaign days to promote healthy eating	Management concept pp. 74 / 75 and the identified significant performance indicators p. 75
	Diversity and equal opportunity	Employee concerns	Inclusion & Diversity	Proportion of women in management positions	Management concept pp. 66 – 68 and the identified significant performance indicators p. 69
	Availability of skilled workforce	Employee concerns	Training and education	Training hours per employee	Management concept p. 70 and the identified significant performance indicators p. 71
	Employee development	Employee concerns	Training and education	Training hours per employee	Management concept p. 70 and the identified significant performance indicators p. 71
	Compliance with laws and regulations	Efforts to fight corruption and bribery	Compliance	Number of employees who received trainings	Management concept pp. 21 / 22 and the identified significant performance indicators p. 23

Organisational structure Sustainability, BayWa Group



Negative impacts



[Upon review of the twelve significant business issues as identified with regard to potential negative impacts on the environment, employees, society and human rights, BayWa came to the conclusion that although the company may have a negative impact in these respects in its role as a major player in the market, the impacts should not be classified as severe in all cases. Risks to be reported pursuant to Section 289c para. 3 of the German Commercial Code (HGB) therefore do not exist at the present time. Details on existing risks can be found in the Opportunity and Risk Report in the consolidated management report.] ✓

Sustainability organisation within the Group

[Corporate Sustainability at BayWa Group headquarters manages and develops this theme company-wide and reports directly to the Chief Executive Officer. The division is supported in its work by the sustainability steering committee, which is made up of representatives from the central organisational units, all business units and the reporting subsidiaries. It meets at least twice a year. All business units and companies included in this report have permanent contacts for matters relating to sustainability (see adjacent diagram). All fully consolidated companies of the BayWa Group were included in the non-financial reporting pursuant to the German CSR-Richtlinie-Umsetzungsgesetz (CSR directive implementation act – CSR-RUG) for the first time in the past reporting year (as at 30 September 2020).] ✓

Overview of our goals

In 2021, BayWa is working towards its 2025 sustainability targets, which define the course for the next four years.

Field of action	Topic	Progress in 2020	Outlook 2025
 Market	Governance and data quality	<ul style="list-style-type: none"> ★ Implementation of Group-wide sustainability software to optimise data recording and enhance transparency ★ Establishment of a sustainability organisation and a sustainability steering committee within the Group ★ Creation of further sustainability responsibilities at the Group and direct reporting channel from the Corporate Sustainability department to the BayWa CEO 	<ul style="list-style-type: none"> ➔ Implementation of new regulatory requirements (e.g. EU taxonomy, Green Deal)
	Due diligence	<ul style="list-style-type: none"> ★ Performance of risk analysis on social and environmental factors in the Energy Segment 	<ul style="list-style-type: none"> ➔ Risk analysis for all BayWa segments ➔ Establishment of a due diligence process along the value chain
 Environment & Climate	Energy consumption and GHG emissions	<ul style="list-style-type: none"> ★ Resolution of a Group-wide climate strategy with fixed objectives to reduce energy consumption and GHG emissions: first climate objective of sourcing 100% of electricity from renewable energies achieved in 2020 	<ul style="list-style-type: none"> ➔ Expansion of climate strategy (incl. Scope 3, carbon insetting) ➔ Analysis and integration of further environmentally relevant topics, e.g. biodiversity, water, ecological assessments for products
	Transport and logistics	<ul style="list-style-type: none"> ★ Implementation of measures to ensure the efficient and sustainable design of transport and logistic processes 	
 Employees	Employee training	<ul style="list-style-type: none"> ★ Integration of the topic of sustainability into training programmes ★ Established training courses on compliance, data protection and environmental management ★ Established professional development concept for employees 	<ul style="list-style-type: none"> ➔ Expansion of employee sustainability training ➔ Promotion of Inclusion & Diversity
	Future scenarios	<ul style="list-style-type: none"> ★ Climate-resistant agriculture: determining the potential effects of climate change on BayWa's activities in the Agriculture Segment and development of business scenarios and courses of action 	<ul style="list-style-type: none"> ➔ Development of a strategy and definition of business opportunities to adjust to climate change in the agricultural value chain ➔ Expansion of partnerships
 Quality of Life			

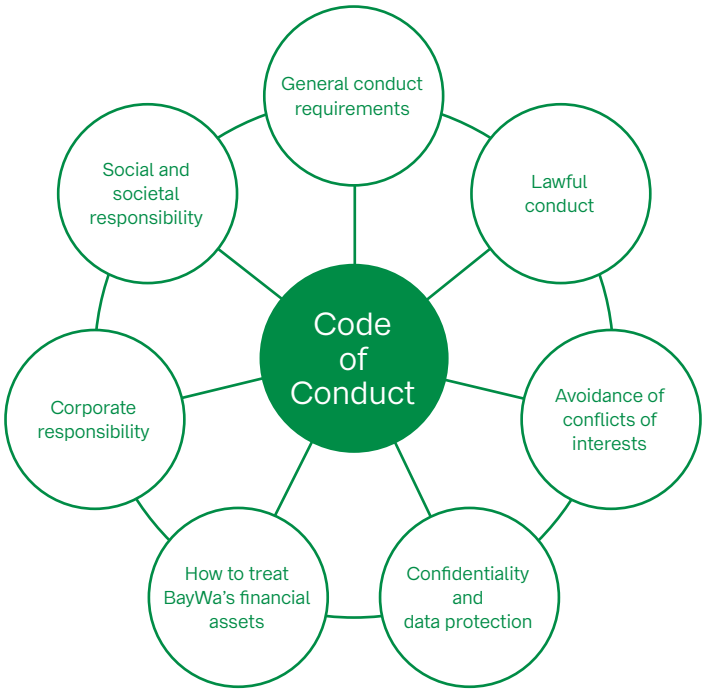
Binding values

As a company with cooperative roots, responsible and sustainable action has always been instrumental at BayWa. The company’s brand concept allows it to present employees, customers, the capital market and the general public with a uniform and reliable image of what it stands for: 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 embraces unity on social, ecological 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 Group-wide **Code of Conduct** obliges all employees, regardless of the organisational unit, region or hierarchical level, to display integrity and ethically and legally impeccable conduct towards suppliers, customers, colleagues and society as a whole. The Code of Conduct sets the standards for general business conduct, as well as for topics such as legal conformity, the avoidance

Components of BayWa’s Code of Conduct



of conflicts of interest, data protection and the protection of human rights (see diagram). It represents the minimum standard for all Group companies, both in Germany and abroad. In addition, individual companies are also free to implement their own codes of conduct. These include the RWA AG Code of Conduct, the Cefetra B.V. Employee Manual and Code of Conduct or the “UNSER LAGERHAUS” Code of Ethics.

Standards of conduct for managers are defined in BayWa’s management policy. This guiding principle was revised in 2020 as part of the Leadership Conference. Building on the experience of BayWa’s senior managers with these topics, we developed the basis for “BayWa Next Leadership”. The guiding principle includes the leadership qualities that unite the company and lead us into a successful future. The results will become core components of BayWa’s talent management and leadership development.

Good Corporate Governance

BayWa regards honest and lawful conduct as a critical prerequisite for long-term economic success. With respect to good Corporate Governance, the Group uses the recommendations of the German Corporate Governance Code (GCGC) and other sources as guides. BayWa publishes information on the Group’s leadership and control structure and other areas of Corporate Governance in the [Corporate Governance Report](#).

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 control structure. By cooperating closely, the two boards ensure sustainable added value.

As at 31 December 2020, **the Board of Management** consisted of five members. It manages the company, develops its strategic orientation and ensures implementation. The Board of Management is also responsible for risk management and compliance and 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), shareholder and employee representatives also sit on the Supervisory Board to ensure codetermination on the basis of parity. For the purposes of efficient control, the board works in six specialised committees. Personal qualifications are a key factor for appointments to the Supervisory Board and Board of Management. 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 on the basis of parity. For such companies, the Gesetz für die gleichberechtigte Teilhabe von Frauen und Männern an Führungspositionen in der Privatwirtschaft und im öffentlichen Dienst (German equal participation of women and men in leadership positions in the private and public sector act – FührungsGleichberG) stipulates a fixed gender quota of 30% women on supervisory boards. BayWa takes this requirement into account. 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 the Supervisory Board to appoint 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.

Avoiding 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 include any that could occur due to consultancy or board functions carried out for customers or business partners. No acting members of BayWa AG’s Board of Management belong to the Supervisory Board.

The remuneration system for the Board of Management, including key contractual components, is reviewed by the Supervisory Board once a year. Total remuneration consists of a fixed salary, as well as short- and long-term variable components. In 2020, total remuneration for the Group’s Board of Management amounted to €10.7 million (2019: €9.4 million). The remuneration of Supervisory Board members is based on their responsibilities and the scope of their tasks. In 2020, total remuneration for the Supervisory Board amounted to €1.1 million (2019: €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 burnish their qualifications by regularly taking part in conferences and symposia.

Management of opportunities and risks

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. The risk management system is monitored and managed by a Risk Board, which is headed by the Chief Executive Officer and meets regularly to discuss and assess operational opportunities and risks.

It monitors business development at least once each month on the basis of Group-wide financial data, and every quarter in the form of a comprehensive business review. All divisions have risk officers, who are responsible for implementing the reporting process.

[The Board of Management is responsible for dealing with environmental and social risks and opportunities, which also includes dealing with climate-related risks and opportunities. Sustainability management is assigned to the Chief Executive Officer. Since 2013, reports on the current status of the company’s sustainability activities have been made to the entire Board of Management during its meetings every six months.

In the reporting year, Corporate Sustainability focused on the presentation of the implementation standards for the Group-wide climate strategy and, in particular, the achievement of the first climate target: covering the entire electricity needs with energy from renewable sources. It also presented initial results on dealing with the effects of climate change in agriculture and recommended actions for expanding into additional business areas and products. Focus was also placed on the current implementation status of the Group-wide project to fulfil due diligence obligations concerning human rights in the BayWa Group’s value chain.] ✓

Climate-related risks and opportunities

Climate change is causing physical and transitory risks with an impact on agricultural trade activities and logistics. A long-term shift in climatic conditions could fundamentally change global agricultural production and the flow of goods. Unforeseeable fluctuations in seasonal – in other words, short-term – agricultural collecting quantities, in some cases significant, constitute a major physical risk for agricultural operations and trade. In logistics, effects such as low water levels lead to a shortage of capacities and therefore to rising transport costs. These extreme events mostly occur seasonally, in other words for a short time. By contrast, the growing volatility of market prices for agricultural goods,



Flower mixes and blockchain technology to boost biodiversity

In 2020, BayWa sold nearly 30% more mixed flower seeds than in the previous year. As a result, BayWa customers in Bavaria, Baden-Württemberg and eastern Germany increased the scale of areas with flowering plants by more than 4,300 hectares in purely arithmetic terms, helping enhance biodiversity. To make cultivation of strips of flowering plants sustainable in economic and ecological terms, BayWa is relying on forward-looking technologies. Satellite-based soil analyses are used to identify low-yield areas of a field and use them for flowering plants, which are ecologically beneficial. Under the Combayn brand, BayWa IT GmbH also develops blockchain solutions to handle sponsorships for areas of flowering plants automatically and transparently. Private individuals, companies and organisations are all welcome to sponsor these areas as a way to promote biodiversity.

which leads to an increase in market activity and opens the door to leveraging opportunities in agricultural trade, has a favourable effect on the business performance of BayWa.

Short-term and medium-term physical risks, such as El Nino or a drought in northern Europe, are identified and evaluated in weekly meetings with the trading and risk departments, and the results are used to draw up a game plan.

The effects of long-term physical risks on the individual business models are evaluated by an internal working group, using publicly available climate models. For example, apple cultivation in the Lake Constance region was analysed using the RCP4.5 model; relevant climate factors such as frost days, precipitation or hail were varied differently in order to evaluate their influence on apple production

and, in the process, on factors such as pollination rate or soil erosion. The long-term risks and opportunities identified are then evaluated by a group of experts, presented to the Board of Management in a risk report and included in the business model planning.

Transitory risks affect the BayWa Group in the agricultural business, among other areas. The reasons for this include the German Fertiliser Application Ordinance (DüV), according to which farmers must calculate their nitrogen balance. Biogas fermentation residues of plant origin, along with other factors, are now included in the application limit for organic nitrogen. For example, the reduction of the annual maximum nitrogen input has a direct impact on the revenue of BayWa AG’s agricultural input business. In the medium to long term, it is conceivable that any future reductions in the annual application volume will reduce revenue further.

Compliance

Compliance violations can have far-reaching consequences – for companies and for society. As a result, corruption, along with other factors, is a major obstacle to development. As a global trading company, BayWa also operates in countries that face higher potential for corruption and bribery. The associated risks are poorer long-term business performance, possible criminal and civil proceedings, the erosion of corporate culture and a badly tarnished reputation. That is why lawful conduct is essential to good Corporate Governance.

Compliance audit areas

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

Guidelines, structures and processes

Corporate Compliance is responsible for all affiliated companies in which the Group holds a majority share and is headed by the Chief Compliance Officer, who reports directly to the Chief Executive Officer. [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 affiliated company level, and risk-mitigating measures are incorporated into the management system. Corporate Compliance’s activities focus on the following areas:

- corruption prevention,
- antitrust law,
- fighting money laundering,] ✓
- customs/export control and
- 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 together closely in internal investigations. With regard to the Group-wide implementation of compliance rules, officers in the business units and at Group companies with their own operations assist Corporate Compliance by regularly reporting to it.

Customer concerns, comments and complaints that BayWa receives in person, by telephone, email, fax or post are forwarded directly or through a complaints management system to the

department responsible. Employees who suspect unlawful practices can report their grievances at BayWa AG and the subsidiaries either to Corporate Compliance or a trusted third party. They will look into the tip-off and take any necessary action. Employees and business partners can also submit reports through an anonymous whistle-blower system. BayWa provides further information on reports on the internet. All tip-offs are treated confidentially in accordance with EU minimum standards on the protection of whistle-blowers.

The Corporate IT Security organisational unit, which is part of the Chief Information Officer (CIO) organisation Group IT, will support the successive introduction of an information security management system (ISMS) in other IT-relevant Group units over the next few years.

BayWa AG is working with the IT service provider BayWa IT GmbH, which is certified according to the international ISO 27001 standard and operates an ISMS. One of the requirements of the Corporate Policy on information security is an ISMS at IT-relevant companies.

Group IT/IT Security’s activities focus on the preparation of Group-wide IT security guidelines, the performance of security reviews and audits at companies, training and information courses for employee familiarisation and to qualify security officers at Group units.

[RWA AG has its own compliance management system headed by a compliance officer. Both compliance organisations maintain close contact.

Since 2015, Corporate Audit has performed Group-wide compliance testing in the audit fields listed on [page 21](#). The subsidiaries of RWA Group and T&G Global determine the focal points of audits independently.]

Objectives

[The compliance organisation’s principal objective is to sensitise Group employees to compliance risks as part of a preventative approach. By doing this, BayWa plans to avert damage caused by compliance violations throughout the company and increase the value of BayWa over the long term. Efforts to achieve this include the continuous development of existing systems in the areas of anti-corruption, antitrust law, money laundering prevention,]

Furthermore, there are also plans in IT-relevant Group units to systematically establish and expand existing ISMSs or ISMSs currently in development at companies. Group IT/IT Security is also providing support in this area.

Measures

[In the years ahead, BayWa will be taking the following measures to further enhance the existing anti-corruption, antitrust, money laundering prevention, data protection and IT security systems:]

Area	Measures
Anti-corruption, antitrust and money laundering prevention	<ul style="list-style-type: none"> [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 line with the Verbandssanktionengesetz (German association sanctions act – VerSanG)]
Data protection	<ul style="list-style-type: none"> Further development of the data protection management system (DMS) due to new legal requirements, such as the implementation of the Court of Justice of the European Union judgement of 16 July 2020 (“Schrems II”) Inclusion of new companies into the structures of the data protection management system Inclusion of new companies into the existing online training offerings on data protection law and regular updates to training content Ongoing reviews with regard to the implementation of data protection law requirements
IT security	<ul style="list-style-type: none"> 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

[In accordance with the three core elements of the compliance management system – inform, train, advise – BayWa manages to establish a common understanding of and familiarisation with compliance using targeted communication measures, training workshops and online training courses. All relevant information, such as guidelines, is available on a dedicated intranet page. Compliance training is mandatory for managers and for employees who have direct contact with customers, suppliers or competitors, with a focus on issues such as antitrust law, anti-corruption, money laundering] and data protection.

Tax concept

BayWa’s approach as a globally active company is to fully meet its social and 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.

BayWa’s guiding principle with regard to taxes is therefore to comply in full with the applicable tax laws and regulations in the markets and jurisdictions in which it operates.

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

The Board of Management as a whole is responsible for meeting tax obligations. Within the Board of Management, taxes are the remit of the Chief Financial Officer’s department.

The tax department (Corporate Tax) and the individual service centres (Financial Services and HR Shared Service Center) are responsible for operative implementation and monitoring. Checks are also performed within the scope of general risk management by Corporate Audit and within the scope of audits of the internal control system (ICS) by public auditors. BayWa reports at length on its outstanding and deferred tax assets and liabilities as part of its audited and certified consolidated financial reports in accordance with the International Financial Reporting Standards (IFRS).

Stakeholders’ interests are taken into account through the aforementioned risk-averse tax strategy, the operative implementation of which is always guided by the necessities in connection with protecting the company’s assets. BayWa pursues a policy of open and transparent exchange with the tax authorities.

Within the scope of its financial reporting in accordance with IFRS, BayWa AG reports at length on its tax position. 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 2020 were not yet available in an adequately prepared form at the time of publication.

Performance indicator and results

[During the reporting year, a total of 468 employees (2019: 804) of the BayWa Group completed on-site training on compliance, and 5,375 (2019: 5,335) employees took part in online training on compliance. The range of online training courses on the subject of compliance was expanded and access and availability improved. At BayWa, compliance training covers antitrust, anti-corruption and money laundering topics.]

In addition, 6,082 people (2019: 3,743) received online training on data protection in 2020, with 8,784 employees (2019: 8,200) receiving IT security training. The online data protection training course of BayWa AG has also been organised at Group company level since the previous year. All affiliated companies that fall within the area of application of the EU General Data Protection Regulation (GDPR) are advised and supervised by a BayWa AG specialist department to ensure a consistently high level of data protection throughout the Group.

[In 2020, Corporate Audit conducted a total of six compliance audits on antitrust law or anti-corruption at six BayWa AG companies at 211 locations. Select BayWa divisions and Group companies also underwent review at various additional compliance workshops. In the process, BayWa found no significant corruption and antitrust risks.] BayWa AG and the Bundeskartellamt (German federal antitrust authority) have reached an agreement to end the administrative offence proceedings that had been ongoing since March 2015 relating to BayWa AG and other crop protection wholesalers. BayWa AG has opted to bring the complex and resource-intensive legal proceedings to a conclusion by means of a settlement that includes a payment of €68.6 million. A corresponding fine notice was issued to BayWa AG on 8 January 2020. BayWa AG fully cooperated with the Bundeskartellamt in investigating the allegations.

Compliance training¹

	BayWa AG		BayWa Group	
	2019	2020	2019	2020
Participants at compliance training courses ²	243	342	804	468
Participants at online compliance training courses	4,519	866	5,335	5,375

1 The training interval for on-site training courses is three years, for online training courses two years. For this reason, the information for 2020 is not directly comparable to the information for 2019.
2 Including virtual live training courses that could not be held in person due to the coronavirus pandemic.

Dialogue with stakeholders

102-40, 102-42, 102-43, 102-44



Regular visits, for example by sales staff, are the most important opportunity for contact between **customers** and BayWa AG and its subsidiaries. Due to the restrictions on personal contact in the course of the coronavirus pandemic, meetings were held virtually on a wider scale in 2020. The Group regularly measures customer satisfaction in the individual business units. Surveys were also conducted in the reporting year on issues such as customer satisfaction with BayWa products and services. At the BayWa subsidiary Cefetra B.V., employees complete surveys following customer contact.

BayWa cultivates strategic dialogue with **suppliers**, such as through annual audits. During the harvest season, the Global Produce business unit’s wholesale markets hold regular events to inform producers about current topics such as quality requirements, acceptance times and current market conditions. Cefetra B.V. is in regular dialogue with its suppliers through various sustainability certification schemes and audits, especially for soya. BayWa r.e. maintains long-standing and close relationships with suppliers, with whom BayWa r.e. engages in constant dialogue regarding the high quality standards that BayWa r.e. has for its suppliers.

Group-wide, BayWa informs its **employees** of current developments through its employee magazine, employee app and its intranet. One member of the Board of Management and the head of Corporate HR always take part in regular employee meetings convened by the Works Council. Cefetra B.V. uses this approach to inform employees four times a year of operational changes. T&G

Global offers a variety of activities to increase employee involvement in the realisation of sustainability. T&G employees, for instance, are able to attend ONEChange workshops, which focus on how everyone can make a contribution to making T&G Global’s business activities more environmentally and socially friendly. As part of the introduction of the Sustainability Framework 2025, BayWa r.e. has invited all employees to get actively involved in the ideas and measures for achieving the sustainability objectives. For example, a whiteboard on which ideas and projects related to sustainability can be proposed and discussed has been set up on the Group-wide intranet. In addition, interested employees can get directly involved in working groups as part of the Sustainability Framework 2025 so as to actively participate in shaping the defined sustainability objectives or develop their own local projects with the support of the company.

Employees can submit their ideas for improvement through the employee suggestion scheme. A total of 177 ideas were received in 2020 (2019: 442).

