



Remuneration Report 2021 /22

Südzucker AG

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Remuneration report for the financial year 2021 /22

The remuneration report for the financial year 2021 /22 provides detailed and individualised information on the remuneration granted or owed to the active and previous members of the Executive Board and Supervisory Board of Südzucker AG and its subsidiaries during the financial year 2021 /22 and the fringe benefits and pension commitments.

The report meets the requirements of Section 162 AktG and also contains a description of the remuneration approved for the 2021 /22 financial year on an individualised basis.

Remuneration of the members of the Executive Board

Applicable remuneration systems

Currently, the Südzucker Group has three remuneration systems relevant for the members of the Executive Board of the Südzucker Group.

For Executive Board members **Dr Niels Pörksen**, **Dr Thomas Kirchberg** and **Thomas Kölbl**, who joined the Executive Board before 1 March 2021 and have not opted for the new remuneration system, the remuneration system of the Südzucker Group previously applicable to them so far still continues to apply.

The remuneration system that will apply for **Ingrid–Helen Arnold (Member of the Executive Board since 1 May 2021)** is the one that the Supervisory Board of Südzucker AG adopted on 19 May 2021 and presented to the Annual General Meeting of Südzucker AG on 15 July 2021 for agreement under Item 6 and which was approved with a majority of 98.95%.

There is a direct interlocking between the subsidiary AGRANA Beteiligungs–AG, Vienna, Austria and the Executive Board: **Markus Mühleisen, Vienna, Austria**, Chairman of the Executive Board (CEO) of AGRANA Beteiligungs–AG, has simultaneously been a member of the Executive Board of Südzucker AG since **1 June 2021** and Ingrid–Helen Arnold, Walldorf, Chief Digital Officer (CDO) of Südzucker AG, has simultaneously been a member of the Executive Board of AGRANA Beteiligungs–AG since 1 June 2021. Markus Mühleisen receives his Executive Board remuneration from AGRANA Beteiligungs–AG, Vienna, Austria and Ingrid–Helen Arnold from Südzucker AG.

The remuneration system of AGRANA Beteiligungs–AG accordingly applies for Executive Board member **Markus Mühleisen (since 1 June 2021)** or did apply for former Executive Board member **Johann Marihart (until 31 May 2021)** – at that time Chairman of the Executive Board of AGRANA Beteiligungs–AG. The remuneration system was approved by the Annual General Meeting of AGRANA Beteiligungs–AG on 3 July 2020 and will be effective until the Annual General Meeting in 2024 unless the Supervisory Board proposes a revision or amendment to the remuneration system at an earlier date.

Current remuneration system for the Executive Board of Südzucker AG

The remuneration system that has applied to Executive Board members to date will continue to apply to Executive Board members who joined the Executive Board before 1 March 2021 for the current

period of their appointment until such appointment expires unless they have opted into the new Executive Board remuneration system.

The switch to the new remuneration system is mandatory where the service agreements of serving Executive Board members are renewed.

The current remuneration system for the Executive Board of Südzucker AG includes a fixed annual salary, variable compensation, a company pension and benefits in kind.

There is no provision for a share-based element of compensation or similar long-term elements of remuneration. Executive Board remuneration is set by the plenary session of the Supervisory Board, following preparatory work by the presiding committee, and reviewed at regular intervals. In the case of listed companies, the remuneration structure should be aimed at sustainable corporate development; variable elements of remuneration should be based on assessments over several years. Its multi-year nature is reflected in Südzucker AG's existing remuneration system in that the variable remuneration is based on the average dividends over the previous three financial years; this provision applies to Dr. Thomas Kirchberg and Thomas Kölbl and will appear as multi-annual variable remuneration in the description of remuneration granted or owed. The dividend of the previous financial year forms the basis of Dr Niels Pörksen's variable remuneration; this appears in the description of remuneration granted or owed as one-year variable remuneration.

Remuneration in detail

Fixed salary

The Executive Board members receive an annual fixed salary in the form of a cash remuneration which is based on their remit and responsibilities and is paid in twelve equal instalments.

Variable remuneration

The variable remuneration for the Chairman of the Executive Board, **Dr Niels Pörksen** (CEO), is based on the dividend per share of Südzucker AG approved for the previous financial year. The bonus is €12,565 for every €0.01 per share of dividend distributed.

For Dr **Thomas Kirchberg** (COO) and **Thomas Kölbl** (CFO), the annual variable remuneration is calculated according to the average dividend per share of Südzucker AG for the last three financial years. The bonus is €11,725 for every €0.01 per share of dividend distributed.

Benefits in kind and other fringe benefits

Each member of the Executive Board also receives the following remuneration in kind and fringe benefits:

- Provision of a company car, which may also be used privately
- Luggage insurance
- D&O insurance with an excess pursuant to Section 93(2) sentence 3 AktG
- Accident insurance
- Participation in preventive health measures.

Company pension scheme

There is a defined-contribution plan for Dr Niels Pörksen. The occupational pension scheme of Dr Thomas Kirchberg and Thomas Kölbl consist of a performance-based commitment; the level of the pension is calculated from a percentage of the contractually determined assessment basis.

Remuneration for mandates

Insofar as members of the Executive Board hold Supervisory Board mandates within the Group, the company is entitled to the remuneration from this starting with the 2021/22 financial year. The amounts paid to Dr Niels Pörksen, Dr Thomas Kirchberg and Thomas Kölbl involve their work in the previous financial year 2020/21 and appear in the table on page 14 of this remuneration report.

