

CORPORATE MANAGEMENT AND RESPONSIBILITY / CORPORATE GOVERNANCE

Reporting on corporate management and responsibility takes account of the recommendations of the German Corporate Governance Code (GCGC) and includes a declaration on corporate management pursuant to §§ 289f and 315d HGB as well as all disclosures and explanations required in accordance with §§ 289a to e and 315a to d HGB. This content also forms part of the management report.

The declaration on corporate management is published on the CropEnergies website at www.cropenergies.com. Pursuant to § 317 (2) sentence 6 HGB, the disclosures in the declaration on corporate management (sections “Executive board and supervisory board” up to and including “General meeting”) are not included in the audit of the financial statements.

Executive board and supervisory board

The following explanations refer to the disclosures on the functioning and composition of the executive board and supervisory board, including the supervisory board’s diversity concept and expertise profile, in accordance with § 289f (2) No. 3 and § 315d HGB.

General

As a German stock corporation, CropEnergies AG has a dual management system comprising an executive board and a supervisory board. Both boards have autonomous powers and collaborate in a close and trusting manner in managing and monitoring the company.

Executive board

The executive board of CropEnergies AG currently comprises three members and has one spokesman. As the managing body, the executive board manages the affairs of the company with the aim of creating sustainable added value on its own responsibility and in the interests of the company. The supervisory board has drawn up rules of procedure for the executive board; these are in force, as amended on 13 January 2020.

Supervisory board

The supervisory board appoints, monitors and advises the executive board in its management of the company. In addition to the duties that are assigned to the supervisory board by means of the articles of association, rules of procedure and the applicable statutory regulations, the supervisory board regularly advises the executive board on all matters that are important to strategic orientation and to management of the company and the CropEnergies Group that is geared to the principles of ecological and social sustainability. These matters include, in particular, the development of new business areas and the reorientation of existing ones, all kinds of structural measures, equity interests in companies or the sale thereof, important research and development projects as well as measures for ensuring corporate management that is geared to ecological and social sustainability.

For important business processes, such as budgeting and strategic planning, acquisitions and divestments, the rules of procedure of both the executive board and the supervisory board stipulate that decisions are subject to approval by the supervisory board. The executive board keeps the supervisory board regularly, promptly and extensively informed, in writing as well as at its regular meetings, about planning, development of the business operations, strategic orientation in accordance with ecological and social sustainability and the position of the group. Other focal points of reporting include risk management and compliance.

The supervisory board chairman coordinates the activities of the supervisory board, conducts its meetings and represents the interests of the supervisory board externally. The supervisory board also convenes regularly without the executive board. In the case of significant events, an extraordinary meeting of the supervisory board is convened where necessary. The supervisory board has drawn up its own rules of procedure for its work; these are in force, as amended on 7 November 2022, and published on CropEnergies AG’s website (<https://www.cropenergies.com/de/unternehmen/management-board>). In order to discharge its duties, the supervisory board can summon auditors, legal consultants and other internal and external consultants at its own discretion. The audit committee now has an extended company-internal right to information in accordance with the Stock Corporation Act. The supervisory board passes resolutions on the

structure of the compensation system for the executive board together with the key contractual components and reviews it on a regular basis.

Supervisory board self-assessment

The supervisory board regularly assesses how effectively the supervisory board as a whole and its committees fulfil their duties and responsibilities. This is performed every year on the basis of a questionnaire without external support. The questionnaire is adapted in each case to the text of the current GCGC. The evaluation of the questionnaires, the discussion of the results and the discussion of proposed improvements take place at the November meeting. The objective is the continuous improvement of the activities of the supervisory board and its committees.

Composition of the supervisory board

The supervisory board of CropEnergies AG, which comprises six members, is solely composed of shareholder representatives pursuant to § 96 (1) and § 101 (1) AktG.

At the 2022 annual general meeting, the members of the supervisory board were newly elected. The term of office, which is identical for all supervisory board members, runs for the period until adjournment of the annual general meeting that decides on approval for the 2026/27 financial year (i.e., until the adjournment of the annual general meeting in 2027).

All members of the supervisory board are familiar with the sector in which CropEnergies operates. They have the knowledge, ability and expert experience required for proper exercise of the duties.

The current composition of the supervisory board is presented at item (36) "Supervisory board" in the notes to the consolidated financial statements.

Supervisory board committees

With the audit committee, nomination committee and personnel committee, the supervisory board has formed committees which prepare and supplement its activities. All committees

consist of four members in each case. The duties of the committees are based on the supervisory board rules of procedure as amended on 7 November 2022. In addition, the audit committee is governed by its rules of procedure, likewise as amended on 7 November 2022. The current composition of the committees with the respective duration of membership is presented under item (36) "Supervisory board" in the notes to the consolidated financial statements.

The chairman of the supervisory board is not at the same time chairman of the audit committee.