Listed companies are obliged to provide **investors** with comprehensive information on the business development of the company promptly and without prejudice. This takes place through required publications and within the scope of 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 day-to-day dialogue with capital market investors.

102-40, 102-42, 102-43, 102-44

In its dealings with the **general public**, the Board of Management’s members adopted positions on current topics in presentations and at podium discussions, most of which were held online in the reporting year due to the pandemic-related restrictions. Furthermore, they are represented in some 150 associations, clubs and academic institutions, including DLG e. V., the German Raiffeisen Federation (Deutscher Raiffeisenverband e. V.) and the Technical University of Munich. Through its active participation in industry associations in many countries, BayWa r.e. is dedicated to making the energy transition a success. Moreover, activities such as the construction of wind turbines and free-standing solar parks depend on transparency and timely, intensive dialogue with local communities and authorities. BayWa r.e. also pursues multiple compliant approaches to allow communities and local residents to participate in the construction of new facilities. For example, residents of Hemer, a city in the German state of North Rhine-Westphalia, were able to invest in their local BayWa r.e. Wind GmbH wind farm through crowdfunding.



Smart Farming Challenge winner uses artificial intelligence to look “under” clouds

The Danish start-up ClearSky Vision won this year’s BayWa Smart Farming Challenge. The up-and-coming company uses artificial intelligence (AI) to look “under” clouds on satellite images. Today, satellite images already perform a valuable service for modern agriculture by helping farmers to fertilize and water specific fields or plant flower strips, among other things. However, most satellite images can only be used when taken in cloudless conditions. Based on cloud simulations using satellite images, ClearSky Vision has trained its AI to forecast a variety of parameters regardless of the weather. The innovation from the Danish start-up could enable farmers to use satellite images year-round in the future, regardless of the weather.



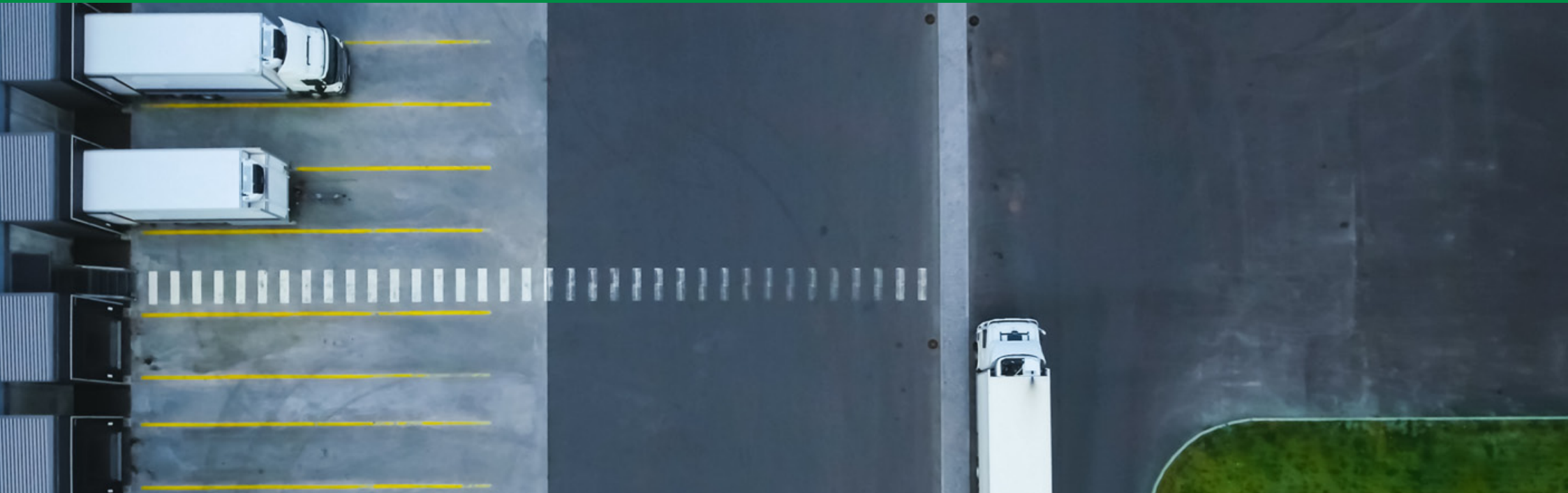
Value Creation and Products

› Initiatives of the Group › Procurement › Protecting human rights across the value chain › Product responsibility

With its products and services, BayWa meets basic human needs – food, energy, mobility, heat and shelter. The company meets global challenges such as climate change by developing innovative solutions for reducing greenhouse gas emissions and for adapting to climate change in the fields of renewable energies, agriculture and construction. As an international group, BayWa works worldwide with a wide range of business partners. To ensure responsible procurement, the company takes a closer look at its supply chains as part of a human rights risk analysis, among other methods. In addition, BayWa pays attention to high quality and safety standards in its value chains.



Human rights
analysis in the value
chain initiated



Initiatives of the Group



BayWa r.e.

Agri-PV: dual harvest on farmland

In multiple Agri-PV pilot projects in the Netherlands, BayWa r.e. and its subsidiary GroenLeven are investigating how the use of solar modules can be successfully combined with the cultivation of berries. Under the modules, crops find good climatic conditions and protection from extreme weather events – both of which are growing ever more important for speciality crop farming due to climate change. The projects have demonstrated that it is possible to improve the quality of the fruits and reduce production costs. Additionally, this cultivation method helps to protect important resources by increasing the efficiency of land use while reducing plastic waste and water consumption.

Cefetra B.V.

Cefetra B.V. starts calculating emissions at CRS-certified soya farms

Cefetra B.V. wants to reduce greenhouse gas emissions along its supply chain. To achieve this goal, the company initiated a project in 2020 to assess greenhouse gas emissions on CRS (Certified Responsible Soya) certified farms. Using the Cool Farm Tool, which determines GHG emissions on the basis of various input factors related to cultivation methods and operations, the project compares the emissions of CRS-certified farms with those that have not obtained certification. In doing so, Cefetra aims not only to quantify emissions and identify potential for reduction, but also to better understand the various methods for their calculation at the same time.



T&G Global – Global Produce

First “climate change-resistant” apple from T&G Global

T&G Global is starting to market the first apple that is resistant against climate change. The new variety goes by the name “HOT84A1” and retains its eating qualities even in high temperatures and dry conditions. Crisp, juicy and sweet, the new cultivar is a product of the international, cross-sector Hot Climate Programme. T&G Global is the exclusive commercial partner of the cultivation scheme. Another positive effect of the heat-resistant variety is that the crops require less fertilizer and water.

Procurement

With an annual procurement volume of over €26 billion, the impact that BayWa’s purchasing behaviour has on conditions at suppliers’ places of business is by no means insignificant. For example, any serious violations of compliance with environmental and social standards that arise here could cause damage at the place where they occur and impact BayWa’s reputation as well. During the reporting year, the BayWa Group worked together with some 78,000 suppliers, from which it procured raw materials, goods and services.

Guidelines, structures and processes

The procurement strategy is defined individually at BayWa’s Agriculture, Energy and Building Materials Segments in order to optimise supplier structures. The business units are independently responsible for overseeing and implementing the procurement processes. The subsidiaries have also set up independent procurement structures and processes. As a result, it is possible to strengthen local procurement structures, which has the potential to positively impact the environment and society thanks to optimised processes, shorter routes and lower impact on the environment.

The specifications stipulated by international and segment-specific certification standards generally serve as guidelines for responsible procurement processes and are described below for the individual business units.

In BayWa AG’s Conventional Energy business unit, a purchasing and management manual regulates procurement. Furthermore, the purchasing team in the Conventional Energy business unit requires its

suppliers to provide a self-disclosure in line with the quality management requirements. The self-disclosure also covers sustainability aspects such as environmental protection, as well as occupational health and safety.

The subsidiary BayWa r.e. is currently optimising transparency with regard to social and environmental impact along its supply chains. As a next step, it will engage in greater dialogue with suppliers in order to investigate the potential for more environmentally conscious production of goods and to reduce the risks of inappropriate working conditions. One tool being used to this end is expanding the supplier evaluation process to include five sustainability criteria.

In the Agri Trade & Service business unit, sustainability criteria have also been incorporated into the supplier evaluation in the feedstuff product area.

The Global Produce business unit has implemented a quality management system that includes a continuous improvement process. In the food industry, transparency, traceability and optimum process management play a particularly key role in procurement processes. The quality management system ensures that potential deviations are registered, and that steps towards improvement are defined and taken. Global Produce’s suppliers also make a pledge as part of a self-disclosure obligation to comply with relevant laws and standards as well as quality and safety requirements. Moreover, a growing number of Global Produce suppliers meet social standards set by the International Labour Organization (ILO) and/

or other social standards, such as the GlobalG.A.P Risk Assessment on Social Practice (GRASP), QS Qualität und Sicherheit GmbH (Voluntary QS Inspection of Working and Social Conditions – FIAS) or Sedex (Supplier Ethical Data Exchange).

BayWa Obst GmbH’s packaging locations fulfil the requirements of FIAS. BayWa Obst GmbH, TFC Holland B.V. and T&G Global are also registered members of Sedex (Supplier Ethical Data Exchange). TFC Holland B.V. is additionally a member of the Business Social Compliance Initiative (BSCI). Furthermore, TFC Holland and the New Zealand-based company T&G Global are certified as traders of tropical fruit and vegetables in line with the Fairtrade Standard and trade in products that bear the Fairtrade seal.

In the Cefetra Group business unit, Cefetra B.V. helped to develop the Certified Responsible Soya (CRS) Standard (Certified Responsible Soya), which has become an important certification guideline for the European feedstuff industry and for farmers in South America since its creation in 2008. (see Interview “Transparency in the soya value chain”, page 33). Alongside the sustainable cultivation of soya, human rights are also covered by the CRS standard, the ProTerra standard and the Round Table on Responsible Soya (RTRS), the requirements of which are supported by Cefetra B.V. In preparation for certification, Cefetra B.V. also provides financial and professional support to the farmers with whom it works. After certification, the farmers are assessed annually in the scope of an audit. In the reporting year, Cefetra also drew up a Code of Conduct that is to be signed successively by all suppliers.

The Austrian subsidiaries RWA AG and "UNSER LAGERHAUS" (home and garden) take labour and social principles such as the Business Social Compliance Initiative (BSCI) into account when selecting suppliers. RWA AG also considers environmental certificates, such as those issued by the Forest Stewardship Council (FSC), when selecting suppliers.

Peter Frey GmbH, a subsidiary of the Building Materials business unit, trades in natural stones. Depending on their origin, the mining and processing of natural stones may cause social and environmental damage. In 2019, all of its suppliers in China and Turkey

were therefore subject to a human rights compliance audit with a focus on child labour. The audit yielded no findings of violations. The next audit is scheduled for 2021.

Objectives

One of BayWa's sustainability objectives is to work towards compliance with environmental and social standards in the supply chain. The company plans to develop a Code of Conduct (CoC) for suppliers based on BayWa AG's CoC for this purpose, which all suppliers will sign in the long term.


Measures and results

The CoC for suppliers is to be developed on the basis of the findings of a human rights risk analysis. BayWa began this risk analysis in the reporting year and expects to complete it by the end of 2021. The analysis looks at the entire value chain for the individual segments throughout the BayWa Group. It assesses social and environmental risks and analyses their potential negative influence on human rights, among other things (see [Protecting human rights across the value chain, page 30](#)). Appropriate measures will be derived as a next step. BayWa's aim is to make the product portfolio in the Energy, Agriculture and Building Materials Segments more environmentally and socially sustainable step by step while taking customer requirements into account.

Many business divisions at BayWa are trying to take as local an approach as possible to procurement, as buying locally shortens transport routes. What is more, comparatively high environmental and social standards tend to be the norm within the EU. The fol-

lowing examples in Germany and Europe illustrate the commitment to regional businesses:

- In 2020, orders from BayWa AG's German locations were mainly awarded to regional¹ suppliers (such as tradespeople and service providers).
- BayWa r.e. Bioenergy GmbH purchased 90% of its renewable raw materials for biogas plants (2019: 95%) within a 20-kilometre radius of the corresponding plants.
- More than 80% of the wood pellets purchased by the Conventional Energy business unit come from the southern German states of Bavaria and Baden-Württemberg.
- In the Agri Trade & Service business unit of BayWa AG, more than 80% of the fertilizers sold are manufactured in Europe.
- In 2020, the RWA Group purchased more than half of its products and services from regional suppliers based in Austria.
- At BayWa Obst GmbH, regional suppliers accounted for 95% of purchasing volume in the reporting year.
- 92% of Landhandel Knaup GmbH's suppliers are based in Germany.
- The subsidiary FarmFacts purchased 80% of its software licences and services in Germany.



95%

of BayWa Obst GmbH purchasing volume from regional suppliers

1 BayWa AG and its subsidiaries define regionality differently.

Protecting human rights across the value chain

[BayWa AG purchases commodities, goods and services from suppliers from over 40 countries. The majority of BayWa AG's direct suppliers are based in Europe, where laws and controls generally ensure the observance of human rights. However, a certain percentage of suppliers for BayWa AG and its subsidiaries are based in countries that harbour the risk of human rights violations.] ✓

Guidelines, structures and processes

BayWa is committed to upholding its due diligence obligations concerning human rights as laid out in the German federal government's National Action Plan for Business and Human Rights and is also subject to other national regulations, such as the Modern Slavery Act in the UK. The entire Board of Management bears responsibility for dealing with risks from potential human rights violations. As a result, such risks are dealt with under sustainability management.

[A careful supplier selection process and auditing suppliers are key to avoiding human rights risks at BayWa. Corporate Sustainability also conducts an annual screening of select suppliers of BayWa AG. The screening covers suppliers that are located in countries considered high-risk according to Transparency International's Corruption Perceptions Index or considered "not free" or "partly free" according to the Freedom House index. In the



screening, BayWa uses a software solution from an external service provider. The review also includes an adverse media search, which draws attention to potential human rights violations. The screening yielded no indications of human rights violations in 2020. Human rights violations at a supplier may lead to the termination of the business relationship if the supplier does not take appropriate measures to rectify the deficiencies.

Specific processes and guidelines also apply in the business units (see [Procurement, page 28/29](#)).] ✓

Objectives

[BayWa intends to continuously meet its due diligence obligations concerning human rights as laid out in the German federal government's National Action Plan for Business and Human Rights. BayWa is committed to respecting human rights and will draw up a policy statement to this end in 2021.

To further ensure that suppliers respect human rights, BayWa AG has set the following objectives:

- Developing a Code of Conduct for suppliers based on the BayWa Group Code of Conduct that refers to the main social and environmental risks for human rights by the end of 2021
- Gradually obliging suppliers to sign the Code of Conduct] ✓



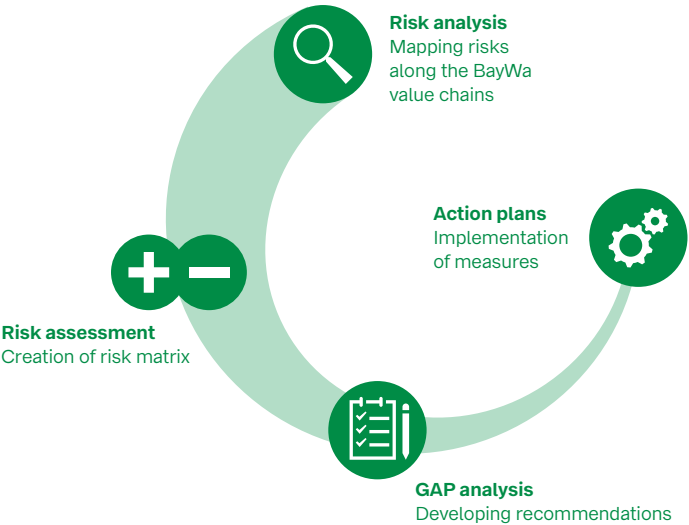
Measures and results

[In cooperation with the operating business units, Corporate Sustainability launched a Group-wide risk analysis on social and environmental issues in value chains in April 2020. The Energy Segment – with its Conventional Energy and Renewable Energies business units – was dealt with in the reporting year. The Agriculture, Innovation & Digitalisation and Building Materials Segments are set to follow in 2021. As part of the risk analysis, the potential social and environmental risks for human rights throughout the value chain are analysed and assessed. The analysis is used to derive key recommendations for action for upholding human rights due diligence that are to be implemented across the Group in the future. The goal is to implement specific measures and processes in order to meet human rights due diligence obligations. In addition, the project is intended to create enhanced transparency in the global stages of value chains (supply chain, Group, product use and end-of-life). To sensitise employees to the issue of human rights, 329 relevant employees of the BayWa Group also received training on human rights in the reporting year.

In certain business units, measures for more responsible procurement are already in place, some of which were expanded further in the reporting year (see Procurement, page 28/29).]

Human rights risk analysis process

Analysis of social and environmental risks that can have an adverse effect on human rights



Product responsibility

Guaranteeing product safety – and with it the protection of customers, employees, consumers, animals and the environment – is a key concern for BayWa. At the same time, it is a challenging task. As a leading international supplier of raw materials for agriculture, global purveyor and marketer of fruits, and trader of energy carriers, the company is confronted with a wide range of different national quality and safety standards. Defective products that wind up on the market can result in a tarnished reputation, especially when it comes to food, and entail liability claims for the company. Complex supply chains further complicate efforts to check and ensure safety and quality standards.

Guidelines, structures and processes

At BayWa, product responsibility is a key issue in Group-wide sustainability management. Due to the wide range of products offered by BayWa's segments, product responsibility means something different in each case, and is accordingly managed and implemented individually.

Quality assurance of production processes and production environments plays a pivotal role in the transport of goods. Responsibility for product responsibility lies with quality management in the respective business unit.

In the Agri Trade & Service business unit, responsibility has been assigned to the relevant product area managers. The divisions and subsidiaries of the RWA Group each have independent responsibility for the topic.

Thanks to close collaboration between producers, production and marketing, as well as systematic traceability and comprehensive residue monitoring, the company meets or exceeds the strict legal standards in the food and feedstuff product units. The selection of reliable suppliers and neutral inspection bodies also plays a pivotal role and contributes to product and process safety.

[Products containing hazardous substances are subject to special labelling obligations regarding their origins, ingredients and use, as are feedstuff and seed. BayWa complies with those special labelling obligations. The Corporate EH&S organisational unit holds regular training courses for all relevant German business units to ensure that all relevant employees of BayWa AG are informed about current requirements. In the international business units, such training is usually carried out independently by the corresponding specialist areas.] ✓

[Corporate EH&S at BayWa 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.

Objective

BayWa's overriding objective within the scope of product responsibility is to provide its customers with products that at least meet the applicable safety and quality standards. Due to the Group's extensive and diversified product range, different aspects play a role in each case when it comes to safety and quality. As a result, the business units take appropriate measures independently. These measures and the results achieved are described in the following sections on the respective value chains.] ✓




Sandra Kraaij,
Sustainability Manager at Cefetra B.V.
& Cefetra Feed Service B.V.

“It is our goal to gain more knowledge about our supply chain, and we are pleased that our customers and other stakeholders value us for this work.”

INTERVIEW

Transparency in the soya value chain

The worldwide demand for soya beans as feedstuff has risen considerably in recent years. The intensive cultivation is often linked to negative social and environmental impacts. Sandra Kraaij, Sustainability Manager at Cefetra B.V. and Cefetra Feed Service B.V., talks about approaches to achieving greater transparency in the soya value chain.

To address these challenges, Cefetra developed the **Certified Responsible Soya (CRS)**  standard in 2008. In 2020, Cefetra certified some 450,000 tonnes of soya beans according to the CRS standard. Sandra Kraaij tells us what makes the standard so special.

How does the Certified Responsible Soya (CRS) standard ensure socially and environmentally responsible soya production?

Sandra Kraaij: Farmers seeking certification in line with our CRS standard must live up to a wide range of sustainability requirements, including environmental and social aspects, as well as good agricultural practices. One of the key criteria of the CRS standard is “Zero Deforestation” – the safeguarding of deforestation-free production. This means that a farmer wishing to obtain certification should prove that no land, such as native vegetation or forests, was converted into farm land after 2009, or 2006 for land within the Amazon biome. The farms’ compliance is assessed by an independent third party: Control Union Certifications. By doing so, we are ensuring the responsible production of the soya we trade.

With which stakeholders and partners along the value chain does Cefetra collaborate for the CRS standard?

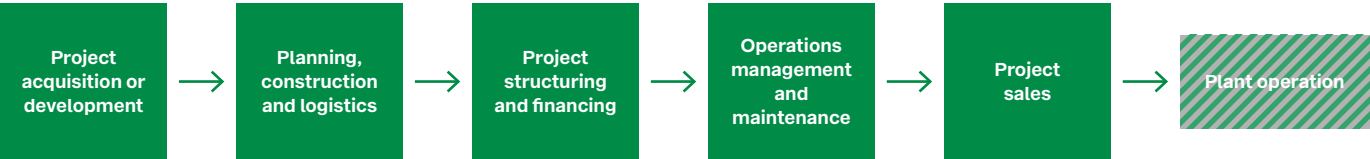
Sandra Kraaij: Sustainability is teamwork, which is why we cooperate with a wide range of stakeholders. This of course includes the farmers. Additionally, we cooperate with well-connected local partners, such as Bayer Crop Science and Control Union Certifications. Equally important for us is contact and exchange with local NGOs, banks and other stakeholders.

Cefetra is currently working on increasing traceability and transparency in the soya value chain. What exactly is this about?