Payments where an Executive Board mandate is terminated

Should Dr Niels Pörksen's period of office be terminated prematurely or as scheduled, no payment commitments exist. Should the Executive Board members, Dr Thomas Kirchberg and Thomas Kölbl, leave before reaching the age of 65, they may claim a transitional allowance limited to 24 months, but until the age of 65 at the most, in the form of continued payment of the monthly fixed remuneration unless they were responsible for their dismissal or rejected reappointment.

Südzucker AG's new remuneration system for its Executive Board

The objective of the Executive Board remuneration system and strategic approach

The objective of the new remuneration system for the Executive Board of Südzucker AG is to remunerate the members of the Executive Board appropriately in accordance with their tasks and performance. At the same time, clear incentives are needed for sustainable management of the business and a sustainable approach to increasing the value of the company. The new remuneration for the Executive Board has five components: a fixed basic payment which is not performance-related and is payable monthly, a one-year, performance-based variable payment and a multi-year performance-based variable payment which is paid through the transfer of shares in Südzucker AG; in addition, a contributions-based pension and the normal fringe benefits are payable.

The objectives and business targets for the one-year and multi-year variable remuneration are derived from the corporate planning of the Südzucker AG Group. The strategic goals are oriented towards sustainability aspects, which provide incentives for corporate management and sustainable commitment geared towards long-term development. The sustainability aspect is further emphasised through the fact that multi-year variable payments make up more than half of the variable remuneration components; the long-term variable remuneration is thus given a higher priority than the short-term variable remuneration, which should also oblige and induce the board members to commit themselves to sustainable corporate governance. The introduction of malus and clawback provisions strengthens the position of the Supervisory Board in the event of gross breaches of duty by the members of the Executive Board.

Determination of specific maximum remuneration

In accordance with the remuneration system, the Supervisory Board shall determine the amount of the target and maximum remuneration for the members of the Executive Board members for each

respective upcoming financial year (Section 87a(1) no. 1 AktG). Target remuneration means the amount paid as a variable remuneration component in addition to the fixed salary (or in the case of multi-year variable remuneration paid by transferring shares) if all the targets set by the Executive Board are reached at a rate of 100%. However, the maximum remuneration describes the sum of all remuneration components including other fringe benefits and pension costs (“Maximum Remuneration”); it is fixed by the Supervisory Board as the maximum amount that can be paid out in any financial year.

The guiding principle for determining the Maximum Remuneration is that the members of the Executive Board are remunerated appropriately in view of their duties and performance as well as the situation of the company and that the remuneration does not exceed the usual remuneration without there being special reasons. When determining the amount of remuneration, the Supervisory Board shall also ensure that the share of the long-term variable remuneration components outweighs that of the short-term remuneration components so that the remuneration structure provides long-term incentives for the Executive Board, thus supporting the sustainable business strategy and development of the Südzucker AG.

With regard to the amount of the target and maximum remuneration, the Supervisory Board is required to take appropriate account of the role and area of responsibility of each Executive Board member. At its due discretion, the Supervisory Board may therefore differentiate between different roles, taking into account parameters such as tasks and business area, the experience of the respective member of the Executive Board and customary market practice. In doing so, the Supervisory Board shall ensure that the variable remuneration components account for around half of the total remuneration, i.e. the sum of the fixed salary, variable remuneration and other non-cash fringe benefits, and that the long-term variable remuneration is weighted higher than the short-term variable remuneration.

Maximum remuneration is set and adjusted on the basis of the above market comparison (horizontal comparison) and the comparison with the remuneration performance within senior management and the wider company workforce (vertical comparison).

According to the comparisons carried out, the Supervisory Board has for the time being set the Maximum Remuneration as follows: for the CEO (spokesperson for the Executive Board) the Maximum Remuneration is € 1,822,220.00, for the other members of the Executive Board the Maximum Remuneration is € 1,445,000.00. In each case, the Maximum Remuneration covers all payments and other non-cash benefits for the remuneration agreed in one financial year.

Remuneration in detail

The Executive Board remuneration generally provides for fixed non-performance-based and variable performance-related remuneration components.

The non-performance-related remuneration components comprise the fixed salary, other fringe benefits and the pension obligation.

The variable performance-based remuneration components consist of a one-year variable remuneration and a multi-year variable remuneration.

In order to foster the sustained and long-term business strategy and performance of Südzucker AG and to put in place appropriate incentives for the Executive Board members, the fixed salary only accounts for about 40% of the direct payments (variable target remuneration including fixed salary), the one-year variable target remuneration accounts for 25% and the multi-year variable target remuneration 35% of direct payments.

The variable remuneration elements are intended to be both an opportunity and a necessary correction of the total Executive Board remuneration should targets not be met. If the targets set are not achieved to a certain minimum degree as determined by the Supervisory Board, the respective variable remuneration is forfeited. Where an Executive Board member is consciously in breach of his/her obligations, the Supervisory Board may reduce the variable remuneration to zero (malus) or may demand its repayment (clawback). If the targets are significantly exceeded, the gross payment of the short-term remuneration is capped at 130% and the gross amount of the long-term variable remuneration at 150% of the particular target remuneration set by the Supervisory Board, which assumes a target attainment of 100%. No circumstances have arisen in the 2021/22 financial year that would require the application of the malus or clawback provision.