The supervisory board's diversity concept and expertise profile

Regarding its composition, the supervisory board is guided, pursuant to a resolution passed at its meeting on 20 February 2023, – taking into account the sector, the size of the company, and the scale of the international activities – by the following **objectives**, in particular:

- Every member of the supervisory board should have adequate entrepreneurial and/or company experience.
- Every member of the supervisory board should have sufficient time available to carry out duties and responsibilities.
- Every member of the supervisory board should have the reliability and personal integrity required to perform the supervisory board's monitoring responsibilities.
- At least two members of the supervisory board should be "independent" within the meaning of the recommendations C.6 and C.7 of the GCGC.
- The supervisory board should not have more than two former members of the company's executive board.
- At least one member of the audit committee should have expertise in the field of financial reporting (including internal control and risk management systems) and at least one other member of the audit committee should have expertise in the field of financial statement auditing (financial experts). The expertise of the financial experts should extend to sustainability reporting and the auditing thereof.

- Special expertise in the following areas should be represented on the supervisory board:

Functional:

- Corporate management and strategy
- Financial reporting/financial statement auditing/control and risk management systems
- Law/corporate governance/compliance
- Human resources and organisational development
- Sustainability

Sectoral:

- Agriculture and raw materials
 - Manufacture and sale of ethanol and proteins as well as related value chains
 - Production and sale of renewable energy
 - Manufacture and sale of bio-based chemicals
 - International business/foreign markets
 - Innovation/research and development
- The supervisory board seeks an appropriate degree of female representation. By means of a resolution dated 5 April 2022, the supervisory board defined the following target for the proportion of women on the supervisory board for the period up to 4 April 2027: The supervisory board should include at least one woman.
 - No candidates over 70 years of age should be nominated for election or re-election to the supervisory board unless this is advisable in the company's interest.

A regular limit of length of membership on the supervisory board has not been specified. This facilitates continuity and the preservation of long-standing expertise on the supervisory board in the interests of the company.

When making nominations for the election of supervisory board members, the supervisory board will continue to be primarily guided by the personal aptitude of candidates, their specialist knowledge and experience, integrity and independence as well as their motivation and capability, in order to ensure responsible performance of the monitoring and advisory tasks within the company. In selecting suitable candidates, the supervisory board is committed to the diversity of the entire committee, paying particular attention to different

professional backgrounds and experience, internationality as well as appropriate gender representation.

The following should be noted with regard to the status of the implementation of the supervisory board's diversity concept and expertise profile:

On 12 July 2022, the annual general meeting elected shareholder representatives to the supervisory board as scheduled.

The supervisory board believes that the current composition meets the diversity concept and expertise profile objectives.

The supervisory board considers that it currently has two, and hence - in consideration of the ownership structure - a sufficient number of independent members: Dr. Zapreva and Dr. Kirchberg are independent of CropEnergies AG, the executive board and the controlling shareholder, Südzucker AG.

In Dr. Zapreva, chairwoman of the audit committee, Mr Kölbl, deputy chairman of the audit committee and Mr Friedl, member of the audit committee and deputy chairman of the supervisory board, the supervisory board has at least three people who satisfy the GCGC requirements in terms of financial experts.

Dr. Zapreva has, owing to her professional background, particularly her activities as chairwoman of the executive board of enerCity AG and as the person responsible for the financial area of corporate groups, expertise in the fields of financial reporting and financial statement auditing. Her expertise in the field of financial reporting also particularly includes knowledge and experience in the application of financial reporting principles and internal control and risk management systems. Her aforementioned activities also include responsibility for implementing ESG matters in relation to customers. Dr. Zapreva also has expertise in respect of sustainability reporting as well as the auditing thereof and regularly attends professional development courses in this regard.

Mr Kölbl has, owing to his professional background and, in particular, his long-standing activity as CFO of Südzucker AG and as member of the supervisory board and audit committee of CropEnergies AG as well as other listed companies, expertise in the fields of financial reporting and financial statement auditing. This also includes knowledge and experience in the application of financial reporting principles and internal control and risk management systems. His expertise also includes sustainability reporting and the auditing thereof. Sustainability and ESG issues have, after all, long been of particular importance to Südzucker und CropEnergies as listed, agriculture-related producers of plant-based products with a large number of employees. In addition, Mr Kölbl regularly attends professional development courses in this area.

Mr Friedl, owing to extensive professional development and his long-standing activity in the audit committee of Südzucker AG, latterly as audit committee chairman for more than five years, also has expertise in the field of financial statement auditing. This also includes sustainability reporting and the auditing thereof. Mr Friedl also regularly attends professional development courses in these areas and, at Südzucker, he chairs the committee for strategy and sustainability responsible for this.

The supervisory board includes one woman. None of the members is older than 70. There are no former executive board members of CropEnergies AG on the supervisory board. The special expertise required according to the diversity concept and expertise profile is represented on the supervisory board and is summarised in the following qualifications matrix in accordance with recommendation C.1 of the GCGC:

	Supervisory board	Audit committee
Functional expertises		
Corporate management and strategy	• •	• •
Financial reporting / financial statement auditing / control and risk management systems	• •	• •
Law / Corporate governance / Compliance	•	•
Human resources and organisational development	•	• •
Sustainability	• •	• •
Sectoral expertises		
Agriculture and raw materials	• •	• •
Manufacture and sale of ethanol and proteins as well as related value chains	•	•
Production and sale of renewable energy	•	•
Manufacture and sale of biobased chemicals	•	•
International business / foreign markets	•	•
Innovation / research and development	•	•

- = At least one member has special expertise in this field.
- • = The majority of the members have special expertise in this field.