Sandra Kraaij: As global commodity supply chains have long been optimised from a cost perspective, logistics have been arranged to serve that purpose. Because of that, goods are bulked at several steps in those supply chains. This has made it challenging to maintain traceability. By working closer together with our suppliers, their suppliers and the farmers, we aim to obtain more information about specific sourcing areas in order to increase traceability and transparency. It’s a gradual process of building trust with all actors in our supply chain. It is our goal to gain more knowledge about our supply chain, and we are pleased that our customers and other stakeholders value us for this work.

Renewable Energies value chain – BayWa r.e.’s business areas

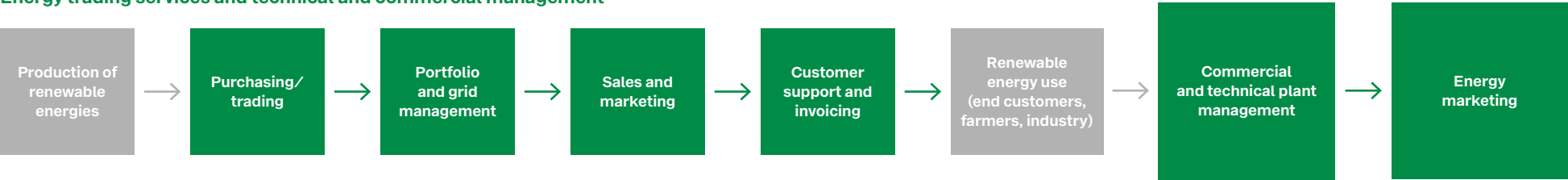
Wind and solar projects



Solar trading and energy solutions



Energy trading services and technical and commercial management



- BayWa AG
- ▨ BayWa AG and other players
- Other players

Renewable Energies value chain – BayWa r.e.’s business areas

BayWa r.e. combines the activities of the Group in the fields of renewable energies. Through its Projects, Operations and Solutions business segments, BayWa r.e. covers the entire renewable energies value chain. At project level, BayWa r.e.’s focus lies on photovoltaic (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, as well as energy trading. BayWa r.e. is one of the world’s leading wholesalers of PV components and provides comprehensive energy solutions for commercial and industrial customers.

Product responsibility measures and results

BayWa r.e. assumes product responsibility in its project planning and trade activities, with a focus on supplier selection, the construction phase and logistics. During the construction phase, for example, the floating solar parks in the Netherlands are increasingly being built with a significant reduction in the release of CO₂ thanks to a programme to make do without the otherwise common diesel generators. Instead, the electricity from the already installed solar modules is used and stored in a mobile battery from the outset to charge the vehicles on the construction site.

Moreover, BayWa r.e. looks at the entire life cycle of the products used and pays particular attention to long durability and high recyclability.



Europe’s largest floating solar park

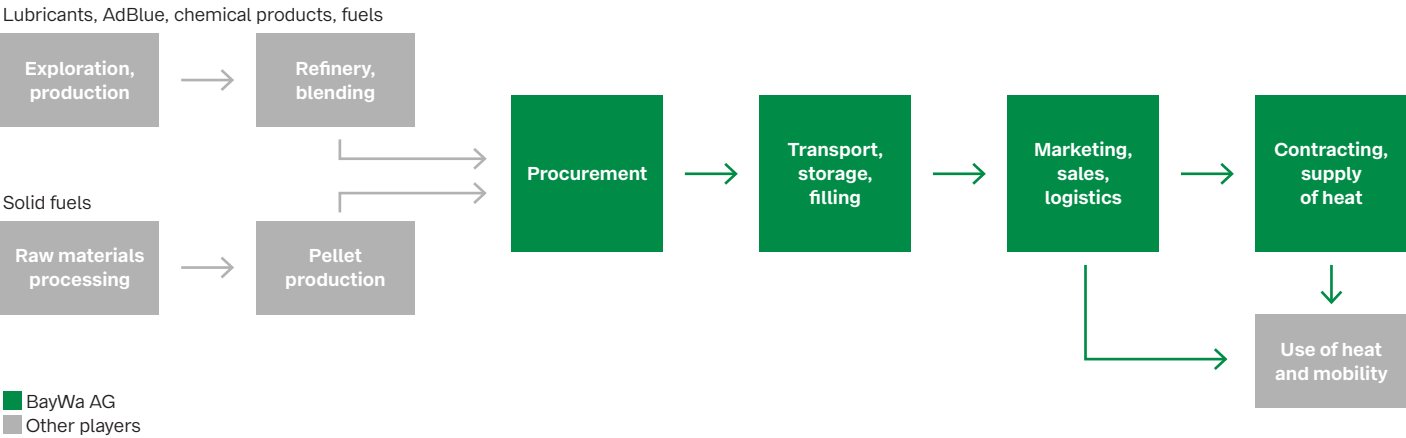
In 2020, BayWa r.e. built the largest floating solar park outside China at the present time. Located on a decommissioned mining lake in the Netherlands, the solar park generates enough electricity to power some 7,200 households. Floating solar parks offer a host of advantages compared to free-standing ones: they are easier to install, have lower operating and maintenance costs and help to avoid land use conflicts. Preserving biodiversity while including local residents and businesses were important objectives during the planning and construction of the park, the construction of which was almost entirely carbon neutral.

7
AFFORDABLE AND CLEAN ENERGY

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RESPONSIBLE CONSUMPTION AND PRODUCTION

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Conventional Energy value chain



Conventional Energy value chain

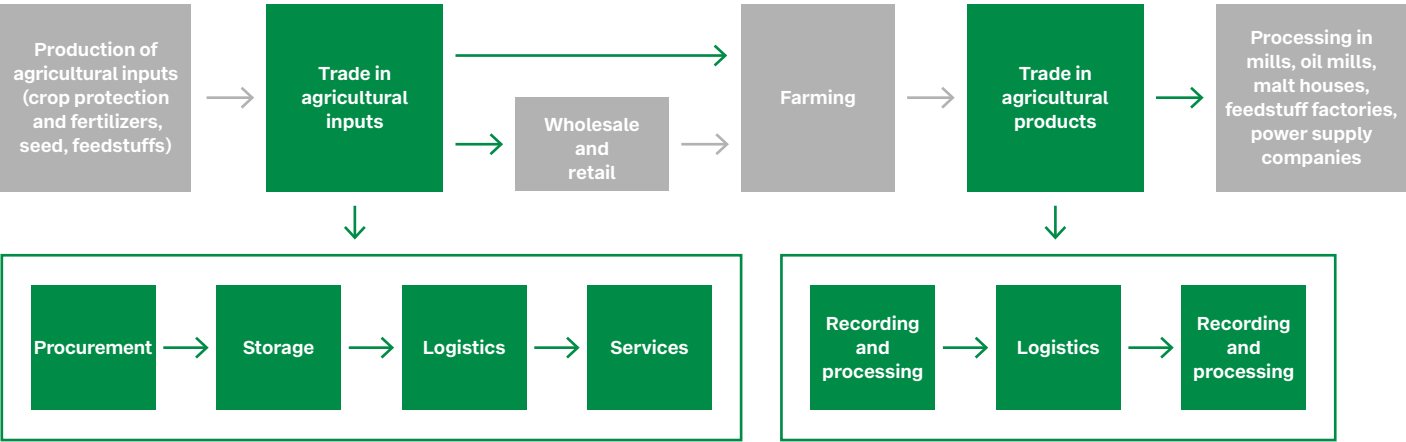
The Conventional Energy business unit supplies customers – predominantly in southern Germany and Austria – with fuels. Along with its traditional range, it also offers innovative products and services, such as wood pellets from sustainable forestry, climate-neutral heating oil and the BayWa OilFox, a digital filling level measurement option.

Product responsibility measures and results

BayWa AG's Conventional Energy business unit has implemented the ISO 9001:2015 quality management standard. Regular internal and external audits assess, for example, whether purchased wood pellets meet the requirements of the standard. Where applicable, corrective and preventative measures are taken. The vita holz plus wood pellets traded by the Conventional Energy business unit have been 100% PEFC certified since September 2016. Sawmill by-products and wood pellets are purchased in line with ENplus and PEFC criteria.

BayWa introduced climate-neutral delivery of heating oil, wood pellets and diesel in July 2017 to do its part to protect the climate. Greenhouse gas emissions are being avoided and reduced through targeted action, such as smart route planning. BayWa offsets the remaining emissions through investments in high-quality carbon credits. In addition, BayWa Mobility Solutions GmbH, founded in 2020, provides CO₂-optimised mobility offerings for customers.

Cefetra Group and Agri Trade & Service value chain



■ BayWa AG
■ Other players

Cefetra Group and Agri Trade & Service value chain

The Cefetra Group business unit specialises in the international trade of grain and oilseed and covers the entire value chain from purchasing through to logistics and sales in its role as a supply chain manager. When it comes to the procurement and marketing of agricultural products, BayWa and its Dutch subsidiary Cefetra possess a global network that includes its own inland and deep water ports.

The focus of the Agri Trade & Service business unit is the direct trading business with farmers. To this end, the business unit supplies its agricultural customers in Germany and Austria with agricultural inputs that are necessary for agricultural production. At the same time, the business unit collects agricultural products such as grain, oilseed and hops after they are harvested and markets them to local and regional processors, as well as in export markets.

Product responsibility measures and results

[All locations of BayWa AG’s Cefetra Group and Agri Trade & Service business units that collect, store and trade grain and feedstuff in bulk, as well as all bulk shipments of grain and feedstuff (made by truck, rail or ship), are certified in accordance with the GMP + B3 feedstuff safety standard for trade, origination, storage and handling and the GMP + B4 safety standard for transport, or an equivalent standard] ✓

The subsidiary Cefetra B.V. has developed the Certified Responsible Soya (CRS) standard, which was found to be compliant with the European Feed Manufacturers’ Federation (FEFAC) sourcing guidelines. Cefetra B.V. also undergoes auditing in accordance with the following standards:

- Good Manufacturing Practice (GMP+ International: GMP+ Feed Responsibility Assurance, GMP+ Feed Safety Assurance and GMP+ GMO Controlled)
- Good Trading Practice (GTP)
- Cert ID Non-GMO Standard
- International Sustainability and Carbon Certificate (ISCC)
- With respect to quality, environmental and social standards in line with its membership in the Roundtable on Sustainable Palm Oil (RSPO) and the Round Table on Responsible Soy Association (RTRS)

Cefetra B.V. also participates in

- the UK Roundtable on Sustainable Soya,
- the Dutch Soy Platform Initiative,
- the Coceral Food and Feed Safety Working Group,
- the MVO Food and Feed Safety Working Group,
- the MVO Working Group Sustainable Sourcing,
- the EFISC-GTP Technical Committee,
- the ProTerra initiative and
- the Collaborative Soy Initiative communication platform convened by RTRS.

Cefetra B.V. traded some 2.2 million tonnes of soya in total in 2020¹. Roughly 1.1 million tonnes of Cefetra B.V.'s soya was certified in 2020 in accordance with the CRS, RTRS or ProTerra sustainability standard. The percentage of GM-free soya certified by ProTerra stood at around 11%.



Within the scope of quality management, Cefetra Feed Service B.V. and Cefetra B.V. identified 63 irregularities due to non-compliance with voluntary rules of conduct (such as a missing label, ambiguity with regard to certificates) that entailed a potential health and safety risk in the reporting period. All cases were discovered in good time and without consequences for health or safety.

[BayWa AG's Agri Trade & Service business unit collected² around 1.7 million tonnes of grain (wheat, barley, corn, rye, triticale) and around 241,000 tonnes of oilseed (rapeseed, soya beans) in Germany in 2020; 69% of that grain and 99% of that oilseed was EU-certified in accordance with the REDcert sustainability standard. With the exception of rapeseed, it also met the GMP+ B 3 feedstuff safety standard. The share of non-genetically modified soya meal

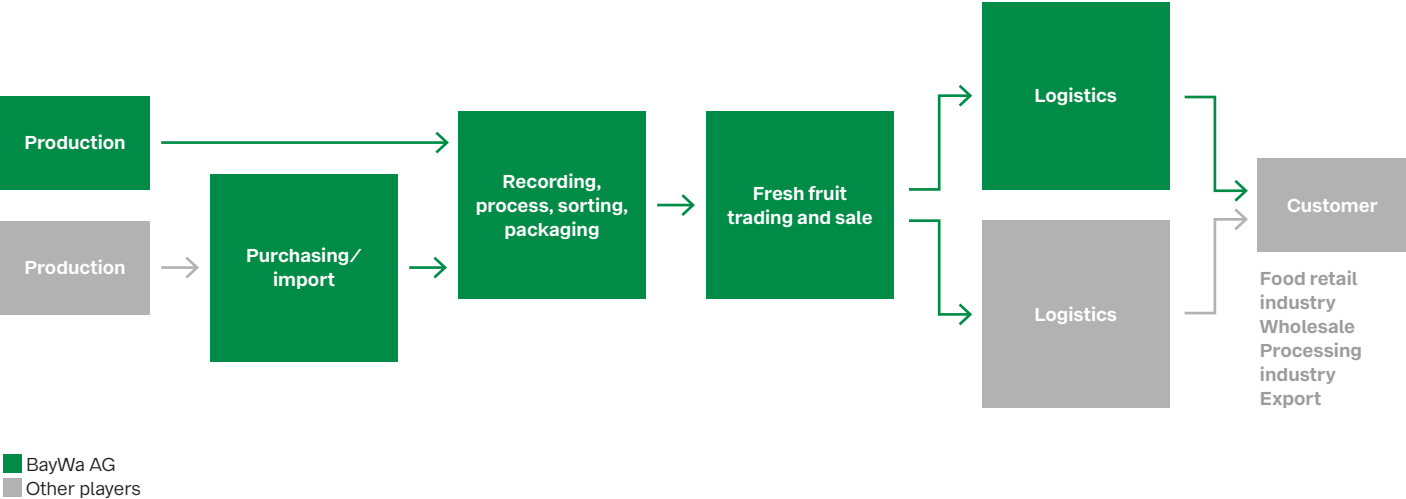
sold by the Agri Trade & Service business unit rose to 30% in 2020 (2019: 28%³). Of the soya meal sold, 70% (2019: 73.6%) was genetically modified, which is still subject to a special labelling requirement. In addition, 89 Agri Trade & Service business unit locations in Germany have obtained GMO-Controlled certification and been approved by the German Association for Food without Genetic Engineering (Verband Lebensmittel ohne Gentechnik e. V. – VLOG), which allows farmers participating in non-genetically modified programmes to be supplied with certified feedstuff that does not require labelling.]✔

RWA AG uses the legally stipulated methods to inspect seed – from suppliers, as well as that which the company itself produces – from crops subject to the Austrian Saatgut-Gentechnik-Verordnung (ordinance on genetically modified seed). Products that test positive are not accepted. "UNSER LAGERHAUS" also meets the high legal requirements and quality standards of customers, especially in mixed feed production, through regular sampling for laboratory testing, external audits by accredited inspection bodies and internal controls.

[Since 2016, the Agri Trade & Service business unit has been supporting organic farmers with the BayWa Öko concept through a comprehensive range of products and advice. A total of 120 locations are certified for trade in organic agricultural inputs, and four locations collect organic agricultural products.]✔ Since autumn 2018, BayWa AG has been a member of Biokreis e. V., the fourth-largest growers association in Germany for organic farming. Since spring 2019, a BayWa team of regional organic experts has supported organic farmers with advice. In addition, RWA AG's "Unser Bio" range has been exclusively offering products that comply with the European Council regulation on organic production since 2016.

1 Refers to the purchase and sale of goods
 2 Refers to the physical receipt of goods at BayWa locations
 3 Figure adjusted in comparison to the previous year's report due to subsequent data correction

Global Produce value chain



Global Produce value chain

Global Produce is a leading global provider of fruit and vegetables. This BayWa business unit 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, which significantly strengthens its position on the market. Global Produce stands for innovative, sustainable business relationships and alliances built on trust in the southern and northern hemisphere alike – both as a high-performing partner to farmers and as a supplier of speciality products.

Product responsibility measures and results

Food safety and food quality, along with transparency in relation to processes and product handling, play a crucial role throughout the Global Produce business unit. The locations are therefore certified according to numerous standards, both internationally and at the national level.

BayWa Obst GmbH and TFC Holland B.V.'s packing locations fulfil the requirements of the food standards of Qualität und Sicherheit (QS), the International Featured Standards (IFS) and the Global Standard for Food Safety of the British Retail Consortium (BRC),

as well as the organic guidelines pursuant to the EU Eco-Regulation, and undergo annual auditing by neutral, accredited inspection bodies. The BayWa Obst GmbH location in Ravensburg is also certified for processing products from organic food associations such as Demeter, Bioland and Naturland, as well as for biocyclic vegan products.

The TFC Holland B.V. location in Maasdijk, Netherlands, is certified for processing organic products and for processing and trading fair trade products.

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. Since large volumes of New Zealand-grown apples are exported to global markets, T&G Global's refrigeration and packing locations are certified according to BRC and other international standards in line with customer requirements.

In addition to the locations of the Global Produce business unit, suppliers also fulfil a wide array of national and international standards. The producers are certified under the combined QS-GAP

quality standard, which contains the guidelines of GLOBALG.A.P, an internationally recognised standard for the production of agricultural produce, and of the food standards for quality and safety (QS). In Germany, producers also fulfil the requirements of regional labels, such as Regionalfenster, which informs consumers of the product's origin and the area where it is distributed.



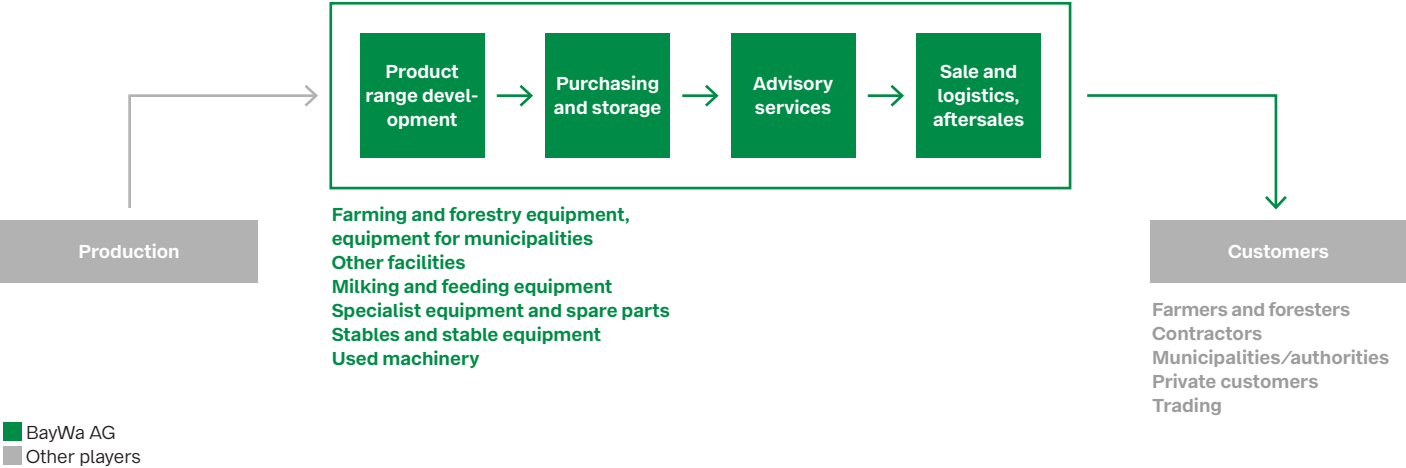
Robots fight weeds

BayWa launched sales of its Dino agricultural weeding robot in 2020. Controlled via satellite navigation, the robot fights weeds mechanically, handling up to 5 hectares a day with weeding accuracy of 2 centimetres. In addition to reducing workloads and adding convenience, the robot's contribution to sustainable land management is another plus. Dino is easy on soils and helps to reduce the use of crop protection products.

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15 LIFE ON LAND

Agricultural Equipment value chain



Agricultural Equipment value chain

The sale of machinery, equipment and systems for agriculture, forestry and the public sector in Germany and Austria is pooled in the Agricultural Equipment business unit. Agricultural Equipment is responsible for the sale of new and used machinery, as well as maintenance and repair services, including spare parts. Its services are provided at approximately 260 workshops or directly on site by mobile service vehicles.

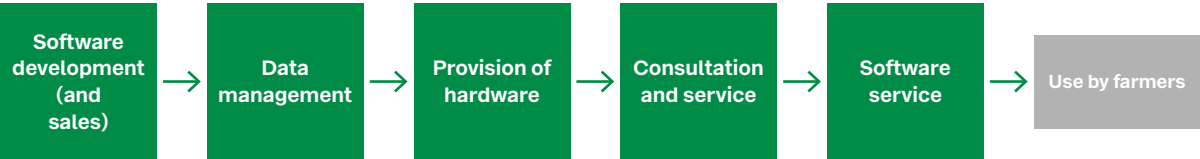
Customers include farms and forestry operations, as well as vineyards, fruit farmers, municipalities and commercial enterprises. The product range also includes various brands of vehicles for sweeping, cleaning and winter services, as well as mowing and sporting venue technologies.