Fixed salary

The Executive Board members receive an annual fixed salary in the form of a cash remuneration which is based on their remit and responsibilities and is paid in twelve equal instalments.

Benefits in kind and other fringe benefits

Each member of the Executive Board also receives the following remuneration in kind and fringe benefits:

- Provision of a company car, which may also be used privately
- Luggage insurance
- D&O insurance with an excess pursuant to Section 93(2) sentence 3 AktG
- Accident insurance
- Participation in preventive health measures

As part of the maximum remuneration, the Executive Board member may be granted the usual subsidies for social security premiums and tax-deductible insurance products.

One-year variable remuneration

The performance-related one-year variable remuneration (OVR) is derived from the achievement of an economic target, here an EBITDA set by the Supervisory Board as a target for the Group, and the achievement of strategic goals. Both these objective values are multiplied by the target remuneration set by the Supervisory Board at the beginning of a financial year (OVR Target Remuneration). The result of that multiplication is the OVR payment amount.

The target values for the EBITDA and the strategic goals are discussed with the entire Executive Board by the Supervisory Board before the beginning of each financial year based on a proposal by

the Presiding Committee of the Supervisory Board, set by the Supervisory Board at its reasonable discretion and sent to the Executive Board member in the form of a target notification.

EBITDA as economic target value

At the beginning of each financial year, the Supervisory Board, in consultation with the entire Executive Board, sets a target value, a minimum threshold and a maximum threshold for the Group EBITDA to be achieved in that financial year.

The EBITDA target value reflects a 100% achievement of the target. The lower and upper thresholds for the OVR payment range from a minimum of 50% to a maximum of 130% of the EBITDA target value.

If the minimum threshold for EBITDA is not achieved, the OVR is forfeited even if the strategic goals are met. The pay-out is determined in a linear way in a range between the minimum and target value and between the target and maximum value.

The consolidated financial statements of Südzucker AG approved by the Supervisory Board are the basis for determining the EBITDA actually achieved. Subsequent changes to the consolidated financial statements based on external tax audits or other reasons will not affect the findings already made.

Strategic goals

In addition to their contribution to strategic growth (e.g. the identification of new areas of business), in particular, the strategic goals also cover the contributions to environmental goals (e.g. measures to reduce CO₂ emissions) and to the HR strategy (e.g. diversity and management culture). At the end of the financial year, the Supervisory Board determines the level of target attainment following consultation with the Executive Board. Unlike with EBITDA, the objective grades for the strategic goals are not converted into a percentage but into a **modifier**. This is between 0.8 and 1.2; the number 1.0 reflects 100% target attainment.

Maximum OVR

The maximum factor to be set in the calculation for EBITDA is 130%. The maximum amount that can be paid out as OVR is therefore 130% of the OVR target remuneration multiplied by the maximum level of attainment of the strategic goals (1.2), i.e. 156% of the OVR target remuneration (130% x 1.2 = 156%).

Multi-year variable remuneration

On top of the fixed salary and the OVR, Executive Board members receive a multi-year variable remuneration (“MVR”).

Performance-based share programme

The MVR consists of a share in the performance-based share programme applied by the Supervisory Board (Performance Share Plan) in the form of a share package which the company purchases at the beginning of each financial year (for those appointed during the year, when their employment begins) for each Executive Board member and which is held on deposit with the company for a period of, in each case, three years (**Vesting Period**) until achievement of the target is assessed. At the end of the Vesting Period, the Supervisory Board ascertains to what extent the business target it has

set has been achieved. The number of shares ultimately allocated to the Executive Board member depends on the achievement of the target. If the set minimum target threshold is not achieved, the MVR ceases to apply.

Initial share package to be allocated (Initial Grant)

The number of shares to be allocated to the Executive Board member at the beginning of the respective Vesting Period (**Initial Grant**) is calculated on the basis of the target remuneration for MVR as determined by the Supervisory Board for the respective Executive Board member (**MVR Target Remuneration**), divided by the average share price for the last 3 months prior to the end of the financial year preceding the allocation. When allocating the Initial Grant, there is an assumption that the target values will be achieved in full (100% target achievement). The number of shares is rounded up to full units.

The shares from the Initial Grant are acquired by Südzucker AG via the stock exchange and held in a share deposit account opened by the company for the duration of the relevant Vesting Period until the final number of shares to be allocated to the Executive Board member has been determined. Consequently, the Executive Board member is unable to dispose of the particular Initial Grant until the relevant Vesting Period has expired and the final allocation (Final Grant) has been determined. The dividends payable on the Final Grant during the relevant Vesting Period are added at the end of the Vesting Period and allocated to the Final Grant in the form of additional shares as explained below.

Final share package (Final Grant), ROCE

The number of shares to be allocated to the Executive Board member after the expiry of the Vesting Period (**Final Grant**) depends on the extent to which the economic target value set by the Supervisory Board for the Südzucker AG Group for the Return on Capital Employed (ROCE) has actually been achieved. The target value for the ROCE in the Südzucker AG Group is set by the Supervisory Board at the beginning of the Vesting Period with a minimum, maximum and one hundred percent value. The commitments relate to the average value of the three years of the particular Vesting Period.