The executive board's diversity concept

The supervisory board has prepared a diversity concept for CropEnergies AG's executive board, including, for example, aspects such as age, gender, educational and professional background as well as internationality. The aim is to select an executive board composition that ensures that the executive board will be fully able to discharge the duties incumbent upon it.

This is based on long-term succession planning with regard to the composition of the executive board, which the supervisory board ensures together with the executive board. Every effort is made to fill executive board positions with candidates who have progressed within the company. With regard to systematic management development and long-term succession planning for the executive board, particular attention is paid to the following criteria:

- Early identification of suitable candidates from different disciplines, with different professional and personal experience, as well as internationality.
- Systematic development of managers.
- Demonstration of a strategic and operational creative drive as well as strong leadership.
- A proven record of setting an example in implementing corporate objectives in line with existing corporate values.

Key to any appointment of a CropEnergies AG executive board member is ultimately an appraisal of their professional and personal qualifications. In this respect, the supervisory board will continue to be primarily guided by the personal aptitude of candidates, their specialist knowledge and experience, integrity and independence as well as their motivation and capability in order to ensure that they can carry out their duties responsibly in the company.

This being said, regarding the composition of the executive board, the supervisory board is guided, pursuant to a resolution passed on 5 April 2022, – taking into account the sector, the size of the company, and the scale of the international activities – by the following objectives and expertise profiles:

- Number: Owing to the company's size and the CropEnergies Group's current organisational and task structure, a three-person executive board for CropEnergies AG is advisable. The supervisory board can appoint a chairman or CEO from this group.
- Age: A member of the executive board should not remain in office longer than the end of the financial year in which he or she reaches 65 years of age.
- Gender: The supervisory board bases its decision primarily on suitability, not on gender. By means of a resolution passed at its meeting on 5 April 2022, it defined the following target for the proportion of women in the executive board for the period up to 4 April 2027: The executive board should include at least one woman.
- Education and profession: With regard to educational and professional background, the selection of executive board members should be based on the expertise required in general in the CropEnergies AG executive board as well as for the respective executive board department.
- Internationality: It is advisable for the executive board to have at least one member with international experience or particular expertise in a market outside Germany that is important to the company.

Risk management

The conscientious handling of business risks is one of the principles of good corporate governance. Group-wide and company-specific reporting and control systems are available to the executive board and management of CropEnergies, enabling them to identify, assess and manage these risks. The systems are continuously further developed, and adjusted to the changing framework conditions. The executive board keeps the supervisory board regularly informed about current risks and their development. The audit committee is especially concerned with monitoring the financial reporting process, compliance and the auditing of the financial statements; it checks the effectiveness of the internal control system, risk management and the internal auditing system. In addition, the audit committee also concerns itself with risks in the context of sustainability reporting, such as long-term climate risks. Details on risk management at CropEnergies are outlined in the risk and opportunities report on pages 75–87.

Corporate governance

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 fulfils the need to keep shareholders and the public comprehensively informed in a timely manner.

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 GCGC's recommendations and suggestions and is a key executive board and supervisory board responsibility.

In CropEnergies' view, the GCGC as amended on 28 April 2022 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 2022

In November 2022, executive board and supervisory board issued the declaration of conformity with the recommendations of the GCGC as amended on 28 April 2022, pursuant to § 161 AktG.

CropEnergies AG complies with the recommendations with the assumptions presented in the declaration of conformity. There are no GCGC recommendations that are not applicable to CropEnergies AG on the grounds of overriding statutory provisions.

As with declarations of conformity issued in previous years, the full wording of the declaration of conformity for 2022 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. The fixed, statutorily prescribed gender quota of 30% in the supervisory board is not applicable to CropEnergies AG; this applies only 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 on the supervisory board until 4 April 2027: The supervisory board should include at least one woman. This target has already been achieved through the election, by the annual general meeting, of Dr. Susanna Zapreva.

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 should include at least one woman.

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% by 6 March 2027. As of 28 February 2023, the proportion of women at management level below the executive board at CropEnergies AG was 29%; as of 1 March 2023, the proportion of women has increased to 33%.

Training and professional development

An information event on corporate governance issues involving an external specialist lawyer was again held in the 2022/23 financial year. Regardless of this, 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 AG in this regard. A training course on sustainability was also held in March 2023.

Compensation report

A separate report on executive board and supervisory board compensation and the executive board's current compensation system are published on the CropEnergies website. The compensation of the supervisory board is laid down in § 12 of CropEnergies' articles of association. 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 GCGC recommendation for supervisory board member deductibles was lifted in 2019. Deductibles have therefore no longer been provided for in the D&O insurance for supervisory board members since 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 2022/23 financial year.