Product responsibility measures and results

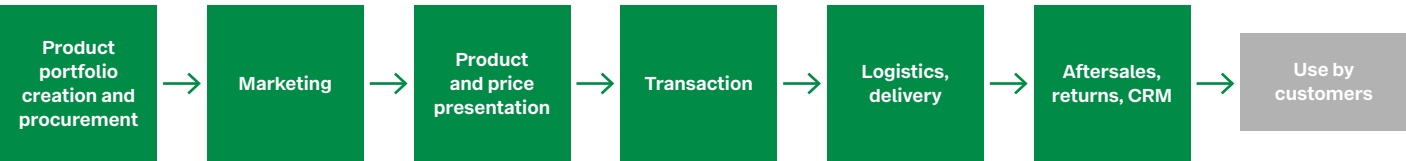
The Agricultural Equipment business unit strives to keep its impact on the climate and environment to a minimum through the smart use of resources. Steps taken to reduce the use of agricultural inputs such as crop protection products include developing smart machinery and device programmes. The range of products and services for mechanical field work also helps to conserve resources. Beyond that, IT-supported guidance systems in tractors and harvesting machines, as well as autonomous field robots, enable the optimum, resource-friendly use of vehicles while streamlining work processes.

Innovation and digitalisation value chain

Smart Farming



eBusiness



■ BayWa AG
■ Other players

Innovation & Digitalisation value chain

Through its in-house Innovation & Digitalisation development segment, which operates as an umbrella for its digital farming activities, BayWa has underscored the strategic importance of digitalisation for the entire company. Digital Farming is focused on the development and marketing of digital solutions for agriculture and eBusiness (BayWa Portal). Together with its subsidiaries FarmFacts and VISTA, and by utilising their experience as systems service providers, BayWa is able to provide a wide range of innovative services. For example, satellite data is used to advise test farms in sub-Saharan Africa from a base in Germany.

Product responsibility measures and results

Agricultural productivity must continue to rise in order to safeguard the global food supply while minimising agricultural sprawl. BayWa supports its customers in maximising agricultural yields and conserving resources through services for protecting soil fertility, among other goals, as well as innovative products such as high-performance varieties. Technologies – such as the E-Pura electronic seed treatment as an alternative to chemicals, or the Optifert Check soil analysis as the basis for optimised fertilization planning – are complemented by an extensive sales and consulting network.

The NEXT Farming LIVE digital solution 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 2020, BayWa’s systems were in use at sites in sub-Saharan Africa, Serbia, the Netherlands, the UK and Spain.



INTERVIEW

Agriculture 4.0 for more sustainability

Digitalisation is opening up huge opportunities for agriculture. Digital solutions can make agricultural work more efficient, easier and more environmentally friendly. Jörg Migende, Chief Development Officer at Agri Trade & Service/Agricultural Equipment, reports on developments in this area.

Precision farming and smart farming are supposed to make agriculture more efficient and more sustainable as well.

What do these terms mean?

Jörg Migende: From weather dependency, climate change and globalisation to price pressure, government requirements and the expectations of society, agriculture faces a wide range of different challenges. Precision farming and smart farming are ways to harness intelligent technologies to support farmers and reduce their workload. While precision farming focuses on increasing efficiency in the use of machinery and agricultural inputs for crop farming, smart farming considers the entire operation as a whole, including looking at things like documentation in the office. Automatically connecting and using a wide range of different data is a powerful tool for farmers to create lasting links between productivity and environmental protection.

What digital solutions are especially helpful in contributing to more-sustainable crop farming?

Jörg Migende: Functions like GPS guidance systems that can be used to steer tractors on the field with accuracy down to 2 centimetres, crop protection sprayers that automatically switch off when turning and agricultural machinery that lifts and lowers automatically have become fixtures of field operations these days. That really eases the burden on farmers, and agricultural inputs such as fertilizers and fuels are targeted better and used more sparingly.

The use of satellite data is another important catalyst in improving sustainability in crop farming. In 2017, we offered our customers the first satellite-based application, for site-specific corn sowing. Since then, we've been adding others in rapid succession: fertili-

tion, irrigation, cultivation of areas of flowering plants, yield forecasts – all these areas are now using satellite data. One promising field of application for the future is early detection of plant diseases. In the near future, we will be able to use satellite data to target treatment to specific areas of the field where there is a risk of an outbreak.

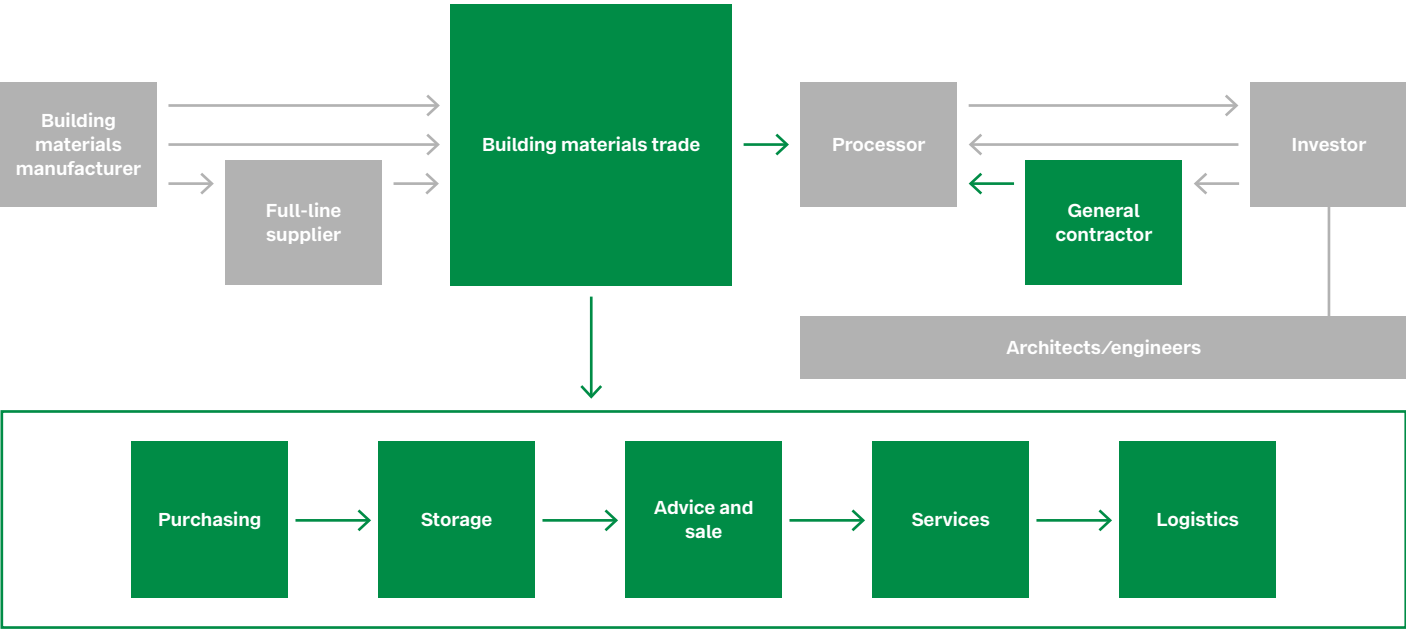
How widespread is digital technology already at farms, and what kinds of challenges might farmers face?

Jörg Migende: Eight out of ten agricultural operations in Germany are now using digital technologies, from simple weather apps on up to self-driving weeding robots. It's astonishing to see how fast robotic milking has caught on, especially at smaller farms. Well over 80% of all new stalls in southern Germany are now equipped with this technology.

But further action is still needed in Germany if solutions for site-specific cultivation and automatic documentation in particular are to gain a broader footing in practice. Above all, we need a stable digital infrastructure – and we need it right where agriculture takes place, in rural areas. Aside from that, we have barely scratched the surface of the legal and liability issues surrounding the use of robotics on German and European cropland so far, so legislative action is needed there. After all, there's no question that the use of agricultural robots will increase in the years to come. Lack of workers and rising costs are affecting the speciality crop segment in particular, with its demand for manual labour. There is also pressure from society at large to further reduce the use of synthetic crop protection products.

“The use of artificial intelligence eases the burden on farmers, and agricultural inputs such as fertilizers and fuels are targeted better and used more sparingly.”

Building Materials value chain



■ BayWa AG
■ Other players

Building Materials value chain

The Building Materials Segment covers the entire range of products and solutions for building materials, ranging from construction, civil engineering and extensions, to renovations, modernisation, gardening and landscaping. Through its portfolio of certified low-emission building materials and related services, the Building Materials business unit makes healthy construction and modernisation a reality for property owners and workers. The Building Materials business unit provides the necessary foundation for optimised overall designs for energy-efficient buildings.

Product responsibility measures and results

Through a wide range of products and services, BayWa makes safe, healthy and environmentally friendly construction a reality for customers. Among other things, this includes planning for homes that are healthy to live in and consultation on energy standards. [The Building Materials business unit offers more than 9,000 certified low-emission products (2019: roughly 9,000), which are issued with the corresponding certificate from the manufacturer or testing organisations commissioned by BayWa.] ✓

BayWa has its own seal for labelling healthy building materials with the aim of helping customers select and combine the right products. Only products that pass the internal control process receive the BayWa BauGesund seal. As part of these activities, factors including important independent product certifications and test reports are evaluated. The seal is then awarded by a BayWa expert.

About 1%¹ of products in the Building Materials segment are given a safety data sheet in line with legal requirements (2019: 3%) that includes handling recommendations to ensure the protection of human health and the environment when the product is used.

¹ The range of items was expanded during the reporting year. As a result, this data is not directly comparable to the previous year.

In its role as a group that operates worldwide in the areas of energy, agriculture and building materials, BayWa has an influence on the environment through its business activities. Through its climate strategy and forward-looking environmental management practices, the company aims to help protect the natural foundations of people’s livelihoods and reduce negative effects as far as possible. The goals of the climate strategy include significantly reducing energy consumption and greenhouse gas emissions and achieving climate neutrality by 2030. One key area where BayWa has leverage in this regard as a trading company is transport and logistics, but it also strives to design processes to conserve resources wherever possible in other fields, such as waste management.



100%
electricity from
renewable energies
since 2020



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 locations, during the transport of goods or during the construction of workshops and plants for energy generation. The upstream and downstream links in the value chain also play an important role in protecting the environment.

Guidelines, structures and processes

The Corporate Environment, Health & Safety (EH&S) organisational unit makes sure that all BayWa companies comply with the relevant national requirements on environmental protection. The EH&S coordinators are responsible for the operative implementation of the standards in the business units. Corporate EH&S advises and supports those responsible within the business units and at Group companies 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, incident law, ambient pollution protection, and chemical and hazardous materials storage, as well as water law. It is the responsibility of the department to develop and standardise Group-wide standards. Some subsidiaries of BayWa r.e. have an ISO 14001-certified environmental management system, and BayWa Obst GmbH works with an energy management system certified under ISO 50001 at its Kressbronn location.

Objectives, measures and results

BayWa continues to pursue two aims: The first is sensitising employees more strongly to the issues and challenges surrounding environmental management. Second, BayWa strives to achieve ongoing improvements in training on environmentally relevant products, the transport of hazardous goods and the storage and delivery of hazardous substances. To that end, the established seminar concept in the area of environmental management is constantly being further developed. Corporate EH&S is currently developing a concept to expand the existing training activities. An EH&S Academy is to be created, with an increasing range of digital training activities among its offerings. In 2020, there were:

- 28 training courses on handling environmentally relevant products, the transport of hazardous goods, and the storage and delivery of hazardous goods (2019: 50 training courses)
- 535 employees who participated in these training courses (2019: 839)

BayWa also has the objective of digitalising all environmentally relevant documentation and simplifying processes for the implementation of environmentally relevant measures. A number of locations have already succeeded in digitalising their documentation, and the changeover will continue in 2021. Overall, BayWa AG and its subsidiaries invested some €5.9 million in environmental protection measures in the reporting year. This includes the costs of waste disposal, emissions treatment and abatement or remediation activities, along with the costs of prevention and environmental management.

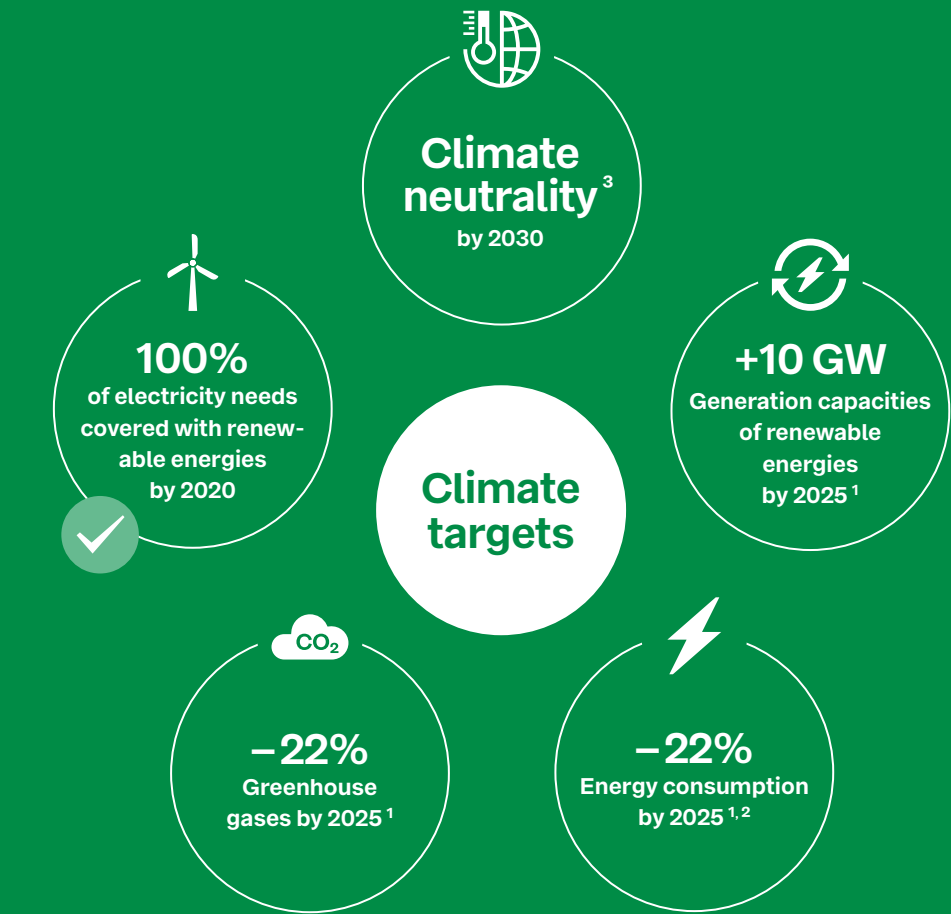
Impact on biodiversity

The BayWa subsidiary BayWa r.e. takes a two-pronged approach to how its business activities affect biodiversity. First, expansion of renewable energies fundamentally helps to slow climate change. Climate effects such as periods of drought and other extreme weather conditions have a significant impact on biodiversity. Second, the construction and operation of wind farms and solar parks directly affect the habitats of animals and plants. Stringent legal requirements have been enacted to protect the natural world and biodiversity in the wind energy sector, including requirements for replacement and compensatory space when wind farms are built. BayWa r.e. also obtains detailed expert opinions early on during the planning phase to determine which native animal species are present in the project area and how construction activities will affect the local wildlife. Measures are also taken to prevent harm to ecosystems. “Diversion areas” are created to provide new sources of food for birds of prey, for example, so that they are less likely to spend time in the immediate vicinity of wind farms.

One study commissioned by BayWa r.e. and others showed that free-standing solar parks have a positive impact on biodiversity. One key reason for the diversity of species around these solar facilities is the ongoing extensive use and maintenance of the green land between the rows of panels. BayWa r.e. takes these study findings into account when planning projects.






The BayWa climate strategy

There is increasing concern about global warming across society at large and the business sector. As an internationally operating trading company in the fields of energy, agriculture and building materials, BayWa is impacted by climate change and its effects to a particularly great extent, but is also capable of making a major contribution to limiting them. Three years ago, BayWa AG developed a Group-wide climate strategy. It encompasses five objectives, all geared towards keeping warming below 1.5 degrees Celsius. The core goal is to make BayWa climate-neutral by 2030.



1 Base year: 2017
 2 In terms of EBITDA
 3 BayWa defines climate neutrality as the avoidance, reduction and compensation of remaining Scope 1 and 2 greenhouse gas emissions (CO₂ and other relevant gases with an impact on climate) through investments in high-quality carbon credits.

BayWa climate strategy measures and progress

Target	Measures	Activities in 2020	Progress in 2020
 Covering 100% of electricity needs with renewable energies by 2020	Increased use of green electricity	<ul style="list-style-type: none"> Increasing own electricity generation through the installation and commissioning of renewable energy systems at locations worldwide Switch to green electricity tariffs and purchase of green electricity guarantees of origin (if switching to green electricity tariffs not possible, share 10.3%) 	100%
 22% fewer greenhouse gas emissions by 2025 ¹ and  22% lower energy consumption by 2025 ^{1,2}	Optimisation and reduction of electricity and fuel use through: <ul style="list-style-type: none"> Fleet modernisation and electrification, as well as route optimisation Energy-efficiency measures for buildings Modernisation of heating, cooling and drying systems 	Optimisation of driving style and route planning <ul style="list-style-type: none"> Providing employee training Replacing high-consumption vehicles with lower-emission models Replacing forklifts with electric models operated using power from renewable energies Conversion to LED lighting at various locations Use of energy-saving information technology at office locations Optimisation of process and operational management at biogas plants Energy performance optimisation of cooling systems at T&G Global (including installation of high-speed doors, process optimisation) Successive reduction of refrigerants with high greenhouse gas potential 	-13.4% -33.7%
 10 GW renewable energy generation capacity by 2025 ¹	<ul style="list-style-type: none"> Construction of onshore wind farms and PV parks Delivery of solar components and systems to solar installers worldwide 	Expansion by almost 2 GW	4.9 GW
 Climate neutrality ³ by 2030	Compensation of remaining emissions through high-quality carbon credits	<ul style="list-style-type: none"> Compensation of emissions at Global Produce's German locations and at TFC Holland B.V.'s locations Climate-neutral delivery and provision of climate-neutral products (heating oil) in the Conventional Energy business unit Offsetting of greenhouse gas emissions from BayWa r.e.'s business activities (operations, fleet and business travel) 	226,994 tonnes of CO ₂ equivalents offset Group-wide (Scope 1, 2, 3)

¹ Base year: 2017

² In terms of EBITDA

³ BayWa defines climate neutrality as the avoidance, reduction and compensation of remaining Scope 1 and 2 greenhouse gas emissions (CO₂ and other relevant gases with an impact on climate) through investments in high-quality carbon credits.

Analysis and classification of progress

In 2020, BayWa achieved its first climate target: covering 100% of its own electricity needs with renewable energies. To do this, the company expanded its own generation capacity through renewable energies, switched to green electricity tariffs and purchased green electricity guarantees of origin. BayWa therefore places a higher priority on own generation rather than purchasing green electricity or guarantees of origin. Greenhouse gas emissions (GHG emissions)

within the BayWa Group were down 13% in the reporting year compared to the base year used for the climate strategy (2017). Switching BayWa's own externally sourced electricity to green electricity tariffs was the biggest factor in the reduction. Energy consumption was down by nearly 34% in 2020 in comparison to the base year, 2017, and in relation to EBITDA. This result was achieved due to BayWa's strong economic performance this year and absolute reduction of energy consumption. BayWa will work

to continue supporting this development now and into the future, thereby reaching its climate targets early. By expanding its capacity for the generation of renewable energies worldwide by nearly 2 GW in the reporting year, BayWa is within the targeted range. Going forward, the Group plans to further expand its efforts to offset greenhouse gas emissions and additionally initiate its own compensation projects.

Energy consumption and greenhouse gas emissions

As a trading and services group with worldwide operations, BayWa consumes a great deal of energy for its own operations. Our fleet of cars and trucks, the operation of plants, and lighting and heating buildings do not just need energy – they also generate greenhouse gas (GHG) emissions. To reduce these emissions and thereby make a contribution to achieving the aims of the Paris Climate Agreement, BayWa is active in climate protection. At the same time, the aim is to lower energy costs and thereby improve economic efficiency.

Guidelines, structures and processes

The Board of Management of BayWa AG adopted the Group-wide climate strategy in 2018, enabling BayWa to make serious contributions to the limiting of global warming. BayWa's climate strategy is guided by the 1.5-degree target set in the special report published by the Intergovernmental Panel on Climate Change in 2018 and comprises five objectives (see the diagram on page 47). To be able to achieve and implement the objectives, the climate working group established during the development of the 2018 strategy contributes from an operational perspective. Currently, it comprises representatives of the subsidiaries and specialist areas.

Corporate Sustainability compiled a climate strategy manual in 2019, which aims to help subsidiaries and specialist areas 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.

In the CDP Rating 2020,
BayWa achieved a score
of

B



To politically underpin our business commitment, BayWa AG has supported the Allianz für Entwicklung und Klima (alliance for development and climate) spearheaded by Germany's Federal Ministry for Economic Cooperation and Development (BMZ) since 2018. The alliance provides a platform for non-governmental commitment to economic development and climate protection. BayWa also strengthens the implementation of its climate objectives, specifically covering 100% of its electricity needs with renewable energies, 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 electricity from renewable sources worldwide.

Recording and calculating emissions of greenhouse gases

With its large number of administrative centres, warehouses, service locations, workshops and cold stores, BayWa has an extremely diverse and patchwork consumer structure. The development of the Group-wide climate strategy has enhanced energy and climate management in all business divisions. The knowledge gained has helped the subsidiaries to strengthen their skills in recording data independently. BayWa Corporate Sustainability helps companies to record consumption data by providing relevant tools, a manual with explanations and tips, and training opportunities. The data recorded is checked for plausibility at subsidiary level and then consolidated at Group level.