The Final Grant comprises the shares earned by the Executive Board member according to the ROCE target achievement and the shares that correspond in value to the dividend payments accruing on the shares earned during the Vesting Period. In order to include the dividends in the calculation of the Final Grant, the dividends are converted into shares. This conversion is based on the same share price as is used to calculate the Final Grant based on achievement of the ROCE target, i.e. the ex-dividend price on the first stock exchange trading day following the Annual General Meeting in which the consolidated financial statements for the last financial year of the respective Vesting Period are presented.

To calculate the Final Grant, the Initial Grant is multiplied by the actual ROCE percentage target achievement in accordance with the explanations set out below.

Depending on the target attainment, the number of shares is increased or reduced after the end of the Vesting Period. Where the Initial Grant needs to be increased, Südzucker AG purchases additional shares to be paid out to the particular Executive Board member; where the Initial Grant needs

to be reduced, Südzucker AG may dispose of the balance of the shares at its discretion. The Final Grant determined according to the above mechanism (including the shares equating to the dividend value) is then transferred to the Executive Board member via a personal securities account for them to dispose of freely; the number of shares to be transferred is capped at 150% of the number of shares allocated to the Executive Board member as an Initial Grant, plus the shares equating to the dividend value. To calculate the Final Grant, the target value for the ROCE is only applied if it reaches the relevant minimum threshold. If the minimum threshold is not reached, the Initial Grant is forfeited.

The share price used to calculate the gross amount of the Final Grant is the ex-dividend price on the first stock exchange trading day following the Annual General Meeting in which the consolidated financial statements for the last financial year of the relevant Vesting Period are presented. If the value of the Final Grant based on this share price exceeds the maximum limit of 150% of the MVR target remuneration, the number of shares allocated as the Final Grant shall be reduced accordingly.

The ROCE actually achieved can be adjusted to allow for the effects of certain exceptional measures approved by the Supervisory Board (e.g. investments in new business areas or acquisitions) on the operating result and the *capital employed* unless these exceptional measures were taken into consideration when the target value for the ROCE was set. On the recommendation of the Executive Board, the Supervisory Board shall in that case, at the same time as deciding on the exceptional measure, stipulate whether and to what extent the impact that the exceptional measure has on the ROCE shall be disregarded when determining the ROCE generated in the relevant period.

Member joins Executive Board in the course of a financial year

When a member joins the Executive Board in the course of a financial year, the one-year and multi-year variable remuneration is granted on a pro rata basis (*pro rata temporis*).

Pension scheme

A defined-contribution pension scheme is envisaged as the standard retirement pension scheme. For each Executive Board member, the Company shall take out an insurance policy or a pension contract with an insurance company, pension fund or provident fund with an irrevocable right of receipt in favour of the Executive Board member or their surviving dependants. For this purpose, the company will pay the insurance company, pension fund or provident fund an annual contribution up to a maximum of €150,000.00 for the CEO and an annual amount up to a maximum of €100,000.00 for other members of the Executive Board (defined-contribution plan). The Executive Board member shall pay any related tax and social security contributions.

For Executive Board members already appointed prior to 1 March 2021, the existing agreements on pension commitments can continue unchanged even if their employment relationship is otherwise subject to or is to be subject to the new remuneration system. The Executive Board members involved must not be placed in a better or worse position as a result of this.

Remuneration for mandates

Insofar as members of the Executive Board hold Supervisory Board mandates within the Group, the company is entitled to the remuneration from this. The other arrangement in the previous Südzucker AG remuneration system has been adjusted accordingly; there will be payments to Executive Board members as per the previous remuneration system in the current financial year, however, due to the accounts of the previous year being settled. External mandates shall remain limited to two mandates for each Executive Board member and may only be accepted after prior approval by the Supervisory Board.

Payments where an Executive Board mandate is terminated

The new Südzucker AG remuneration system does not provide for any special payments to the relevant Executive Board member should their period of office end prematurely or in a regular manner.

The one-year variable remuneration and the multi-year variable remuneration are paid to the Executive Board member concerned together with the fixed salary until the date the employment relationship ends, provided the variable remuneration components have been earned up until then.

If the Executive Board member resigns before the end of the assessment period relevant for the one-year variable remuneration and the multi-year variable remuneration, the one-year variable remuneration and the multi-year variable remuneration shall be granted pro rata temporis, taking into account the results actually achieved by the end of the particular assessment period.

Where Executive Board members resign early, they shall receive payment in the amount of the direct remuneration agreed for the remaining contractual term (variable remuneration including fixed salary), but capped at an amount corresponding to the direct remuneration for two full financial years. The variable remuneration components shall only be paid at the time and in the amount at which they would have been granted had the employment relationship continued.

The benefits described above will not be paid if the employment contract is effectively terminated for good cause or the employment contract ends merely as the result of the expiry of its term and is not renewed.

