

Group management report

Corporate governance and responsibility

Corporate governance report

The following corporate governance report refers to disclosures made in accordance with § 289f (2) No 1, 4 – 6 and § 315d HGB.

Good corporate governance implies the responsible management and control of corporate enterprises oriented towards long-term value creation. Effective and efficient cooperation between the executive and supervisory boards forms the basis of transparency and fulfills the need to keep shareholders and the public comprehensively informed in a timely manner. CropEnergies AG has published this corporate governance report in consideration of the rules and regulations of the German Corporate Governance Code.

Good corporate governance is a given at Südzucker and has been an integral part of its policies for many years. It has been consistently geared to the Code's recommendations and suggestions and is a key executive board and supervisory board responsibility.

In CropEnergies' view, the German Corporate Governance Code as amended on 16 December 2019* is largely balanced, practical and of a high standard when compared internationally. As in previous years, we have thus not found it necessary to prepare individual, company-specific corporate governance principles.

Declaration of conformity for 2021

In November 2021, executive board and supervisory board issued the declaration of conformity with the recommendations of the German Corporate Governance Code as amended on 16 December 2019, pursuant to § 161 AktG.

CropEnergies AG complies with the recommendations with the assumptions presented in the declaration of conformity.

There are no Code recommendations that are not applicable to CropEnergies AG on the grounds of overriding statutory provisions. CropEnergies AG complies with the suggestions of the applicable Code with one exception: contrary to suggestion G.18, the supervisory board compensation does not consist in pure fixed compensation.

As with declarations of conformity issued in previous years, the full wording of the declaration of conformity for 2021 is published on the CropEnergies website at www.cropenergies.com on the Investor Relations/Corporate Governance pages.

Gender quota

The Stock Corporation Act makes provision for listed companies to define target figures for supervisory board, executive board and the two management levels below executive board. CropEnergies AG is affected by this. However, CropEnergies AG is not affected by the introduction of a fixed gender quota of 30% in the supervisory board; this applies to listed companies that are also equally represented. CropEnergies is not a co-determined company.

At its meeting on 5 April 2022, the supervisory board, taking all relevant criteria and particularly the current and expected future status quo into account, determined the following target for the proportion of women in the supervisory board until 4 April 2027: The supervisory board shall include at least one woman.

At its meeting on 5 April 2022, the supervisory board, likewise taking all relevant criteria and particularly the current and expected future status quo into account, determined the following target for the proportion of women in the executive board until 4 April 2027: The executive board shall include at least one woman.

* The version of 16 December 2019 entered into force on publication in the German Federal Gazette on 20 March 2020.

At its meeting on 7 March 2022, the executive board decided as the third target specification (first target specification up to 30 June 2017; second target specification up to 14 May 2022) that the proportion of women at management level below the executive board (owing to its flat hierarchies, CropEnergies AG has only one management level below the executive board) should be increased from 20% to 30% until 6 March 2027.

Training and professional development

The members of the supervisory board take responsibility for undertaking any training or professional development measures necessary to fulfil their duties. They receive appropriate support from CropEnergies in this regard.

Code of conduct and guiding principles

CropEnergies has prepared a code of conduct and guiding principles. These are published on the CropEnergies website at www.cropenergies.com under "Company".

Compensation report

With effect from the 2021/22 financial year, a separate report on executive board and supervisory board compensation will be published on the CropEnergies website. The total compensation for the executive board and the supervisory board including the previous year's amounts is disclosed in the notes to the consolidated financial statements at item (35), "Related party transactions".

Financial loss liability insurance

The company has taken out financial loss liability insurance with a deductible which incorporates cover for the activities of the members of the executive board and the supervisory board (D&O insurance). § 93 (2) AktG stipulates that the deductible for executive board members must amount to at least 10% of the loss up to at least the level of one-and-a-half times the fixed annual compensation.

The current German Corporate Governance Code of 16 December 2019 no longer follows that as recommendation for the supervisory board members. The deductibles for the supervisory board members have therefore been omitted from the D&O insurance with effect from 1 March 2021.

Holdings of company shares by members of the executive board and supervisory board; reportable dealings in securities

No member of the executive board or the supervisory board holds shares of CropEnergies AG or related financial instruments directly or indirectly representing 1% or more of the share capital. Furthermore, the aggregate holdings of all executive board and supervisory board members are less than 1% of the shares issued by the company.

Members of the executive board and the supervisory board did not disclose any reportable dealings in securities to CropEnergies AG in the 2021/22 financial year.