During the reporting year, BayWa collected energy and emission data from all fully consolidated subsidiaries, achieving 100% coverage. These days, the data management processes relate to energy consumption both within the organisation, i.e. in the companies' own processes, and outside the organisation.

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 passenger cars) and direct emissions of volatile gases (e.g. coolants and refrigerants, methane loss)

- Scope 2: Indirect emissions from purchased electricity and district heating
- Scope 3: Indirect emissions from purchased goods and services (3.1), fuel and energy related activities (3.3), upstream transportation and distribution (3.4), business travel (3.6) and employee commuting (3.7).

In accordance with the GHG Protocol guidelines regarding Scope 2 emissions in effect since 2015, BayWa reports its greenhouse gas emissions from electricity in two ways: the “location-based” method using the emissions factors of the respective national electricity mix, or the “market-based” method using the specific emissions factors under the contracts with electricity providers for all the electricity used (if available).

Objectives

[BayWa has set itself the climate objective of covering 100% of its own electricity needs with renewable energies from 2020 onward – a goal that has been reached. Beyond that, the company has also set itself the goal of reducing the greenhouse gas emissions of BayWa’s locations, company cars and own logistics by 22% compared to 2017 by 2025. BayWa also aims to achieve a relative energy objective: the company plans to reduce its energy intensity per euro of EBITDA by 22% compared to 2017 by 2025. Likewise, BayWa plans to add 10 gigawatts of capacity to generate renewable energies by 2025. The long-term objective is climate neutrality by 2030.] ✓

BayWa achieves first climate objective

BayWa has reached a milestone in its climate strategy: since 2020, 100% of the Group’s own electricity needs have been covered with renewable energies. To achieve that goal, BayWa expanded its own generation with renewable energies and switched to green electricity tariffs. For locations that still use non-green electricity, BayWa purchased guarantees of origin (GOs) that meet the RE100 initiative’s criteria where feasible in technical terms. GOs ensure that the electricity from conventional energy sources that is used by BayWa is offset by renewable energies. In some cases, it was even possible to use GOs from facilities owned by BayWa r.e. The long-term goal is to further expand the direct procurement of green electricity and in-house electricity generation and reduce the need for guarantees of origin.

Measures taken by the BayWa Group

[In 2020, further advances were made in continuously boosting the share of electricity associated with green electricity tariffs and electricity from the Group’s own renewable energy systems. Moreover, remaining amounts of electricity from non-green sources were covered by appropriate guarantees of origin where feasible in technical terms. To ensure full coverage, guarantees were obtained from bordering national markets for countries in which no established system for guarantees of origin exists. This allowed the Group not only to reduce greenhouse gas emissions significantly, but also to achieve the first BayWa climate objective of covering 100% of its own electricity needs with renewable energies. In the years to

come as well, BayWa will continue its efforts to expand direct procurement of electricity from renewable energies where feasible in technical terms in order to reduce the need for guarantees of origin. At the same time, plans call for further reductions in general energy needs in line with the other climate targets.

The structure needed to plan and take action to this end was successfully established within the BayWa Group in 2020, in cooperation with the climate working group. The company also employs Group-wide communication measures to communicate the climate strategy and targets.

Plans are in place to continue the climate working group with a focus on the following issues:

- Sharing best practices regarding the implementation of reduction measures
- Renovation and heat generation, as well as the expansion of own generation through solar energy
- Continuous conversion to electric fleet vehicles and reduction of logistics emissions
- Reliable Scope 3 calculation

BayWa complements its reduction measures by offsetting GHG emissions through the purchase of carbon credits, which must meet relevant quality specifications (e.g. gold standard).] ✓

Beyond that, calculation of Scope 3 emissions was significantly expanded in 2020 in order to establish a data basis for future actions in this area. In light of the emissions generated by BayWa's value chains, the Group is aware of the importance of these actions. For this reason, Scope 3 measures will also be further expanded in terms of climate action in the future.

Measures taken by the business units and subsidiaries

Numerous business units and subsidiaries identified and implemented measures to implement the Group-wide climate strategy during the reporting period. For example, many subsidiaries brought photovoltaic systems online during the reporting period 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 ecological standpoint by doing things like conserving fuel and switching to electric models. Energy audits to optimise energy consumption were also performed at selected BayWa locations in Germany.

[The BayWa Group's Conventional Energy business unit has been offering climate-neutral delivery of its products since 2018. The business unit also offers climate-neutral heating products. GHG emissions are avoided using targeted measures such as intelligent route planning when making deliveries. Unavoidable emissions which arise as part of heating and delivery of the ecoclean klima-neutral (climate-neutral) heating oil are neutralised by supporting certified climate protection projects.

BayWa Mobility Solutions GmbH, a company founded in 2020 within the Conventional Energy business unit, began offering services in the area of fleet optimisation and electrification in 2020. This will make it possible to establish GHG reduction measures within the company and beyond.

BayWa r.e. has established a three-step package of measures to reduce and offset emissions. It covers measures to avoid emissions, planning own offsetting projects and purchasing high-quality carbon credits (e.g. gold standard). In this way, BayWa r.e. once

again managed to offset its own GHG emissions from business activities and emissions arising from business travel in 2020 by means of high-quality carbon credits.

Global Produce continues to pursue the goal of reducing its GHG emissions. Some locations are already climate neutral. The energy from the biogas facilities currently under construction is to be used to operate Global Produce's greenhouses in the future. These facilities will convert food waste to energy. To reduce emissions from coolants, Global Produce has been forging ahead with the cooling strategy developed in 2019, for example at its New Zealand locations. Step by step, coolants with a large impact on the environment will be phased out and the energy efficiency of the cooling facilities improved.] ✓

The two Austrian subsidiaries RWA AG and "UNSER LAGERHAUS" had each established their own business divisions for the area of photovoltaics in the previous year, with RWA AG creating the RWA Solar Solutions division and "UNSER LAGERHAUS" setting up the Photovoltaic Sales and Installation division. Both business divisions work on the development, construction and operation of photovoltaic facilities, both for their own locations and for customers.

Performance indicator and results*

Energy consumption

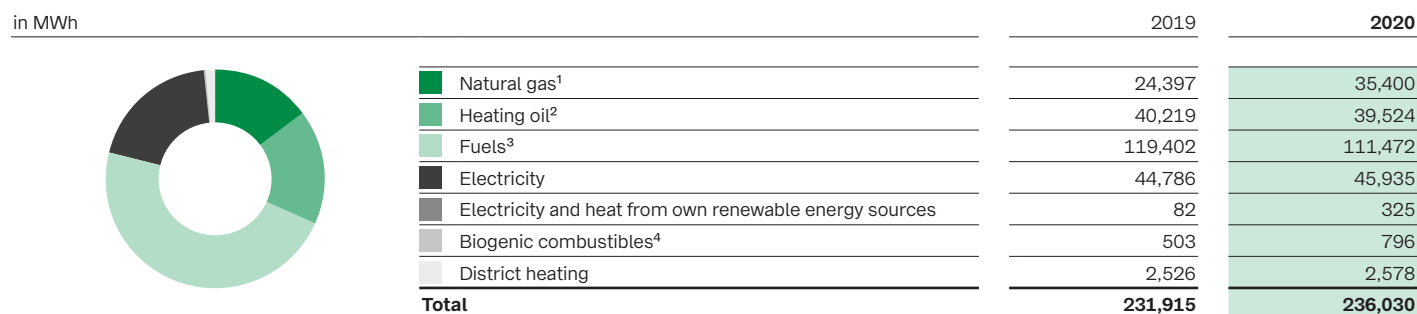
[In the financial year 2020, BayWa AG consumed 236,030 megawatt hours (MWh) of energy (2019: 231,915 MWh). Of BayWa AG's total energy consumption, 47% (2019: 51%) was accounted for by fuels for transport and logistics processes.] ✓ Consumption per employee at BayWa in the reporting year therefore came to 25.9 MWh (2019: 25.9 MWh).

[BayWa Group energy consumption during the reporting year was 757,346 MWh (2019: 731,857 MWh). Fuel and electricity consumption makes up 59% (2019: 64%) of the overall energy consumption.] ✓ The increase is attributable to various factors, among them new acquisitions, increased business activity and improved data quality. However, consumption per employee was reduced to 33.1 MWh (2019: 35.2).

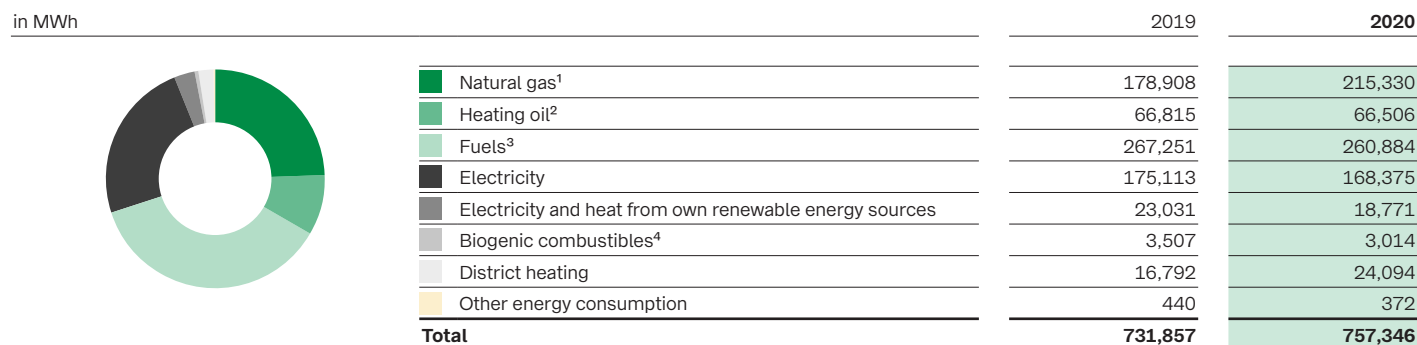
[Since 2020, 100% of electricity needs within the BayWa Group have been covered by renewable energies. BayWa's own electricity and heat generation from renewable energy sources was increased by a factor of 4.4 year on year to stand at 1,232,507 MWh Group-wide in 2020 (2019: 226,350 MWh). Of that amount, 18,771 MWh was used by BayWa itself (2019: 23,031 MWh).] ✓

* Information contains projections with a share of under 0.1%. Some data from 2019 has been corrected and is therefore no longer comparable with the figures in the Sustainability Report 2019. Due to the additional sources of data in 2020, it is not directly comparable with 2019 data.

Energy consumption according to energy source for BayWa AG



Energy consumption according to energy source for BayWa Group



1 Natural gas for heating, drying and other purposes

2 Heating oil for heating and drying purposes

3 Diesel, petrol, LPG, compressed natural gas

4 Wood pellets and wood chips

Greenhouse gas emissions*

[Greenhouse gas emissions (Scope 1 and 2) at BayWa AG stood at 48,014 tonnes of CO₂ equivalents in the reporting year (2019: 50,381), or 5.3 tonnes of CO₂ equivalents per employee (2019: 5.4). Of these GHG emissions, 62% (2019: 64%) came from the combustion of fuels, and another 21.8% (2019: 21%) came from the combustion of heating oil.] ✓

[Within the BayWa Group, greenhouse gas emissions (Scope 1 and 2) amounting to 140,697 tonnes of CO₂ equivalents (2019: 148,075) were generated in 2020] ✓, corresponding to 6.2 tonnes of CO₂ equivalents per employee (2019: 7.1). [Of that amount, 98% (2019: 87%) came from Scope 1, meaning that these emissions came from the burning of heating oil, natural gas and fuels and from volatile gases.] ✓ The 6,559 tonnes of CO₂ equivalents (2019: 2,646) from volatile gases arise from coolants, for example.

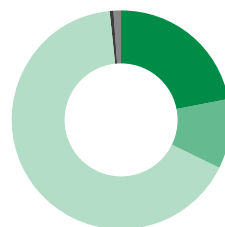
[Within the BayWa Group, 226,994 tonnes of CO₂ equivalents from Scope 1, 2 and 3 emissions were compensated for during the reporting year by purchasing high-quality carbon credits.] ✓

* CO₂ equivalents include CO₂ and other relevant gases with an impact on climate. Emissions factors from VDA, GEMIS, BEIS (formerly: DEFRA) and Quantis Scope 3 Evaluator for Scope 3.1 calculations were used. The sources for the emissions factors have changed year on year, which is why the figures are not directly comparable with the figures in the Sustainability Report 2019.

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



in t CO₂ equivalents



Scope 1

- Heating oil¹
- Natural gas²
- Fuels³

Scope 2

- Electricity⁴
- District heating

Total

2019

2020

49,602

47,531

10,630

10,447

6,963

7,201

32,009

29,883

779

483

306

0

473

483

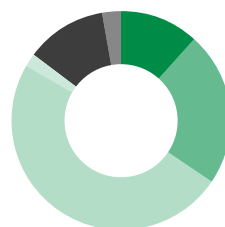
50,381

48,014

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



in t CO₂ equivalents



Scope 1

- Heating oil¹
- Natural gas²
- Fuels³
- Volatile gases

Scope 2

- Electricity⁴
- District heating

Total

2019

2020

128,090

137,488

17,749

17,678

36,184

43,445

71,511

69,806

2,646

6,559

19,985

3,210

16,837

0

3,148

3,210

148,075

140,697

1 Combustion of heating oil for heating and drying purposes

2 Combustion of natural gas for heating, drying and other purposes

3 Combustion of diesel, petrol, LPG, compressed natural gas

4 The market-based method was used for the calculation; value according to the location-based method: 23,798 t CO₂ equivalents (2019: 23,798 t CO₂ equivalents)

5 The market-based method was used for the calculation; value according to the location-based method: 74,976 t CO₂ equivalents (2019: 77,031 t CO₂ equivalents)

Regarding the combustion of biogenic combustibles, CO₂ emissions are entered into the balance sheet with a value of zero pursuant to the GHG Protocol.

In the reporting year, BayWa expanded its calculation of Scope 3 emissions. During the reporting year, BayWa AG generated indirect GHG emissions totalling 8,895,245 tonnes of CO₂ equivalents (2019: 8,834,277 tonnes). For the BayWa Group, the figure was 10,342,597 tonnes of CO₂ equivalents (2019: 9,234,838 tonnes). The GHG emissions arising from production, processing and transportation of purchased goods and services (Scope 3.1) were retroactively recorded for BayWa AG for the first time for 2019. The figure for 2020 comes to 8,809,954 tonnes of CO₂ equivalents. Transports commissioned (Scope 3.4) resulted in 1,489,135 tonnes of CO₂ equivalents Group-wide (2019: 429,144 tonnes). Within business travel (Scope 3.6), new recording mechanisms were established in 2020 to provide a more detailed picture of GHG emissions. In addition, GHG emissions from short-term rental vehicles were recorded in the business travel category. The GHG calculation for employee commuting (Scope 3.7) was determined in Germany, Austria and the UK through a direct survey and supplemented for all other countries using secondary data. Group-wide GHG emissions in this category in 2020 stood at 17,669 tonnes of CO₂ equivalents. Another first this year was the calculation of Group-wide emissions from fuel and energy related activities (Scope 3.3), which amounted to 24,467 tonnes of CO₂ equivalents for 2020 (2019: 24,277 tonnes).

Greenhouse gas emissions Scope 3

in t CO ₂ equivalents	BayWa AG		BayWa Group	
	2019	2020	2019	2020
Scope 3	8,834,277	8,895,245	9,234,838	10,342,597
3.1 Purchased goods and services ¹	8,759,325	8,809,954	8,759,325	8,809,954
3.3 Fuel and energy-related emissions ²	9,205	9,265	24,277	24,467
3.4 Transportation and distribution (upstream) ³	59,034	69,521	429,144	1,489,135
3.6 Business travel	343	56	6,304	1,372
3.7 Employee commuting ⁴	6,370	6,449	15,788	17,669

1 Expenditure-based calculation without own consumption (BayWa AG only)
2 Pre-chain emissions from all energy sources used from Scope 1 and 2
3 Quantity-based calculation of commissioned transports based on collected tonne-kilometres
4 Modal split from primary data (Germany and Austria) and secondary data (partly country-specific); data collection based on commuting behaviour prior to COVID-19 pandemic

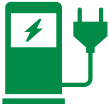
Transport and logistics

As a trading company, BayWa contributes to climate change by generating greenhouse gas (GHG) emissions through the transport of goods. To keep these emissions as low as possible, BayWa has structured its logistics processes in such a way as to improve its own GHG balance over the long term. Other risks related to transport and logistics come from handling dangerous goods. To prevent staff and the environment from suffering any harm which may result from transporting these goods, an extensive set of relevant rules and regulations has been enacted as part of corporate environmental management (see page 46).

Guiding principles, structures and processes

[BayWa logistics activities cause a relevant share of their own GHG emissions. Since 2014, BayWa AG has therefore been pursuing the sustainable alignment of its logistics as a cross-business-unit project. The optimisation of logistics activities to reduce energy consumption and greenhouse gas emissions also plays a central role in the BayWa climate strategy (see page 49). As a result, BayWa not only saves on energy and costs, but also meets the rising expectations of customers with regard to safe, environmentally compatible transport.

The respective business units continue to be responsible for transport and logistics. To support the business units in their environmental protection and occupational health and safety activities, the Corporate Environment, Health and Safety (EH&S) organisational unit advises on preventative measures when transporting and storing products and assists employees by providing checklists, instruction sheets and working instructions.]



More than

60%

of the forklifts in the Building Materials business unit are powered using electric motors

BayWa takes four strategic approaches to transport and logistics

- Creating optimal distribution structures through network planning
- Increasing the number of shipments by rail and inland waterways through targeted logistics concepts
- Reducing shipments and emissions by optimising routes, using a modern vehicle fleet and trained drivers
- Sustainable transport partnerships anchored as a principle in the purchasing framework and the purchasing policy

Objectives

[Transport and logistics activities are particularly effective in achieving the following two BayWa climate targets: Reducing both energy use and greenhouse gas emissions by 22% by 2025 compared to base year 2017 (for further information, see the Energy consumption and greenhouse gas emissions, page 50).

Greenhouse gas emissions from company cars and the Group's own logistics are to be lowered successively to reduce the environmental impacts. For this purpose, BayWa is taking measures such as gradually converting its vehicle fleet to alternative drive technologies while taking into account the availability and suitability of such technology for the respective application. As a result, BayWa is currently focusing on vehicles with hybrid and electric drivetrains.

By 2025, BayWa AG aims to ensure that at least 20% of its fleet is made up of electric vehicles, primarily replacing diesel vehicles. Some subsidiaries have set their own objectives. BayWa r.e., for instance, plans to replace all of its company vehicles in Germany with hybrid or electric vehicles by 2022.

Other alternative motor technologies, such as hydrogen, will join electric technology in the medium to long term and open up additional applications for commercial vehicles, for instance.]

Measures

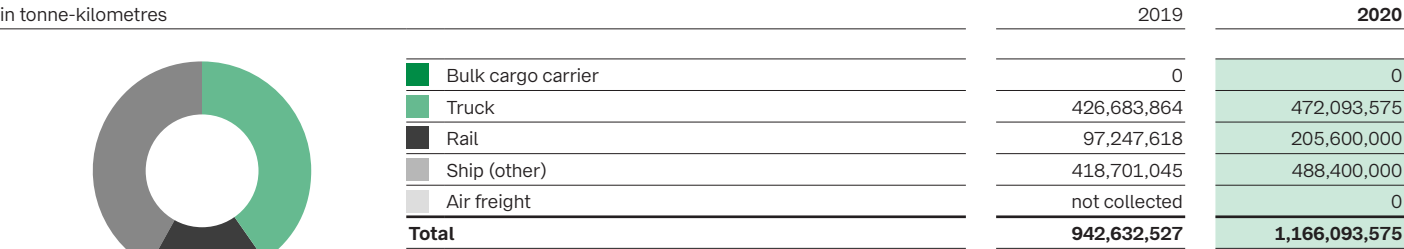
[To reduce environmental impacts from its own transport and logistics processes, BayWa is implementing a range of activities and measures. These are based on the exchange of ideas between the business divisions concerning best practice. In the previous

year, BayWa identified potential to reduce GHG emissions in its car fleet and logistics. These efforts will continue in the coming years to ensure that transport is as environmentally friendly as possible.] ✓

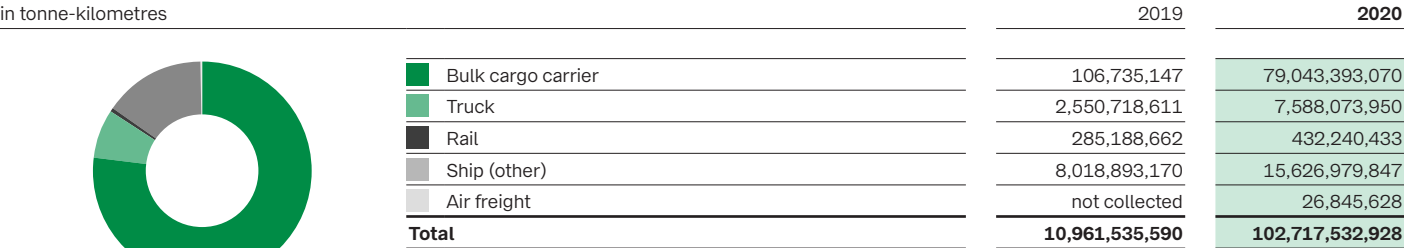
Intelligent route planning is just one of the measures introduced by BayWa. The shortest routes are calculated and implemented using telematics, based on data relating to the vehicles and the goods being transported. The building materials and agriculture divisions at BayWa AG have already equipped all of their own trucks and some of their partner companies' trucks with telematics. A number of companies cooperate with specialised logistics service providers to guarantee optimum utilisation and route planning. Distribution processes are consolidated and partial deliveries reduced by optimising and coordinating the use of existing warehouse infrastructure and intelligent transport systems. Centralising various agricultural equipment locations has also helped pool transport. Furthermore, transport is arranged in some cases on a cross-business basis to make optimal use of transport capacities. This means that fewer vehicles are needed, costs and fuel consumption are kept to a minimum, resulting in more efficient and environmentally friendly transport and logistics processes.