Deviations from the remuneration system of the Executive Board

The Supervisory Board has approved a deviation from Sections 9.1 and 9.2 of the Executive Board remuneration system approved by the Annual General Meeting on 15 July 2021 (Obligations in connection with the termination of Executive Board activities) pursuant to Section 87a(2) sentence 2 AktG. In the event that the appointment of an Executive Board member is terminated, the MVR target remuneration should be treated as if the contract had been executed until the final day of the Vesting Periods that had already begun prior to the member leaving. This does not apply if the appointment is withdrawn for good cause, the office of Executive Board is vacated without cause or if no agreement is reached on the continuation of the employment relationship (and therefore the re-appointment) even though the company has offered to extend the employment relationship under appropriate conditions. This is to prevent the MVR agreed upon for a financial year from being reduced when an appointment expires before the Vesting Period ends, except in the above mentioned cases. In this case, payments for periods after the member has left are capped at twice the direct

remuneration agreed for the financial year in which or at the end of which the appointment ends (currently €2 million).

Remuneration system of the Executive Board of AGRANA Beteiligungs-AG

The remuneration system of the AGRANA Beteiligungs-AG applies for the Executive Board Member delegated to the Executive Board of Südzucker AG as part of the direct interlocking of the Executive Board with the AGRANA Beteiligungs-AG. Members of the AGRANA Beteiligungs-AG Executive Board receive fixed remuneration elements that are not performance-based and variable remuneration elements.

The fixed remuneration elements of the Executive Board are divided into fixed annual remuneration, other remuneration elements stipulated in the Executive Board contracts and remuneration in kind and fringe benefits such as a company car, accident insurance, occupational disability insurance and legal expenses insurance. The company also assumes the premiums for a D&O insurance policy.

The fixed annual remuneration is subdivided into fourteen partial amounts and is disbursed at the end of each month. The fixed remuneration may be adjusted for inflation and other changing circumstances.

The variable remuneration is based on the level of dividends distributed. To ensure the inclusion of a long-term component, the average over the last three years is used to calculate the variable portion. The relative portion of the variable remuneration can account for more than 50% of the annual remuneration package.

The level of the variable portion is calculated at the end of the month of the following year in which the financial statement of the company was adopted. The variable remuneration is either settled and paid in full immediately afterwards or in the amount of one seventh of the calculated performance-related remuneration as a special payment in December. The remaining amount of the performance-related remuneration is paid out in equal monthly instalments as a regular payment. This payment is accounted for as multi-year variable remuneration in the statement of remuneration granted or owed.

The Supervisory Board will review the setting of targets on an annual basis. It reserves the option to adjust them to a varying degree per Executive Board member in the context of the respective strategic requirements and in consideration of the special responsibilities of each Executive Board member as per the allocation of tasks. The Supervisory Board explicitly reserves the right to deviate from the agreed target parameters in situations entailing or potentially entailing a fundamental change to the company's course of business, operating business, assets or business prospects. Other variable remuneration elements stipulated in the Executive Board contracts must also be taken into consideration.

There is no provision for share-based remuneration elements for members of the Executive Board of AGRANA Beteiligungs-AG.

The occupational pension of Johann Marihart consists of a performance-based commitment; the level of the pension is calculated based on a percentage of the contractually determined assessment basis. There is a defined-contribution plan for Markus Mühleisen.

Level of Executive Board remuneration during the 2021/22 financial year

Remuneration agreed for the 2021/22 financial year

The following table shows the remuneration elements for the individual members of the Executive Board of Südzucker agreed for the 2021/22 financial year.

€ Executive board member	Remuneration agreed for the 2021/22 financial year			
	Fixed remuneration	One-year variable remuneration (OVR)	Multi-year variable remuneration (MVR)	Total agreed remuneration
Dr Niels Pörksen (Chairman of the Executive Board)	818,800	502,600	0	1,321,400
Ingrid-Helen Arnold	450,000	230,000	320,000	1,000,000
Dr Thomas Kirchberg	663,132	0	312,671	975,803
Thomas Kölbl	663,132	0	312,671	975,803
Markus Mühleisen	599,760	0	599,760	1,199,520
Total	3,194,824	732,600	1,545,102	5,472,526

The agreed remuneration for the 2021/22 financial year represents the fixed remuneration (without benefit expenses) and the variable elements derived from the different remuneration systems in a comparable manner. Also by way of comparison, the remuneration of Ingrid-Helen Arnold and Markus Mühleisen appears in the description not on the basis of their membership in the Executive Board of Südzucker AG of ten and nine months respectively during the 2021/22 financial year; instead, the target remuneration (100%) determined by the Supervisory Board for twelve-month membership of the Executive Board is stated. The one-year and multi-year variable remuneration of Executive Board members in the previous Executive Board remuneration system depends on the dividend yet to be approved by the Annual General Meeting on 14 July 2022. Where Executive Board members are remunerated under the new system, the one-year variable remuneration is based on actual achievement of targets and the multi-year variable remuneration on the achievement of targets anticipated in view of the current position.

The pro rata fixed remuneration accrued in the 2021/22 financial year is shown in the following section on remuneration granted and owed.

Remuneration granted and owed in the 2021/22 financial year

The table below shows the remuneration granted and owed (incomings) to each Executive Board member in the 2021/22 financial year and the contractual contributions for the 2021/22 financial year. According to the provisions of Section 162(1) sentence 1 AktG, the amounts to be disclosed as remuneration granted (inflows) and remuneration owed are those that became due in the reporting period and have already accrued to the individual Executive Board member or have not yet been paid despite being due in the past financial year.

€	Executive board member	Financial year	Salary accrued during the 2021/22 financial year					Total salary		of which variable (%)	
			Fixed remuneration	Pension scheme	Fringe benefits	Remuneration of subsidiaries ¹	One-year variable remuneration (OVR)	Multi-year variable remuneration (MVR)	Total salary		of which fixed (%)
	Dr Niels Pörksen (Chairman of the Executive Board)	2022/23	818,880	152,775	44,292	16,200	200,000	0	1,232,147	83.8%	16.2%
		2021/22	750,000	150,000	30,040	71,766	0	0	1,001,806	100.0%	0.0%
	Ingrid-Helen Arnold (Since 1 May 2021)	2022/23	375,000	83,333	4,588	0	0	0	462,921	100.0%	0.0%
		2021/22	0	0	0	0	0	0	0	-	-
	Dr Thomas Kirchberg	2022/23	663,132	-	18,581	99,471	0	176,660	957,844	81.6%	18.4%
		2021/22	590,004	-	14,211	71,765	0	249,974	925,954	73.0%	27.0%
	Thomas Kölbl	2022/23	663,132	-	44,292	99,471	0	176,660	983,555	82.0%	18.0%
		2021/22	590,004	-	34,804	71,765	0	249,974	946,547	73.6%	26.4%
	Markus Mühleisen (Since 1 June 2021) ²	2022/23	449,824	82,500	7,023	0	0	0	539,347	100.0%	0.0%
		2021/22	0	0	0	0	0	0	0	-	-
	Johann Marihart (Until 31 May 2021) ^{2,3}	2022/23	191,370	109,000	6,924	8,100	0	880,000	1,195,394	26.4%	73.6%
		2021/22	700,000	-	12,418	16,200	0	844,200	1,572,818	46.3%	53.7%
	Total	2022/23	3,161,338	427,608	125,700	223,242	200,000	1,233,320	5,371,208	73.3%	26.7%
		2021/22	2,630,008	150,000	91,473	231,496	0	1,344,148	4,447,125	69.8%	30.2%

¹ Supervisory Board remuneration of subsidiaries.

² The Supervisory Board remuneration is agreed and granted by AGRANA Beteiligungs-AG.

³ Johann Marihart - Pension scheme: Additional cover.

Information on the inflow and contractual benefits is divided in each case into fixed and variable remuneration components. The fixed elements include fixed payments that are not performance-based, fringe benefits, contributions-based pension payments and remuneration from subsidiaries. The variable performance-related elements of remuneration are subdivided into one-year and multi-year elements.

The one-year variable remuneration for Chairman of the Executive Board, **Dr Niels Pörksen** (CEO), is based on the dividend of €0.20 per share agreed for the 2020/21 financial year of the Südzucker AG. The bonus is €10,000 for every €0.01 per share of dividend distributed.

For **Dr Thomas Kirchberg** (COO) and **Thomas Kölbl** (CFO), the annual variable remuneration is calculated according to the average dividend per share of Südzucker AG for the financial years 2018/19 (€0.20), 2019/20 (€0.20) and 2020/21 (€0.20). For every €0.01 per share of dividend distributed (average over the last three years: €0.20 per share), the bonus is €8,833.

For **Johann Marihart**, the variable remuneration disbursed in the 2021/22 financial year for the 2020/21 financial year is calculated according to the dividend per share of AGRANA Beteiligungs-AG for the financial years 2018/19 (€1.00), 2019/20 (€0.77) and 2020/21 (€0.85). For every €500,000 of dividend distributed on the basis of 62.5 million shares and absolute distributed amounts for the financial years 2018/19 (€62.5 million), 2019/20 (€48.1 million) and 2020/21 (€53.1 million), this results in an average bonus of 121% of the basic annual salary of €700,000 for the 2020/21 financial year. Johann Marihart of AGRANA Beteiligungs-AG was granted a payment of €2.7 million in the context of his withdrawal from the Executive Board and retirement, which included severance and holiday payments and satisfies the variable remuneration.

On top of that (in each case determined according to IFRS), based on a direct commitment by the company to **Dr Thomas Kirchberg** (COO), a reserve of €8.9 million and a current service cost of €0.0 million and to **Thomas Kölbl** (CFO), a reserve of €9.5 million and a current service cost of €0.3 million have been included in the 2021/22 financial year.

Pensions totalling €2.7 million were paid for former managers and their surviving dependants within the framework of the pension scheme.

Information on share-based elements of remuneration granted and promised

As described above, only the Executive Board remuneration system approved by the 2021 Annual General Meeting, which currently applies to Ingrid-Helen Arnold, provides for a share-based element of remuneration.

Based on a MVR target remuneration for Ingrid-Helen Arnold of €320,000 for the 2021/22 financial year, determinable over a period of 36 months, this results in target remuneration of €302,222 for the pro rata period of 34 months. Based on the average price of the shares of Südzucker for the period from 1 December 2020 to 28 February 2021 of €12.391 a share, the resulting purchase of shares in Südzucker amounts to 24,391. As a result, Südzucker AG has purchased some of its own shares during the 2021/22 financial year for the Vesting Period 2021/22 to 2023/24.

Executive board member	Significant conditions of the performance-based share programme				
	Service period (financial years) ¹	Target 100%: average ROCE for service period	Beginning of the Vesting Period	End of the Vesting Period	Shares agreed in the 2021/22 financial year
Ingrid-Helen Arnold (Since 1 May 2021)	2021/22 - 2023/24	7.0%	01 May 2021	28 February 2024	24,391

¹ Pro rata for a total period of 34 months.