BayWa AG's vehicle fleet has also been equipped with cruise control to reduce speeds and lower fuel consumption as a result. In addition, employees regularly learn in driver training how an environmentally conscious, fuel-saving driving style can save GHG emissions. [Under the BayWa car policy in place since 2020, carbon emissions from company cars are capped at 120 g/km, with a handful of exceptions for trailers and other vehicles.

Breakdown of transports by logistics service providers according to type of transport BayWa AG



Breakdown of transports by logistics service providers according to type of transport BayWa Group



Significantly higher year on year due to increased business activities and more comprehensive data collection, among other things

BayWa is also modernising its own fleet with more efficient motors. The truck fleet, for instance, is continuously being renewed with low-emissions vehicles. An increasing number of electric and hybrid vehicles have been added to the BayWa AG vehicle pool since 2019. The agriculture division has been testing electric forklifts since 2020 with the aim of gradually replacing diesel with electric technology in heavy-duty forklifts.

In the Building Materials business unit, more than 60% of forklifts are already powered using electric motors. With building materials sites equipped with PV systems to generate their own electricity, there are also plans to charge forklift batteries with self-generated PV power rather than purchased low-tariff electricity. A pilot project is currently under way to find out which type of battery is best suited to achieving this aim.

The subsidiaries are also increasingly converting their fleets to lower-consumption, electric-powered vehicles. BayWa r.e. explicitly promotes electric vehicles in its company car policy.]✔

Greenhouse gas emissions from transports using own and leased trucks

in t CO ₂ equivalents	BayWa AG		BayWa Group	
	2019	2020	2019	2020
[Own and leased trucks ¹	19,691	18,877	44,509	44,549]✔
Commissioned transports (Scope 3.4) ²	59,034	69,521	429,144	1,489,135

1 Diesel combustion in own and leased trucks
2 Volume-based calculation based on tonne-kilometres measured; significantly higher year on year due to increased business activities and more comprehensive data collection, among other things

Performance indicator and results*

[In the reporting year 2020, the BayWa Group used 16.7 million litres (2019: 16.7 million litres) for the use of its own and leased trucks. This fuel consumption caused greenhouse gas emissions of 44,549 tonnes (2019: 44,509 tonnes).]✔ The majority of goods from BayWa AG were transported by transport and logistics service providers. To calculate greenhouse gas emissions caused by logistics service providers, BayWa consistently records the transport service provided in tonne-kilometres. A total of 102.7 billion

tonne-kilometres (2019: 11.0 billion tonne-kilometres) resulted from truck, rail, air or ship transport by service providers in 2020. This resulted in the emission of approximately 1.5 million tonnes of greenhouse gases (2019: 429,144 tonnes) through outsourced logistics activities.

The number of trucks with Euro V or Euro VI emission standards stood at 86% at BayWa AG in 2020. BayWa's fleet included 72 electric cars and 157 hybrid cars in the reporting year.

* CO₂ equivalents include CO₂ and other relevant gases with an impact on climate. Emissions factors from VDA, GEMIS, BEIS (formerly: DEFRA) and Quantis Scope 3 Evaluator for Scope 3.1 calculations. The sources for the emissions factors have changed year on year, which is why the figures are not directly comparable with the figures in the Sustainability Report 2019. Data from 2019 has been corrected and is therefore no longer comparable with the figures in the Sustainability Report 2019. Due to the additional sources of data in 2020, it is not directly comparable with 2019 data.

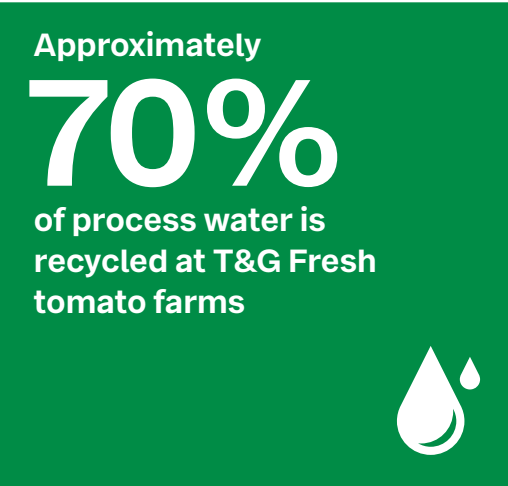
Waste and waste water

BayWa produces waste and waste water within the scope of its business activities. Dealing with them in the proper manner is a matter of foresight and compliance. Violations can harm the environment and nature, and entail steep fines for the company. The responsible and environmentally friendly use of packaging is also an important issue at BayWa. The global availability of water is also important to BayWa. The company strives to be a role model for the careful and efficient use of this valuable resource both to society as a whole and within its own operations.

Guiding principles, structures and processes

The proper and legally compliant disposal of waste from products and processes is an important task of BayWa AG, which is why disposal management activities are allocated to the Corporate Environment, Health & Safety (EH&S) organisational unit and are managed by one employee. Ongoing training ensures that the employee possesses the necessary expertise. The subsidiaries are independently responsible for the implementation of guidelines and measures. Clear lines of responsibility and central management also ensure effective waste management in this area.

Standardised BayWa AG instructions at all branches on dealing with waste and proper disposal channels ensure that environmentally harmful incidents, either at its locations or when transporting goods, are avoided and the impact of incidents is limited. Long-term partnerships with carefully selected disposal companies that operate nationally make it easier to monitor and control the processes.



As part of product responsibility, BayWa AG supports the establishment of collection points at its locations and organises regular campaigns to take back waste. More than 100 locations in the Conventional Energy and Agricultural Equipment business units are registered as collection points of the Verwertungsgesellschaft für Gebinde der Mineralölindustrie (collecting society for containers in the petroleum industry – GVÖ), which customers can use to dispose of waste containers free of charge. Corresponding instructions are in place at BayWa AG for the handling of hazardous substances.

BayWa AG and its subsidiaries are responsible for, among other things, the safe storage of hazardous substances and the safe transport of dangerous goods, such as heating oil or crop protection products. Avoiding incidents of pollution is given top priority. Since 1992, all claims involving BayWa AG have been recorded centrally, analysed and processed as quickly as possible in cooperation with the insurance company, relevant experts and the customer, regardless of who caused the damage. Employees are obliged to report anything conspicuous with regard to incidents of pollution and cases of damage.

Objectives

In the years ahead, BayWa aims to continuously reduce the amount of waste generated throughout the Group while increasing the recycling rate. Despite established structures and processes, the possibility of environmental damage caused by a lack of knowledge cannot be ruled out. BayWa seeks to widely minimise this lack of knowledge by raising employee awareness of how to handle hazardous substances through training courses and instructions.

Cefetra Group aims to develop a guiding environmental principle by 2021 which should enable recycling and waste management to be done in a differentiated way.

BayWa r.e. aims to review and increase the recyclability of its products. For this purpose, it has started a pilot project at the BayWa AG headquarters where what are known as “second-life” batteries are used for the interim storage of electricity peaks.

Measures

To reduce waste and increase the rate of recycling, the measures set include the following:

- Reducing the amount of copy paper by gradually switching the standard print setting to double-sided printing
- Providing financial incentives for separating waste at BayWa sites

To continually reduce the amount of waste produced by the Group and simultaneously increase the rate of recycling, BayWa intends to prepare information and training sessions on the intranet in a more interactive way and communicate them to employees in a targeted fashion. This is aimed at raising employees’ awareness concerning the issues of waste and recycling and motivating them to take action.

With the help of the waste disposal partners, BayWa AG will check the waste disposal situation at individual sites. The on-site view-ings should improve the rate of sorting and are only done at sites where potential for improvement is presumed. Measures are then taken to increase the rate of sorting together with the branch.

The subsidiaries are also making their own efforts to reduce the volume of waste and waste water they provide. Global Produce, for instance, aims to package products safely and with long shelf lives while minimising the amount of packaging and ensuring that pack-aging material is sustainable. Against this backdrop, BayWa Obst GmbH and other companies have invested in technologies to enable the automatic use of plastic-free packaging.

Two examples of resource-friendly packaging at BayWa

BayWa aims to design its packaging to be more environmentally friendly and is using sustainable raw materials on an increasing basis. For example, T&G Global in Vietnam has replaced its previous plastic packaging for two types of apples with an alternative mainly made of cardboard. This packaging has been used for all Jazz™ apple brands and for some Envy™ apple varieties since July 2020.

Since autumn 2020, BayWa r.e. has been using second-hand cardboard instead of brand-new rolls of paper for the packaging of its solar plant components. A new shredder system breaks down cardboard boxes from packaging to produce material that can be used as filler in packaging new products. At the current time, the percentage of secondary raw materials used for packaging across the Group is approximately 40%.



T&G Global sites in New Zealand plan to eliminate all waste disposal at dumps from 2025. Instead, waste is to be disposed of using alternative means or eliminated entirely. T&G Global liaises with supplies on how packaging can be reduced and which recycling options are available for problematic waste.

Water treatment plants at the two sorting facilities of BayWa Obst GmbH and at the T&G Fresh tomato farms in New Zealand ensure that approximately 70% of process water is recycled. As a result, only a small percentage of fresh water is required – preserving this valuable resource.

Results¹

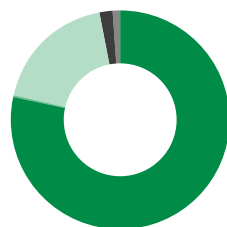
Over the past year, 12,435 tonnes of waste were generated at the sites of BayWa AG (2019: 13,365 tonnes). Of this amount, some 75% were recycled (2019: 77%). Through regular take-back campaigns and at established site collection points, BayWa AG took back 6,236 tonnes of waste in 2020 (2019: 6,343 tonnes). Of this waste, 4,277 tonnes (2019: 4,171 tonnes) comprised hazardous materials such as machine, gear and lubricating oils; oil filters; starter batteries; and other hazardous substances, such as fuel, contaminated packaging and solvents. BayWa AG organises the proper disposal of hazardous substances in line with handling instructions. In total, some 89% of all hazardous waste was recycled (2019: 93%).

The waste produced by the entire Group in 2020 came to 43,310 tonnes (2019: 40,589 tonnes). Of that amount, approximately 41% (2019: 43%) was recycled. The amount of waste water disposed of via the sewage systems at the BayWa Group in 2020 came to 98,686 cubic metres (2019: 134,241 cubic metres).

Altogether, 134 claims involving damage (such as heating oil that leaked or fires) were responsible for total expenditures (including clean-up and compensation) at BayWa AG of approximately €505,000 in 2020 (2019: 83 claims involving damage for total expenditures of around €250,000).

Waste by disposal method at BayWa AG

in tonnes



	2019	2020
Reuse	0	0
Recycling	10,248	9,304
Composting	23	11
Reuse incl. combustion with energy recovery	2,434	2,301
Thermal treatment	243	222
Landfill	418	73
Storage	0	0
Other methods of disposal	0	524
Total	13,365	12,435

Waste by disposal method at BayWa Group

in tonnes



	2019	2020
Reuse	461	1,009
Recycling	17,602	17,808
Composting	4,286	4,613
Reuse incl. combustion with energy recovery	4,309	12,458
Thermal treatment	7,989	1,360
Landfill	3,899	3,607
Storage	7	21
Other methods of disposal	2,036	2,434
Total	40,589	43,310

¹ Some data from 2019 has been corrected and is therefore no longer comparable with the figures in the Sustainability Report 2019.

Employees and Society

61

› Human resources strategy › Inclusion & Diversity › Training and education › Occupational health and safety › BayWa Foundation and sponsorships

BayWa is an international employer with employees in over 30 countries, whose cooperative spirit and regional unity continues to shape how it sees itself. The ONE HR strategy forms the foundation for human resources work and is geared towards creating added value globally as a team. The Inclusion & Diversity concept is a part of the strategy, and describes how BayWa promotes diversity and equal opportunities. Vocational training, education and management development are core elements of the HR strategy. BayWa also places huge importance on occupational health and safety and preventative protection at its sites. Beyond its own core business, the company also supports educational projects to promote healthy eating and renewable energies through the BayWa Foundation.



36

education projects
received funding from
the BayWa Foundation
in 2020



Human resources strategy

Guiding principles, structures and processes

The ONE HR strategy has formed the foundation for human resources work at BayWa since 2018. An HR mission encompassing the entire Group as well as seven strategic fields of focus are the cornerstones for this approach.

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 the BayWa Group.
- Together with our customers, WE find creative solutions for the global success of the company in a digital world.

Guided by the HR strategy, BayWa is concentrating its efforts on the following seven fields of focus:

Seven fields of focus for the HR strategy

Guided by the HR strategy 2018+, BayWa is concentrating its efforts on the following seven fields of focus:

1

HR 2022 – We are business

We are continuously working to expand and focus our range of expertise in order to align our portfolio of services even better to our internal clients.

2

Recruiting – Get the best

Our resources are designed to reach and recruit the best employees for the needs of the BayWa Group – both nationally and internationally.

3

Talent management – Our talents create success

The three key steps to our success: making potential and talent visible, developing them, applying them well. All in the knowledge of harnessing those skills that will be crucial to our success in future.

4

Leadership culture – Leadership makes the difference

Good leadership is the foundation of our success! The leadership culture has a direct influence on employees' motivation to perform and hence on the economic success of the BayWa Group.

5

Inclusion & Diversity – Promoting diversity

We aim to leave no potential untapped. Internationality, heterogeneity and diversity in the workforce create innovation and success.

6

Unity

We establish a culture of dialogue and communication between employees and management, in the team and across borders.

7

Employer branding – BayWa makes sense

The BayWa brand value and BayWa mission are the foundation for our positioning as a national and international employer. And our employees are our best brand ambassadors.

All HR activities are focused on the strategic goals and needs of the BayWa Group. HR is a key force driving corporate culture and a strategic partner to the business divisions.

The HR structure is oriented towards the following key topics:

- **Global cooperation:** 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 off global synergies, the HR managers of the major subsidiaries report functionally to the HR management of the BayWa Group.
- **Focus on Germany:** Our core business is located in Germany. The HR Germany division ensures that we can do our core business justice and gear ourselves towards its needs and requirements.
- **Combined HR expertise for the entire BayWa Group:** We make our expert HR knowledge accessible to the entire BayWa Group. The HR Transformation & International division brings together expertise and develops an infrastructure in which it can have the optimal effect.

Responsibilities for different aspects of human resources

Global Corporate HR	3 persons
HR Germany	39 persons
HR Transformation & International	11 persons

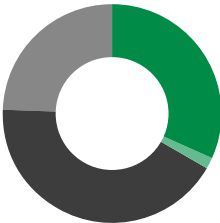
Objectives

In HR, BayWa pursues specific objectives in relation to diversity and equal opportunity (page 66), training and professional development (page 70) and occupational health and safety (page 72). The relevant chapters of this report provide an overview of where the company stands with respect to achieving each of these objectives, as well as results from the previous year.

Measures

BayWa’s virtual global management conference in 2020 on the future development of the leadership culture addressed the topic of “Next leadership – Leading for tomorrow”. The aim of the conference, attended by over 350 people, was to develop the basis for the general leadership principles of the future at BayWa. These principles include the leadership qualities (values, conduct, skills, tools) that unite us and lead us into a successful future. The results of the conference will become core components of BayWa’s talent management and leadership development moving forward.

Employee structure BayWa AG and BayWa Group



BayWa AG	2019	2020
Total number of employees	8,951	9,095
Industrial, male	31.8%	31.7%
Industrial, female	1.6%	1.6%
Commercial, male	42.2%	42.2%
Commercial, female	24.4%	24.4%



BayWa Group	2019	2020
Total number of employees	20,766	22,876
Industrial, male	32.6%	32.7%
Industrial, female	3.8%	7.6%
Commercial, male	39.6%	36.9%
Commercial, female	24.0%	22.8%

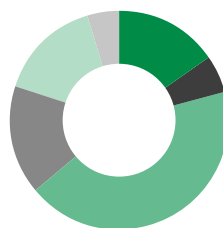
Employee structure¹

The number of employees at BayWa AG stood at 9,095 during the reporting year (2019: 8,951 employees). Of these employees, 14.2% worked at BayWa AG on a fixed-term basis (2019: 14.3%), while 13.2% worked part-time (2019: 12.8%). The number of employees at the BayWa Group increased slightly in 2020. At the end of the year, the Group employed 22,876 people in 30 countries worldwide (2019: 20,766). Across the Group, 10.7% of employees are employed part-time while 20% are employed on a fixed-term basis. The percentage of male employees Group-wide was just under 70% (2019: 72.2%), while 64.9% of employees were between the ages of 26 and 54 (2019: 66.0%).

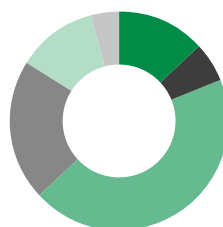
Length of service and employee turnover

Long periods of employment² with the company and low turnover are indicative of high employee satisfaction at BayWa. The former stood at 13.7 years at BayWa AG last year, and at 5.9 years for the Group as a whole. During the reporting period, BayWa AG had 873 new recruits (2019: 1,018) compared to 359 people leaving (2019: 485), which works out to an employee turnover rate of 3.9% (2019: 5.4%). The fluctuation rate across the Group stood at 6.9%, with 3,228 entries compared to 1,579 exits.

Age structure BayWa AG and BayWa Group



	2019	2020
BayWa AG		
Total number of employees	8,951	9,095
≤ 25 years, male	15.5%	15.4%
≤ 25 years, female	5.3%	5.6%
26–54 years, male	43.1%	43.1%
26–54 years, female	16.2%	15.9%
> 54 years, male	15.5%	15.4%
> 54 years, female	4.5%	4.6%



BayWa Group		
Total number of employees	20,766	22,876
≤ 25 years, male	12.9%	13.3%
≤ 25 years, female	4.3%	5.8%
26–54 years, male	46.6%	44.2%
26–54 years, female	19.4%	20.7%
> 54 years, male	12.8%	12.1%
> 54 years, female	4.1%	3.9%

¹ As at 30 September 2020. All employee figures in this section can differ from the figures provided in the Consolidated Financial Statements due to different data collection methods.

² Average length of employment



“There has been sustainable development in the BayWa working environment in terms of digitalisation, cooperation and leadership culture.”

INTERVIEW

How has the coronavirus pandemic affected working at BayWa?

The coronavirus pandemic kept the world on tenterhooks in 2020. BayWa AG employees were also confronted by many challenges due to the effects of COVID-19 this past year. Eva Boesze, Head of Corporate HR, and Michael Kuffner, Head of Corporate EH&S, explain how the company successfully protected its employees and responded to the new working conditions and what has changed for good at BayWa:

What challenges did BayWa have to face due to the coronavirus pandemic?

Eva Boesze: As a company of systemic importance, we faced the significant challenge of establishing a holistic crisis management strategy. We had to ensure that our employees had the best possible protection at work while maintaining our business operations. Authoritative, fast and clear communication with all employees and customer groups is just as important to us as protecting and supporting our employees and enabling them to work remotely. Our aim was to continue to fulfil our mission while maintaining unity at the company, in spite of the physical distance.

What measures has BayWa taken to protect its employees?

Michael Kuffner: We have implemented more than 500 measures focusing on protection and safety, communication, employee assistance and changing the BayWa working environment. They include setting up the permanently manned COVID-19 help desk for employee questions. We also procured 1.6 million masks and 13,000 litres of disinfectant and expanded the number of opportunities to work remotely.

Has the coronavirus pandemic led to the creation of any new work structures that will remain in place for good at BayWa?

Eva Boesze: Definitely! There has been sustainable development in the BayWa working environment in terms of digitalisation, cooperation and leadership culture. Our communication, which we

expanded significantly in the crisis, has become faster and more transparent. Thanks to our My BayWa app, the help desk and the award-winning mobile COVID portal, we are close to our employees and able to communicate with them promptly and reliably. This is something we want to maintain in the future. Our way of working is becoming more “hybrid”. The crisis has shown that cooperation in many areas among colleagues and with our customers works well in a virtual environment.

Have there been any positive experiences in the pandemic that are particularly memorable?

Michael Kuffner: One great example was the delivery of 1,000 litres of disinfectant for BayWa in Germany from our Austrian subsidiary RWA. We organised a wine-bottling machine to fill the fluid into plastic bottles. Now that’s what I call unity and creativity! Positive memories also include being there for our customers with only slight restrictions and largely avoiding any cluster of infections.

Eva Boesze: One positive experience for me was to see how well our networks at BayWa operated during the crisis and how stable they were. Without the high level of motivation and close collaboration among the operative business sectors, employee representatives, management and international Group companies, we would never have navigated our way through this crisis so successfully. This unity throughout the entire Group makes me very proud. Congratulations and a huge thank you go to all of our employees!