Compliance with maximum remuneration limits

The new remuneration system applicable to Ingrid-Helen Arnold (CDO) stipulates a maximum remuneration limit of €1,445,000. This applies to the remuneration elements including fringe benefits and the pension obligation agreed for the 2021/22 financial year. If remuneration for the 2021/22 financial year should exceed the above cap, the variable remuneration will be reduced accordingly.

As the level of the agreed multi-year variable remuneration elements is not determined until the third year after the end of the reporting year, a conclusive report on compliance with maximum remuneration for the 2021/22 financial year will only be possible in the remuneration report for the 2024/25 financial year.

Information on the development of Executive Board remuneration compared with remuneration of other staff and earnings performance

The following overview depicts the development of the remuneration of the Executive Board members granted or owed in the relevant financial year in relation to the remuneration of other employees in Germany and to earnings performance in the reporting year compared with the previous year. The changes to the remuneration of Executive Board members contained in the table reflect the remuneration granted or owed during the financial year.

The development of the Executive Board remuneration in relation to the development of employee remuneration and to the earnings performance of the company.	Changes in 2021/22 compared with 2020/21 in % ¹
Executive Board	
Dr Niels Pörksen (Chairman of the Executive Board) ²	23.0%
Ingrid-Helen Arnold (since 1 May 2021) ³	-
Dr Thomas Kirchberg	3.4%
Thomas Kölbl	3.9%
Markus-Mühleisen (since 1 June 2021) ³	-
Johann Marihart (until 31 May 2021) ³	-
Earnings performance	
EBITDA - Südzucker consolidated financial statements (IFRS)	15.8%
Operating result - Südzucker consolidated financial statements (IFRS)	40.6%
Result after tax - Südzucker AG (German Commercial Code) ⁴	-
Employees	
Total employees in Germany	5.2%

¹ The information for the members of the Executive Board and for the employees depend on the remuneration granted or owed in the 2021/22 financial year within the meaning of Section 162(1) sentence 1 AktG. At the same time, use is made of the transition provision pursuant to Section 26j of the Introductory Act to the German Stock Corporation Act [EGAktG].

² The change takes into account that no variable remuneration was disbursed in the previous year, which was the year of the first introduction.

³ Does not apply, as no Executive Board remuneration was paid and there was no withdrawal during the reporting year.

⁴ Does not apply for sign change.

Remuneration of the members of the Supervisory Board

The Supervisory Board shall receive remuneration that is commensurate with the duties of the Supervisory Board members and the situation of the company. The amount of remuneration and the remuneration system for the Supervisory Board are regularly reviewed by the Supervisory Board. In particular, the time taken up by the members of the Supervisory Board, their responsibilities and the Supervisory Board remuneration granted by other, comparable companies are decisive. Due to the special nature of supervisory board activities, which are fundamentally different from the activities of the employees of the company and the Group, no so-called vertical comparison with employee remuneration comes into consideration. It follows that it is also not possible to define a group of employees to be included in such a comparison.

The Supervisory Board contributes to the promotion of the business strategy and the long-term development of the Company by monitoring and advising the Executive Board incumbent upon it. The appropriateness of the Supervisory Board remuneration ensures that Südzucker AG continues to be in a position to attract outstandingly qualified candidates for membership of the Supervisory Board. As a result, the Supervisory Board remuneration makes a sustainable contribution to the promotion of the business strategy and the long-term development of the Company.

The remuneration of the members of the Supervisory Board is conclusively regulated in Article 12 of the Articles of Association of Südzucker AG; there are no collateral or supplementary agreements. The remuneration rules apply equally to shareholder representatives as well as employee representatives on the Supervisory Board.

The unchanged remuneration system for the Supervisory Board was presented to the Annual General Meeting on 15 July 2021 for agreement and approved with a majority of 93.80%.

In addition to reimbursement for their cash expenses and any VAT payable in connection with their Supervisory Board activities, all members of the Supervisory Board shall receive a fixed remuneration. This fixed remuneration consists of the sum of €60,000 payable at the end of the financial year and a variable remuneration of €500 for each €0.01 or part thereof of dividends distributed on the ordinary share in excess of €0.50. Tax-based special dividends are ignored for the purposes of calculating remuneration.

The Chairman shall receive three times and the Deputy Chairman and other members of the Presiding Committee one-and-a-half times this remuneration. The fixed remuneration will increase by 25% for each committee membership and by 50% for each committee chair; this assumes that the particular committee has met during the financial year and does not apply to membership in the Presiding Committee or Mediation Committee.

Dr. Hans-Jörg Gebhard, Franz-Josef Möllenberg, Erwin Hameseder and Helmut Friedl also receive remuneration for exercising group mandates.

The Supervisory Board remuneration is paid the subsequent year. As in the previous year, no variable remuneration was incurred in 2021/22.

Group Supervisory Board remuneration (including group mandates)

€	2021/22	2020/21	+/- as a %
Dr Hans-Jörg Gebhard Chairman	344,033	304,200	13.1
Franz-Josef Möllenberg First Deputy Chairman	161,250	157,500	2.4
Erwin Hameseder Second Deputy Chairman	150,000	150,000	0.0
Fred Adjan ¹	60,000	30,000	100.0
Thomas Bernhard ²	0	30,000	-100.0
Helmut Friedl	133,000	133,000	0.0
Ulrich Gruber	90,000	90,000	0.0
Veronika Haslinger	75,000	75,000	0.0
Georg Koch	75,000	75,000	0.0
Susanne Kunschert	60,000	60,000	0.0
Ulrike Maiweg	60,000	60,000	0.0
Walter Manz	60,000	60,000	0.0
Julia Merkel	60,000	60,000	0.0
Sabine Möller	60,000	60,000	0.0
Angela Nguyen	60,000	60,000	0.0
Joachim Rukwied	60,000	60,000	0.0
Bernd Frank Sachse	60,000	60,000	0.0
Nadine Seidemann	75,000	75,000	0.0
Dr Stefan Streng	60,000	60,000	0.0
Wolfgang Vogl	75,000	75,000	0.0
Rolf Wiederhold	105,000	105,000	0.0
Total	1,883,283	1,839,700	2.4

¹ Since 1 September 2020.

² Until 31 August 2020.

Information on the development of the Supervisory Board remuneration compared with remuneration of the other employees and earnings performance

The following overview depicts the development of the remuneration of the active Supervisory Board members granted or owed in the financial year in relation to the remuneration of the other employees and the earnings performance compared with the previous year. The changes to the remuneration of Supervisory Board members contained in the table reflect the remuneration granted and owed during the financial year in line with what is shown in the table. The table also shows the changes in the earning performance in the reporting year compared with the previous year.

Development of the Executive Board remuneration in relation to the development of employee remuneration and to the earnings performance of the company	Changes in 2021/22 compared with 2020/21 in % ¹
Supervisory Board	2.4%
Earnings performance	
EBITDA - Südzucker consolidated financial statements (IFRS)	15.8%
Operating result - Südzucker consolidated financial statements (IFRS)	40.6%
Result after tax - Südzucker AG (German Commercial Code) ²	-
Employees	
Total employees in Germany	5.2%

¹ The information for the members of the Supervisory Board and for the employees depend on the remuneration granted or owed in the 2021/22 financial year within the meaning of Section 162(1) sentence 1 AktG. At the same time, use is made of the transition provision pursuant to Section 26j of the Introductory Act to the German Stock Corporation Act [EAGAktG].

² Does not apply for change of sign.

Mannheim, 18 May 2022

EXECUTIVE BOARD



Dr Niels Pörksen
(Chairman)



Ingrid-Helen Arnold



Dr Thomas Kirchberg



Thomas Kölbl



Markus Mühleisen

SUPERVISORY BOARD

For the Supervisory Board



Dr Hans-Jörg Gebhard
Chairman

Report of the independent auditor on the formal audit of the remuneration report pursuant to Section 162(3) AktG

To Südzucker AG, Mannheim

Opinion

We have formally audited the remuneration report of the SüdzuckerAG, Mannheim, for the financial year from March 1, 2021 to February 28, 2022 to determine whether the disclosures pursuant to § [Article] 162 Abs. [paragraphs] 1 and 2 AktG [Aktiengesetz: German Stock Corporation Act] have been made in the remuneration report. In accordance with Section 162(3) AktG, we have not audited the content of the remuneration report.

In our opinion, the information required by Section 162(1) and (2) AktG has been disclosed in all material respects in the accompanying remuneration report. Our opinion does not cover the content of the remuneration report.

Basis for the opinion

We conducted our formal audit of the remuneration report in accordance with Section 162(3) AktG and IDW [Institut der Wirtschaftsprüfer: Institute of Public Auditors in Germany] Auditing Standard: The formal audit of the remuneration report in accordance with Section 162(3) AktG (IDW AuS 870). Our responsibility under that provision and that standard is further described in the “Auditor’s Responsibilities” section of our auditor’s report. As an audit firm, we have complied with the requirements of the IDW Quality Assurance Standard: Requirements on quality control for audit firms [IDW Qualitätssicherungsstandard – IDW QS 1]. We have complied with the professional duties pursuant to the Professional Code for German Public Auditors and German Chartered Auditors [Berufssatzung für Wirtschaftsprüfer und vereidigte Buchprüfer – BS WP/vBP], including the requirements for independence.

Responsibility of the Management Board and the Supervisory Board

The management board and the supervisory board are responsible for the preparation of the remuneration report, including the related disclosures, that complies with the requirements of Section 162 AktG. They are also responsible for such internal control as they determine is necessary to enable the preparation of a remuneration report, including the related disclosures, that is free from material misstatement, whether due to fraud or error.

Auditor’s Responsibilities

Our objective is to obtain reasonable assurance about whether the information required by Section 162(1) and (2) AktG has been disclosed in all material respects in the remuneration report and to express an opinion thereon in an auditor’s report.

We planned and performed our audit to determine, through comparison of the disclosures made in the remuneration report with the disclosures required by Section 162(1) and (2) AktG, the formal

completeness of the remuneration report. In accordance with Section 162(3) AktG, we have not audited the accuracy of the disclosures, the completeness of the content of the individual disclosures, nor the appropriate presentation of the remuneration report.

Frankfurt am Main, 18 May 2022

PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft

Michael Burkhart

Wirtschaftsprüfer

(German Public Auditor)

Christina Pöpperl

Wirtschaftsprüferin

(German Public Auditor)