Inclusion & Diversity¹

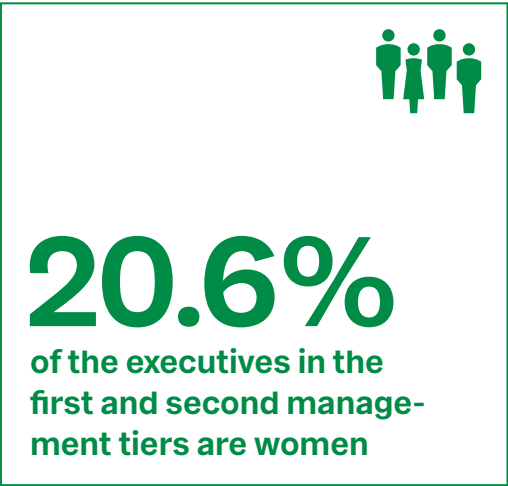
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Companies that actively promote diversity, equality and inclusion boost employee satisfaction and motivation, and increase their attractiveness to people on the job market. In light of the shrinking pool of specialist workers, BayWa confronts the risk that the number of applicants will drop and that employee fluctuation will increase by actively promoting Inclusion & Diversity. Because diverse teams where the members are mixed in terms of age, gender and experience work more creatively, offering a wider range of perspectives, the company benefits from Inclusion & Diversity being anchored and embraced as a principle. With over 22,000 employees in over 30 countries, BayWa offers a broad range of future prospects, ideas and experiences.

Guiding principles, structures and processes

Inclusion & Diversity has been an integral part of the ONE HR Strategy of BayWa since the end of 2018. The concept of diversity goes far beyond the differentiation criteria set out in the anti-discrimination and equal treatment laws. Rather, it describes the various characteristics, values and modes of behaviour which are either present at the outset or which have been gained whether consciously or unconsciously through learning or experience.

BayWa does not tolerate employee discrimination on the basis of personal background, gender, age, physical or mental disability or sexual orientation. This principle is set forth in the Code of Conduct developed in 2015 and the Inclusion & Diversity Policy adopted in 2019, and is communicated through the Corporate Leadership Guide and at mandatory management training courses. BayWa AG and its German-speaking subsidiaries will be integrating specific aspects of



this topic, including the subject of unconscious bias, into their management development programmes and career models from 2021.

Corporate HR is responsible for strategically anchoring Inclusion & Diversity as a policy. The HR Transformation & International division is responsible for building up initiatives and policies to strengthen Inclusion & Diversity across the Group. That means that all managers should leverage the range of perspectives which a diverse workforce entails in daily cooperation. The Inclusion & Diversity policy is an international, Group-wide statement which applies from the recruiting process to employee and management development.

Another important step towards anchoring Inclusion & Diversity in the corporate culture was signing the Diversity Charter in 2019, including the associated voluntary commitments such as creating a culture of mutual respect and cooperation. As part of this culture, each individual must have the feeling that they, with their individual characteristics and capabilities, are an integral part of the company, will be able to fulfil their potential and can make an optimal contribution to the company’s success. BayWa makes sure that all policies, processes and programmes, including search and selection criteria in the recruitment process, career models, HR and management development programmes contribute to avoiding discrimination and that diversity is seen as an opportunity and an enrichment in the Group.

BayWa ensures that its pay structure is solely based on the work done and the position in the company. In the areas falling under the BayWa pay scale, remuneration is based on evaluation of job functions in accordance with the collective wage and salary agreement. The German Transparency in Wage Structures Act (EntgTranspG) has also applied since 2018. According to this legislation, BayWa AG employees have the right to information about the salary of a colleague of the other gender who performs a similar job or works on a similar level. This law was implemented in the form of guidelines which all employees can rely on. If employees feel that they have been placed at a disadvantage or discriminated against, they can contact Corporate HR, the Works Council or an external ombudsman at any time.

¹ The concept of inclusion is the usual term used, especially in the German language, for the involvement of people with disabilities. The word “inclusion” in English has a far broader scope and, with it, a different meaning. This is a better match for the intention of the concept as BayWa understands it.

Objectives

[The promotion of Inclusion & Diversity is a strategic goal, because diverse and mixed teams can contribute to the improved success of the company. Today, people of many different nationalities work together at BayWa across the Group. In terms of equal opportunities, the company pursues the aim of securing the most suitable candidate for vacant management positions, regardless of personal background, gender, age or sexual orientation.

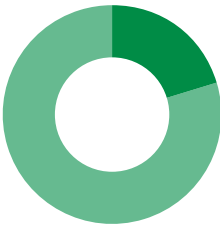
By 30 June 2022, the aim is to achieve a Group-wide share of women in the first and second management tiers of 22%.] ✓

Measures

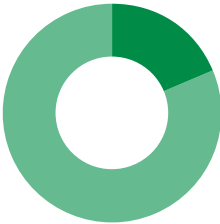
[Women with high potential benefit from BayWa’s Connected Women network. The network provides a platform for female employees where they can share ideas and experiences, enabling them to learn from one another.

To promote a better work-life balance, BayWa AG provides its employees with flexible working time models geared towards the different stages of their lives. This includes the possibility of working part-time. Employees at all administrative sites can also take advantage of flexitime models. The company agreement on “mobile working” allows employees to work from locations other than the agreed place of work under certain circumstances.] ✓

Management positions by gender at BayWa AG and BayWa Group



	2019	2020
BayWa AG		
Managers overall (1st and 2nd levels)	118	121
Female	20.3%	20.7%
Male	79.7%	79.3%



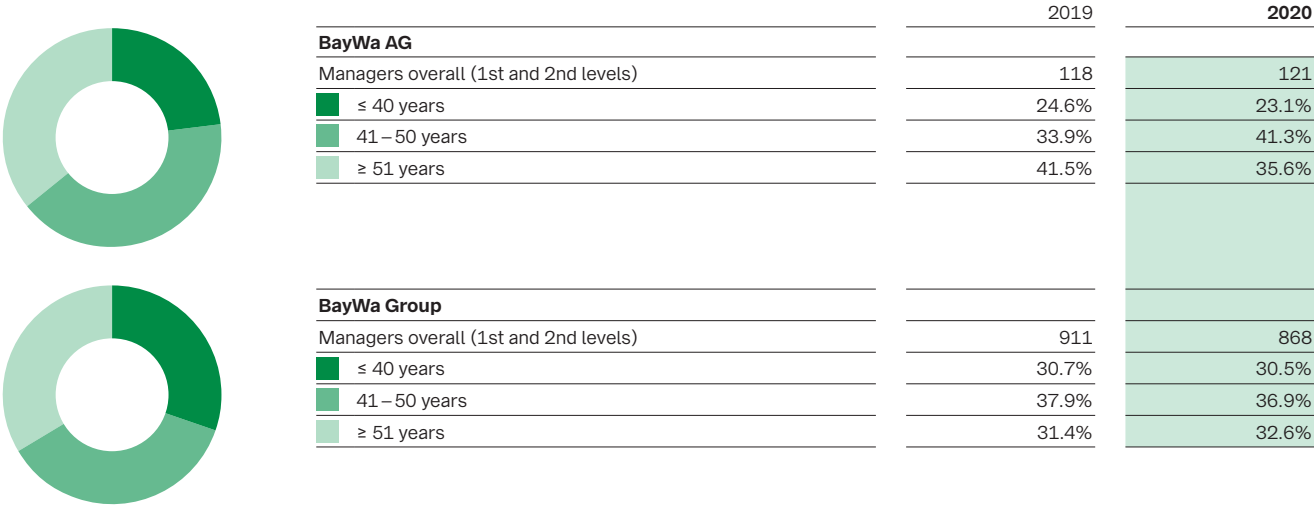
BayWa Group		
Managers overall (1st and 2nd levels)	911	868
Female	21.0%	20.6%
Male	79.0%	79.4%

In addition, the volume of greenhouse gases emitted is reduced due to fewer journeys being made between the place of residence and the place of work, which is also a contribution towards climate protection. BayWa has restructured its process of facilitating employees' transition back into professional life after taking parental leave with the aim of further improving the return rate. Communication during parental leave is being intensified, and BayWa is also offering support tailored to the needs of employees on parental leave with seminars and networking events. Since 2019, BayWa AG has been offering employees the chance to take a sabbatical for six months under certain conditions.

Sales mentoring is one initiative that is promoting diversity and mutual understanding in the sales division. The initiative involves experienced colleagues taking on a mentoring role with the aim of giving mentees an insight into certain sales roles and functions and highlighting some of the career prospects available to them. This strengthens dialogue between BayWa's business divisions and promotes a culture of openness. Cross-division and cross-business-sector collaboration between mentors and mentees reinforces understanding across generations, gender and hierarchy.

In its job advertisements, BayWa AG encourages people with disabilities to apply. BayWa AG also awards orders for digitalising contract documents, for example, to organisations that employ people with disabilities as a matter of priority.

Management positions by age at BayWa AG and BayWa Group





Performance indicator and results

[At the end of the reporting year 2020, the percentage of women in the first and second levels of management at the BayWa Group came to 20.6% (2019: 21.0%).]

Year on year, the percentage of female employees at BayWa AG was more or less unchanged at 26.0%. Across the Group, the proportion of female employees stood at 30.4% (2019: 27.8%). The proportion of women on the Supervisory Board totalled 25.0% (2019: 25.0%).

Of the employees at BayWa AG, 93.3% fall under the BayWa pay scale. As a result, there are no differences in pay between women and men. At BayWa subsidiary Worldwide Fruit Limited, audits

conducted in 2020 found 17 cases of non-compliance and 1 case of discrimination in the supply chain. Of the 17 cases of non-compliance, 16 were resolved.

In 2020, 2.2% (2019: 2.3%) of BayWa AG employees went on parental leave, 88.6% of whom were women (2019: 91.0%). In total, 13.2% of employees worked part-time in 2020 (2019: 12.8%). Of these, 68.1% were female (2019: 69.8%). Group-wide, the proportion of employees in part-time employment was 10.7%, of whom 68.8% were female. People with a disability accounted for 2.2% of employees at BayWa AG during the reporting period (2019: 2.1%). Group-wide, the proportion of employees with a disability was 1.5% in 2020 (2019: 1.6%).

Proportion of women in management positions (1st and 2nd level)



	2019	2020
BayWa Group	21.0%	20.6%
thereof: BayWa AG	20.3%	20.7%

Training and education

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 an edge for itself with regard to expertise, its attractiveness on the job market and the satisfaction of its employees. Young people in particular expect companies to offer good opportunities for personal development. Even an international trading group such as BayWa must now compete for employees. Attractive training and professional development programmes are therefore crucial for recruiting and retaining talented junior staff.

Guiding principles, structures and processes

[Training and professional development are part of the human resources strategy of BayWa AG, which 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) the annual employee assessment.]

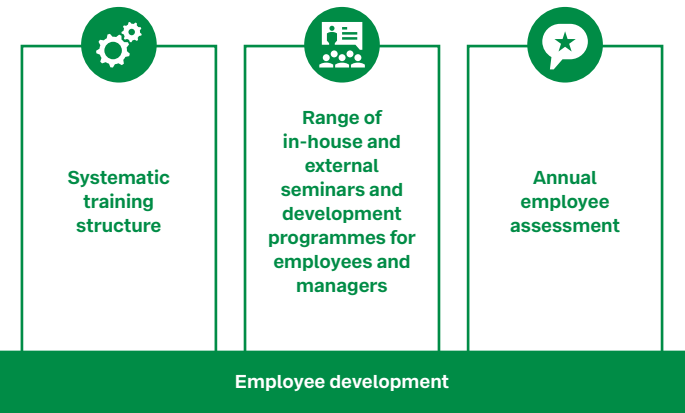
As a training provider, BayWa plays an important role in assuring the next generation of talent. Young employees are systematically prepared for a profession in 16 apprenticeships. Apart from technical training, the development of social and methodological skills also plays a major role in this process and is a key element of the training structure.]

Objectives

[Through its development programmes, BayWa aims to ensure that specialists and managers are highly and uniformly qualified. Among other things, the programmes aim to teach them to inde-

Three-pronged approach to training

Training and professional development are part of the human resources strategy of BayWa AG, based on a three-pronged approach:



pendently pursue goals they set themselves. This entrepreneurial approach is to become even more firmly rooted in the corporate culture over the long term.

New Zealand subsidiary T&G Global plans to establish a leadership development programme alongside its existing training and development initiatives and step up its efforts on its journey towards a high-performance culture. T&G Global organised its first leadership

development activities in the reporting year, including training courses aimed at fostering management expertise and a development programme for the next generation of leaders and managers.]

Measures

The topic of sustainability is now a fixed component of the training programme at BayWa. 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 November 2020, and are mainly provided using digital formats. The BayWa Academy aims to increase understanding of the entrepreneurial approach and cement it within the corporate culture.

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

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

The BayWa subsidiaries also run numerous training programmes. For example, T&G Global has professional development and training programmes in the areas of compliance, leadership and management development, and health and safety. The company also offers programmes to promote literacy and numeracy, along with technical and operational skills.]

Performance indicator and results

[In 2020, 4,030 individuals (2019: 9,154) participated in training at BayWa AG. The number of training hours per employee was 4.5 hours (2019: 12.9). Group-wide, 19,163 individuals participated in training in the reporting year (2019: 20,226). This equates to 6.9 training hours per employee (2019: 10.6).]
 BayWa also uses e-learning for ongoing knowledge sharing, which is available to all employees. In 2020, a total of 22,000 participants at BayWa used the e-learning offering (2019: approximately 35,000). Group-wide, the number of participants was 30,786 (2019: 39,365). At BayWa AG, employee assessments in 2020 covered 28.3% of all employees (2019: 33.4%). Group-wide, 32.3% (2019: 37.1%) of all employees participated in employee assessments in the reporting year.

Average number of hours for education and training

	BayWa AG		BayWa Group	
	2019	2020	2019	2020
Number of employees participating in training	9,154	4,030	20,226	19,163
Number of hours per employee overall	12.9	4.5	10.6	6.9
Number of hours per female employee	8.3	2.2	8.9	7.2
Number of hours per male employee	14.5	5.3	11.2	6.7
Number of hours per industrial employee	11.8	6.1	13.0	10.6
Number of hours per commercial employee	13.4	3.7	9.2	4.3

In the year under review, the COVID-19 pandemic led to an increase in digital training courses, some of which are not included in these figures.



Strong training provider in spite of coronavirus

BayWa once again provided a large number of training positions for young people in 2020, securing the next generation of talent despite the coronavirus pandemic. All in all, the Group employed 1,411 trainees, the largest share of which (927) at BayWa AG. Trainee onboarding took place virtually or in small in-person events, depending on the business division and region. A variety of formats were used, such as online training courses (including live courses), videos, presentations or quizzes.

Occupational health and safety

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

Guiding principles, structures and processes

With its 19 employees, BayWa AG's Corporate Environment, Health & Safety (EH&S) organisational unit is a Group-wide point of contact for employee health and safety concerns, while also crafting international standards. In this function, the organisational unit reports directly to the Chief Executive Officer. The mandate "Safety, Health and Environmental Management", approved in 2016, establishes responsibilities for EH&S and specifies the tasks and powers of Corporate EH&S. All Group companies have a coordinator who is in charge of these matters.

The ISO 45001 standard, published in March 2018, was the first such global standard for occupational health and safety management systems. BayWa's guiding principles on the environment, health and safety, which came into effect in 2019, are aligned with this standard. The guiding principle defines the minimum measures to be taken for matters of occupational health and safety and environmental management at every BayWa location. It applies to all businesses and employees within the BayWa Group and their subcontractors. EHS management software is available for all locations to allow for the implementation of the individual measures.

BayWa AG's occupational health management system is based on a working group, the addiction officer, EHS coordinators and cooperation partners. In addition, the BayWa AG 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 EH&S policies. BayWa r.e., for instance, implemented a new EHS policy in mid-2019 specifying the Group-wide requirements and containing specific measures to protect employees' health and safety in the workplace. These regulations also apply to all subcontractors. The Cefetra Group business unit updated its HS policy in 2020.



Due to the physical nature of their work, BayWa AG's industrial employees – such as warehouse staff, professional drivers, agricultural machinery mechanics and customer service staff for milking operations – are subject to greater health risks. The requests submitted through the employer's liability insurance association regarding suspicions of occupational illnesses are looked into annually, and appropriate measures are determined.

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 frequent illnesses with the right support. BayWa AG examines how accidents can be avoided and working conditions can be improved by means of its employee suggestion scheme.

BayWa AG has kept systematic records of accidents at work since 1974. BayWa AG's EH&S and PR/Corporate Communications/Public Affairs organisational units must be informed immediately of serious occupational accidents or occupational accidents resulting in death, as well as incidents that impact the environment. For example, an extensive catalogue for personal protective equipment and a comprehensive training programme on prevention in occupational safety help prevent accidents and injuries at BayWa AG and its subsidiaries. For people trained in electrical engineering, there is also a special range of online training courses in relation to activities involving electrical hazards. A practical training centre is also being planned for such activities and is scheduled for completion in 2021. At the beginning of their employment, new recruits receive extensive online training and, if necessary, corresponding in-person training.

BayWa AG’s EH&S organisational unit promotes Group-wide EH&S reporting at regular intervals via the companies’ respective EH&S officers. The relevant performance indicators are retrieved digitally from the business divisions and Group companies each year. In addition to the EH&S mandate, Cefetra B.V. has designated its own occupational health and safety officers.

Objectives

BayWa aims to continuously reduce the number of accidents at work 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, 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 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.

Measures

BayWa’s health management scheme promotes employee health and safety through various means, particularly prevention, that are entirely free of charge. Among other things, the measures include health seminars on coping with stress, strengthening resilience, healthy eating, mindfulness, exercise and relaxation, along with back exercises, yoga and massage offerings. All Group employees in Germany have the chance to take part in these health seminars. Some subsidiaries offer their own services. In 2020, T&G Global offered its employees resilience training on the challenges posed by the COVID-19 pandemic.

In 2019, BayWa launched a process aimed at the harmonisation of the recording and analysis of all incidents relating to occupational health and safety, as well as environmental management. The system was successfully implemented for BayWa AG and a number of other Group companies in the reporting year. The process will be successively rolled out to all other companies. This will enable BayWa to ensure the correct documentation that is required by law. Furthermore, the management system described enables systematic post-processing of accidents to reduce hazards and thereby contributes to the well-being of employees.

Results

In 2020, there were 291 occupational accidents at BayWa AG (2019: 237) and a total of 655 occupational accidents across the Group (2019: 588). At 3.3%, the rate of illness at BayWa AG rose slightly year on year in 2020 (2019: 3.2%). The Group-wide rate of illness was 2.8% in the reporting year (2019: 3.2%). Since 2017, BayWa Health Management has been assuming the cost for health training, which was taken up by 80 employees in the reporting year. These seminars help promote employee health with a specific focus on the prevention of mental and psychological strain. In 2020, a total of 5,564 BayWa AG employees also participated in training sessions on health and safety (2019: 5,137). Implementation of BayWa r.e.’s global occupational health and safety management system continued in relevant companies in 2020 and was confirmed through successful initial certification and re-certification. The number of ISO 45001 certifications for management systems for occupational health and safety at work increased to five at BayWa r.e. companies in the reporting year.

Occupational accidents

	2019	2020
BayWa Group	588	655
thereof: BayWa AG	237	291

BayWa Foundation and sponsorships

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 principle applies all the more whenever commitment to society is thematically tied to the business purpose of an enterprise.

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 public, civil-law foundation with legal capacity and has its registered office in Munich. It operates under the oversight of the government of Upper Bavaria and is intermittently audited by an external auditor.

[The principles and founding objectives of the BayWa Foundation are laid down in its statutes. In addition, the BayWa Foundation acts in accordance with the Code of Conduct of BayWa AG. The Foundation's Board of Management and management regularly assess and monitor its work.]

The Foundation's board comprises three members who are appointed by the Board of Management of BayWa AG. The BayWa Foundation's Board of Management appoints a managing director, who steers the work of the Foundation. [The managing director reports directly to the BayWa Foundation's Board of Management. BayWa AG covers the administrative costs and doubles donations so that 200% of the money the Foundation receives goes towards projects that it funds. In 2020, the Foundation funded 36 educational projects worldwide.]



Objectives

[The goal of the BayWa Foundation is to establish sustainable educational projects in the areas of healthy eating and renewable energies. The BayWa Foundation is active in an operational and supporting capacity in these areas.]

In 2021, the BayWa Foundation plans to continue developing its educational projects. For example, the BayWa Foundation's nutrition education programme "Gemüse pflanzen. Gesundheit ernten"

(planting vegetables, harvesting health) is set to be expanded with additional digital formats.

Internationally, the BayWa Foundation is focusing on helping people to help themselves. In 2021, the funding of training courses for young women in Zambia and the commitment to providing school education and a healthy diet to homeless children in Indonesia is to be continued. BayWa Foundation's individual projects are described in greater detail in the "Measures" section below. []

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 175 school gardens have already been established across Germany as part of the "Gemüse pflanzen. Gesundheit ernten." nutrition education programme. In classrooms, the teaching and activity book "Der Ernährungskompass" (the nutrition compass; in German only) helps children learn playfully about food and nutrition. []]

In 2020, the BayWa Foundation was only able to organise a limited number of action days in schools due to the coronavirus pandemic. However, to support schools with additional educational offerings, the BayWa Foundation developed a variety of online formats. [A virtual classroom has been set up on the BayWa StiftungsBlog, offering child-oriented content on nutrition, agriculture, the environ-

ment and renewable energies. The BayWa Foundation also expanded its school garden project in its StiftungsTV service, with video tutorials explaining the structure of a raised bed, how to plant, cultivate and harvest a variety of vegetables and how to make healthy meals with them.] ✓

The “Die Waldschule” (forest school) project allows primary school children to experience the forest ecosystem and contribute to the conservation of native forests by planting trees. In 2019, the UN Decade on Biodiversity recognised “Die Waldschule” (forest school) as an exemplary project for the conservation of biodiversity in Germany.

The BayWa Foundation’s commitment to the Deutschlandstipendium (Germany scholarship) and educational initiatives are helping to educate young people. Moreover, it supports facilities for children and young people in Munich, including Sonderpädagogische Förderzentrum Neuperlach (Neuperlach special education centre) and Tillmann Kinder- und Jugendhaus (Tillmann centre for children and young people), with educational offerings.

International projects are geared towards providing long-term assistance to help people help themselves. In Zambia, young mothers in need receive support in the form of education on their way to leading independent lives. In the reporting year, a total of 20 young mothers in need in Zambia received support.

In Tanzania, the BayWa Foundation supports the construction of biogas plants and the transfer of knowledge concerning the field of biogas. Biogas plants provide people with clean cooking fuel and valuable fertilizer for their fields. In addition, jobs are created as part of the project, and living conditions for farmers are improved.

In Indonesia, the BayWa Foundation is supporting the school education of ten street children. This support as part of the “Peduli Anak” project allows the children to attend school, receive educational materials, eat regularly and healthily and have a roof over their heads.

Performance indicator and results

[In 2020, the BayWa Foundation conducted 39 campaign days to promote healthy eating. The total sum for projects in the field of healthy nutrition in the reporting year was €954,554 (2019: €697,854).] ✓ The Foundation provided a total of €1,116,810 in financing for 36 projects in 8 countries (2019: €1,220,387 for a total of 40 projects in 7 countries).

[The Foundation’s commitment was reflected, among other things, by the success of the activity book “Der Ernährungskompass” (the nutrition compass). Some 77,000 copies of the activity book have already been distributed to schools in Bavaria. Nutrition campaign days were organised at schools in Bavaria, and teacher training and educational materials were provided. A total of 8 new school gardens were built and supported by the BayWa Foundation as part of the nutrition education programme “Gemüse pflanzen. Gesundheit ernten.” (planting vegetables, harvesting health) in the reporting year. Furthermore, the Foundation granted a total of 220 Deutschlandstipendium (Germany scholarships) of €1,800 each to students studying agricultural sciences, energy and resource management, and food management in 2020. The BayWa Foundation expanded its scholarship programme at TU Munich (TUM) with an additional 50 scholarships. In addition, the BayWa Foundation included 20 students from the University of Bayreuth in the scholarship programme.] ✓



BayWa Foundation provides food for crisis heroes in the coronavirus pandemic

As part of the “Verpflegung für Krisenhelden” (food for crisis heroes) initiative, the BayWa Foundation provided free meals to front-line workers during the spring 2020 lockdown. A total of 12,500 snacks, warm meals, fruit and beverages were handed out to paramedics, emergency physicians and other key workers over a period of seven weeks. The foundation also supplied meals to seniors and homeless shelters in Munich with the support of BayWa employees. Since May, 30 families with seriously ill children, who are at high risk in the pandemic, have been supplied with healthy meals once a week by the BayWa Foundation.



A total of 5 primary schools and schools for children with learning difficulties took part in the action days of the “Die Waldschule” (forest school) project. No further action days were able to be organised due to the coronavirus pandemic. In 2020, 325 trees were planted and 293 forest diaries distributed to students.

During the reporting year, BayWa AG donated a total of roughly €733,000 (2019: €801,731), of which some €612,319 (2019: €716,399) went to the projects of the BayWa Foundation. Apart from the Foundation, which supports science, research and education, BayWa’s corporate social responsibility has traditionally also extended to promoting sporting activities in Munich. In 2020, BayWa supported FC Bayern as the main sponsor of its basketball team for the seventh season and continued to make a contribution to top-level sports.

Campaign days to promote healthy eating		
	2019	2020
Number of campaign days to promote healthy eating	156	39 ¹

¹ The number is lower than in the previous year due to COVID-19-related restrictions at schools.



Sport above the Munich skyline

Promoting basketball in Munich and supporting innovative construction projects – that’s what BayWa’s sponsorship of the Bellevue di Monaco rooftop sports court is all about. The Bellevue is a residential and cultural centre for refugees and other Munich citizens in the heart of the city. The BayWa Building Materials business unit contributed materials for the construction of the sports court and also provided advice and expertise in the project. The football and basketball court on the building’s roof measures 9.20 metres by 12.70 metres and gives children, teenagers and young adults from the local area somewhere to play sport free of charge.

Assurance Statement

Independent Auditor’s Report on a limited assurance engagement

To BayWa Aktiengesellschaft, Munich

Our engagement

We have performed a limited assurance engagement on the separate Non-Financial Group Report of BayWa Aktiengesellschaft, Munich, (hereinafter: “the Company”) in accordance with Section 315b German Commercial Code (HGB), which was combined with the non-financial report of the parent company in accordance with Section 289b German Commercial Code (HGB) for the period from 1 January to 31 December 2020 (hereinafter: “Non-Financial Group Report”). This Non-Financial Group Report consists of the sections and other information listed in the [overview on page 15](#) of the Non-Financial Group Report of BayWa Aktiengesellschaft, Munich. The other sections and other information within the Sustainability Report 2020 as well as the audit of websites of the Company which are referenced were not part of our engagement.

Responsibility of the executive directors

The executive directors of BayWa Aktiengesellschaft are responsible for the preparation of the Non-Financial Group Report in accordance with Sections 315b, 315c German Commercial Code (HGB) in connection with Sections 289c to 289e German Commercial Code (HGB).

In preparing the Non-Financial Group Report, the executive directors used the Sustainability Reporting Standards of the Global Reporting Initiative (GRI) with the option “Core” and have indicated these within the Non-Financial Group Report.

This responsibility of the Company’s executive directors includes the selection and application of appropriate methods for preparing the Non-Financial Group Report as well as making assumptions and estimates related to individual non-financial disclosures, which are reasonable in the circumstances. In addition, the executive directors are responsible for such internal control they have determined necessary to enable the preparation of the Non-Financial Group Report that is free from material misstatements, whether intentional or unintentional.

The accuracy and completeness of the environmental data in the Non-Financial Group Report are inherently subject to limits that result from the manner in which data is collected and calculated and assumptions made.

Practitioner’s responsibility

Our responsibility is to express a limited assurance conclusion on the Non-Financial Group Report, based on the assurance engagement we have performed.

We are independent of the Company in accordance with the provisions under German commercial law and professional requirements, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our audit company applies the German national legal requirements and the German profession’s pronouncements for quality control, in particular the by-laws governing the rights and duties of public auditors and chartered accountants (Berufssatzung für Wirtschaftsprüfer und vereidigte Buchprüfer) as well as the IDW Standard on Quality Control 1: Requirements for Quality Control in Audit Firms [IDW Qualitätssicherungsstandard 1: Anforderungen an die Qualitätssicherung in der Wirtschaftsprüferpraxis (IDW QS 1)], which comply with the International Standard on Quality Control 1 (ISQC 1) issued by the International Auditing and Assurance Standards Board (IAASB).

We conducted our assurance engagement in compliance with the 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 in a form that enables us to conclude with limited assurance that nothing has come to our attention that causes us to believe

that the information disclosed in the Non-Financial Group Report has not complied, in all material respects, with Sections 315b, 315c in connection with Sections 289c to 289e German Commercial Code (HGB). In a limited assurance engagement the assurance procedures are less in extent than for a reasonable assurance engagement and, therefore, a substantially lower level of assurance is obtained. The assurance procedures selected depend on the practitioner’s professional judgment.

Within the scope of our limited assurance engagement, which was performed from September 2020 to March 2021, we conducted, amongst others, the following audit procedures and other activities:

- Obtaining an understanding of the structure of the sustainability organization and of the stakeholder engagement
- Interview of the executive directors and relevant employees that participated in the preparation of the Non-Financial Group Report about the process of preparation, the measures on hand and precautionary measures (system) for the preparation of the Non-Financial Group Report as well as about the information within the Non-Financial Group Report
- Identification of the risks of material misstatement within the Non-Financial Group Report

- Analytical evaluation of selected disclosures within the Non-Financial Group Report
- Reconciliation of the disclosures within the Non-Financial Group Report with the respective data within the consolidated financial statements as well as the management report
- Evaluation of the presentation of the disclosures

Practitioner’s conclusion

Based on the assurance work performed and evidence obtained, nothing has come to our attention that causes us to believe that the information disclosed in the Non-Financial Group Report of the Company, for the period from 1 January to 31 December 2020 has not complied, in all material aspects, with Sections 315b, 315c German Commercial Code (HGB) in connection with Sections 289c to 289e German Commercial Code (HGB).

The audit opinion only refers to sections and other information listed in the table on [page 15](#) in the Non-Financial Group Report of BayWa Aktiengesellschaft, Munich. Our opinion does not refer to the other sections, other disclosures in the Non-Financial Group Report.

It was not part of our engagement to audit referenced websites of the Company.

Purpose of the assurance statement

We issue this report on the basis of the engagement agreed with BayWa Aktiengesellschaft, Munich. The limited assurance engagement has been performed for purposes of BayWa Aktiengesellschaft, Munich, and the report is solely intended to inform BayWa Aktiengesellschaft, Munich, on the results of the assurance engagement.

Liability

The report is not intended to provide third parties with support in making (financial) decisions. Our responsibility exclusively refers to BayWa Aktiengesellschaft, Munich, and is also restricted under the engagement agreed with BayWa Aktiengesellschaft, Munich, on August 5, 2020 as well as in accordance with the “General engagement terms for Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften (German public auditors and German public audit firms)” from 1 January 2017 of the Institut der Wirtschaftsprüfer in Deutschland e.V. We do not assume any responsibility to third parties.

Munich/Germany, 23 March 2021

Deloitte GmbH
 Wirtschaftsprüfungsgesellschaft

Signed: Cornelia Tauber
 [German Public Auditor]



Signed: p.p. Sebastian Dingel

GRI Content Index



This report has been prepared in accordance with the GRI Standards: Core Option. The German version of this Sustainability Report “Acting Responsibly. Living the change” has successfully undergone the GRI Materiality Disclosure. The GRI Services Team has confirmed that the “materiality disclosures” (GRI 102-40 – 102-49) are located correctly.

GRI Standard	Page	Comments
GRI 101: Foundation 2016		
GRI 102: General Disclosures 2016		
Organizational Profile		
GRI 102-1 Name of the organization	04	
GRI 102-2 Activities, brands, products and services	06/07	
GRI 102-3 Location of headquarters	06	
GRI 102-4 Location of operations	06	
GRI 102-5 Ownership and legal form	06	
GRI 102-6 Markets served	06	
GRI 102-7 Scale of the organization	06; Consolidated Financial Statements 3, 13, 30, 174 et seq.	
GRI 102-8 Information on employees and other workers	06, 63/64, 67 – 69	
GRI 102-9 Supply chain	28 – 30	
GRI 102-10 Significant changes to the organization and its supply chain	04	
GRI 102-11 Precautionary principle or approach	19/20	
GRI 102-12 External initiatives	03/04, 12, 14, 28/29, 38, 49, 66, 79	
GRI 102-13 Membership of associations	03, 24, 38, 49	
Strategy		
GRI 102-14 Statement from senior decision-maker	03	
GRI 102-15 Key impacts, risks, and opportunities	14 – 16	

GRI Standard	Page	Comments
Ethics and integrity		
GRI 102-16 Values, principles, standards and norms of behavior	18	
Governance		
GRI 102-18 Governance structure	19;  Consolidated Financial Statements 203/204	
GRI 102-19 Delegating authority	16, 19	
Stakeholder engagement		
GRI 102-40 List of stakeholder groups	11, 24/25	
GRI 102-41 Collective bargaining groups	66/67, 69	
GRI 102-42 Identifying and selecting stakeholders	11, 24/25	
GRI 102-43 Approach to stakeholder engagement	24/25	
GRI 102-44 Key topics and concerns raised	11, 24/25	
Reporting practice		
GRI 102-45 Entities included in the consolidated financial statements	04;  Consolidated Financial Statements 174 et seq.	
GRI 102-46 Defining report content and topic Boundaries	04, 11 – 16	
GRI 102-47 List of material topics	13/14	
GRI 102-48 Restatements of information	04	
GRI 102-49 Changes in reporting	04	
GRI 102-50 Reporting period	04	
GRI 102-51 Date of most recent report		22 April 2020
GRI 102-52 Reporting cycle		Annually
GRI 102-53 Contact point for questions regarding the report	87	Imprint
GRI 102-54 Claims of reporting in accordance with the GRI Standards	04, 79	
GRI 102-55 GRI content index	79 – 86	
GRI 102-56 External assurance	77	Assurance statement; Elements of the non-financial report

GRI Standard	Page	Comments
Material topics		
GRI 201: Economic Performance 2016		
GRI 103: Management Approach 2016 (including GRI 103-1, 103-2, 103-3)	08/09	
GRI 201-1 Direct economic value generated and distributed	06, 08/09; Consolidated Financial Statements 64/65	
GRI 201-2 Financial implications and other risks and opportunities due to climate change	20	
GRI 202: Market Presence 2016		
GRI 103: Management Approach 2016 (including GRI 103-1, 103-2, 103-3)	66/67	
GRI 202-2 Proportion of senior management hired from the local community		Due to their various segments, BayWa AG and its subsidiaries use different definitions depending on region. For this reason, BayWa currently does not record this data. However, it is assessed whether a uniform definition will become possible and meaningful in the future, so that data can be recorded and reported over the long term.
GRI 203: Indirect Economic Impacts 2016		
GRI 103: Management Approach 2016 (including GRI 103-1, 103-2, 103-3)	74 – 76	
GRI 203-1 Infrastructure investments and services supported	74 – 76	
GRI 204: Procurement Practices 2016		
GRI 103: Management Approach 2016 (including 103-1, 103-2, 103-3)	28/29	
GRI 204-1 Proportion of spending on local suppliers	29	
GRI 205: Anti-corruption 2016		
GRI 103: 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	22/23	
GRI 206: Anti-competitive Behavior 2016		
GRI 103: 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	23	

GRI Standard		Page	Comments
GRI 207: Tax 2019			
GRI 103:	Management Approach 2016 (including 103-1, 103-2, 103-3)	22/23	
GRI 207-1	Approach to tax	22/23	
GRI 207-2	Tax governance, control and risk management	22/23	
GRI 207-3	Stakeholder engagement and management of concerns related to tax	23	
GRI 207-4	Country-by-country reporting		The CbCR for 2020 will be submitted to the Federal Central Tax Office (Bundeszentralamt für Steuern) by 31 December 2021, at the latest. BayWa will rely on the figures audited by a public auditor for its CbCR disclosures. The CbCR for 2020 will be prepared in SAPFC. After that, the figures for the CbCR will be released and approved by each company. The final figures will not be published until they have been confirmed and will therefore not be available until Q4 (2021).
GRI 301: Materials 2016			
GRI 103:	Management Approach 2016 (including 103-1, 103-2, 103-3)	58/59	
GRI 301-1	Materials used by weight or volume		The data is not available in sufficient quality at the present time. 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:	Management Approach 2016 (including GRI 103-1, 103-2, 103-3)	49 – 51	
GRI 302-1	Energy consumption within the organization	52	
GRI 302-3	Energy intensity	52	
OG 3	Total amount of renewable energy generated	52	
GRI 303: Water and Effluents 2018			
GRI 103:	Management Approach 2016 (including 103-1, 103-2, 103-3)	58/59	
GRI 303-1	Interactions with water as a shared resource	58/59	
GRI 303-2	Management of water discharge-related impacts	58/59	
GRI 303-4	Water discharge	60	It is not possible to make a disclosure regarding the various areas of water discharge, as BayWa does not collect data in such detail.
GRI 304: Biodiversity 2016			
GRI 103:	Management Approach 2016 (including 103-1, 103-2, 103-3)	20, 46	
GRI 304-2	Significant impacts of activities, products, and services on biodiversity		No significant impacts of BayWa's products, and services on biodiversity came to our attention in the reporting year.

GRI Standard		Page	Comments
GRI 305: Emissions 2016			
GRI 103:	Management Approach 2016 (including 103-1, 103-2, 103-3)	49 – 51	
GRI 305-1	Direct (Scope 1) GHG emissions	53	
GRI 305-2	Energy indirect (Scope 2) GHG emissions	53	
GRI 305-3	Other indirect (Scope 3) GHG emissions	54	
GRI 305-4	GHG emissions intensity	53/54	
GRI 306: Effluents and Waste 2016			
GRI 103:	Management Approach 2016 (including 103-1, 103-2, 103-3)	58/59	
GRI 306-1	Waste generation and significant waste-related impacts	60	
GRI 306-2	Management of significant waste-related impacts	58 – 60	
GRI 306-3	Waste generated	60	
GRI 306-4	Waste diverted from disposal	59/60	
GRI 306-5	Waste directed to disposal	60	
GRI 307: Environmental Compliance 2016			
GRI 103:	Management Approach 2016 (including 103-1, 103-2, 103-3)	46	
GRI 307-1	Non-compliance with environmental laws and regulations	60	
GRI 308: Supplier Environmental Assessment 2016			
GRI 103:	Management Approach 2016 (including 103-1, 103-2, 103-3)	28/29, 31, 33, 39/40	
GRI 308-1	New suppliers that were screened using environmental criteria		The number of suppliers audited with regard to their ecological impact is currently not recorded Group-wide. BayWa is working on establishing a system for recording this data in future. In the reporting year, BayWa performed a human rights risk analysis, which will be used as a basis to develop a Code of Conduct for suppliers in 2021.
GRI 308-2	Negative environmental impacts in the supply chain and actions taken		The number of suppliers audited with regard to their ecological impact is currently not recorded Group-wide. BayWa is working on establishing a system for recording this data in future. In the reporting year, BayWa performed a human rights risk analysis, which will be used as a basis to develop a Code of Conduct for suppliers in 2021.

GRI Standard		Page	Comments
GRI 401: Employment 2016			
GRI 103:	Management Approach 2016 (including 103-1, 103-2, 103-3)	62/63	
GRI 401-1	New employees hires and employee turnover	63/64	
GRI 401-3	Parental leave	69	
GRI 402: Labor/Management Relations 2016			
GRI 103:	Management Approach 2016 (including 103-1, 103-2, 103-3)	24	
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:	Management Approach 2016 (including 103-1, 103-2, 103-3)	72/73	
GRI 403-1	Management system for occupational health and safety	72	
GRI 403-2	Identification of hazards, risk assessment and investigation of incidents	72/73	
GRI 403-3	Occupational health services	72	
GRI 403-4	Employee participation, consultation and communication on occupational health and safety	72	
GRI 403-5	Employee training on occupational health and safety	72/73	
GRI 403-6	Promotion of employee health	65, 73	
GRI 403-7	Preventing and minimising effects directly related to business relationships on employee health and safety	72/73	
GRI 403-8	Employees covered by a management system for occupational health and safety	72	
GRI 403-9	Work-related injuries	73	
GRI 404: Training and education 2016			
GRI 103:	Management Approach 2016 (including 103-1, 103-2, 103-3)	70	
GRI 404-1	Average hours of training per year per employee	71	
GRI 404-3	Percentage of employees receiving regular performance and career development reviews	71	

GRI Standard	Page	Comments
GRI 405: Diversity and Equal Opportunity 2016		
GRI 103: Management Approach 2016 (including 103-1, 103-2, 103-3)	66/67	
GRI 405-1 Diversity of governance bodies and employees	66/67, 68	
GRI 406: Non-discrimination 2016		
GRI 103: Management Approach 2016 (including 103-1, 103-2, 103-3)	66/67	
GRI 406-1 Incidents of discrimination and corrective actions taken	69	BayWa was not made aware of any cases of discrimination in the reporting year.
GRI 412: Human Rights Assessment 2016		
GRI 103: Management Approach 2016 (including 103-1, 103-2, 103-3)	30/31	
GRI 412-1 Operations that have been subject to human rights reviews or impact assessments	30	
GRI 414: Supplier Social Assessment 2016		
GRI 103: Management Approach 2016 (including 103-1, 103-2, 103-3)	30/31, 33, 37/38	
GRI 414-1 New suppliers that were screened using social criteria		The percentage of new suppliers cannot be reported at this time, as the data is not available. BayWa is working on establishing a system for recording this data in the future. In the reporting year, BayWa performed a human rights risk analysis, which will be used as a basis to develop a Code of Conduct for suppliers in 2021.
GRI 414-2 Negative social impacts in the supply chain and actions taken		The number of suppliers audited with regard to their social impact is currently not recorded Group-wide. BayWa is working on establishing a system for recording this data in future. In the reporting year, BayWa performed a human rights risk analysis, which will be used as a basis to develop a Code of Conduct for suppliers in 2021.
GRI 415: Public Policy 2016		
GRI 103: GRI 103: Management Approach 2016 (including 103-1, 103-2, 103-3)	24/25	
GRI 415-1 GRI 415-1 Political contributions	08/09	
GRI 416: Customer Health and Safety 2016		
GRI 103: Management Approach 2016 (including 103-1, 103-2, 103-3)	32, 37–40, 44	
GRI 416-1 Assessment of the health and safety impacts of product and service categories	32	

GRI Standard	Page	Comments
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: Management Approach 2016 (including 103-1, 103-2, 103-3)	32/33, 36–40	
GRI 417-2 Incidents of non-compliance concerning product and service information and labeling		There were no incidents of non-compliance concerning product and service information and labelling in the reporting year.
GRI 419: Socioeconomic Compliance 2016		
GRI 103: Management Approach 2016 (including 103-1, 103-2, 103-3)	18, 21–23	
GRI 419-1 Non-compliance with laws and regulations in the social and economic area	23	

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