

Pioneering
green solutions

Verbio

**Separate
non-financial
Group report
2022/2023**



Key figures

for the financial year from July 1, 2022 to June 30, 2023

Key economic figures (Group)

TABLE 1

Results of operations	Unit	2022/2023	2021/2022	2020/2021
Sales revenue	In EUR million	1,968.3	1,812.5	1,026.0
EBITDA	In EUR million	240.3	503.3	166.3
EBITDA margin	%	12.2	27.8	16.2
EBIT	In EUR million	198.7	462.0	136.6
EBT	In EUR million	199.2	461.1	135.4
Net result for the period	In EUR million	132.2	315.8	93.5
Basic earnings per share	In EUR	2.08	4.99	1.48
Operational statistics	Unit	2022/2023	2021/2022	2020/2021
Production of biodiesel and bioethanol	Tonnes	928,122	838,132	834,541
Production of biomethane	MWh	1,078,053	884,959	794,817
Utilisation of biodiesel/bioethanol ¹⁾	%	92.6	91.1	90.7
Utilisation of biomethane	%	82.9	98.3	88.3
Investments in property, plant and equipment	In EUR million	251.2	121.4	67.7
Number of employees ²⁾		1,180	978	820
Financial position	Unit	2022/2023	2021/2022	2020/2021
Operating cash flow	In EUR million	26.1	325.0	117.2
Operating cash flow per share	In EUR	0.41	5.16	1.85
Cash and cash equivalents ³⁾	In EUR million	219.4	314.1	130.2

¹⁾ The annual production capacity of the production plants in the financial year was as follows: biodiesel: 660,000 tonnes (unchanged); bioethanol: changed from 260,000 to 342,000 (SBE share included on a proportionate basis); biomethane: changed from 900 GWh to 1,300 GWh.

²⁾ At the balance sheet date.

³⁾ As of the balance sheet date, including cash in segregated accounts.

Key segment figures (Group)

TABLE 2

Biodiesel	Unit	2022/2023	2021/2022	2020/2021
Sales revenue	In EUR million	1,367.4	1,269.7	729.9
EBITDA	In EUR million	152.7	298.4	93.2
EBIT	In EUR million	142.1	272.7	82.3
Production	Tonnes	610,509	574,031	601,257
Utilisation ⁴⁾	%	92.5	87.0	91.1
Number of employees ⁵⁾		215	216	224
Bioethanol (incl. biomethane)	Unit	2022/2023	2021/2022	2020/2021
Sales revenue	In EUR million	590.5	531.3	286.6
EBITDA	In EUR million	84.3	202.3	70.6
EBIT	In EUR million	56.4	188.9	53.6
Production of bioethanol	Tonnes	317,613	264,101	233,284
Production of biomethane	MWh	1,078,053	884,959	794,817
Utilisation of bioethanol	%	92.9	101.6	89.7
Utilisation of biomethane	%	82.9	98.3	88.3
Number of employees		632	514	401
Other	Unit	2022/2023	2021/2022	2020/2021
Sales revenue	In EUR million	26.6	21.4	16.7
EBIT	In EUR million	0.3	0.4	0.8

⁴⁾ The annual production capacity of the production plants in the financial year was as follows: biodiesel: 660,000 tonnes (unchanged); bioethanol: changed from 260,000 to 342,000 (SBE share included on a proportionate basis); biomethane: changed from 900 GWh to 1,300 GWh.

⁵⁾ At the balance sheet date.

Key environmental figures⁶⁾

TABLE 3

	Unit	2022/2023	2021/2022	2020/2021
Total production volume ⁷⁾	Tonnes	960,644	897,805	888,136
Total production volume ⁸⁾	MWh	9,434,022	8,765,477	8,724,033
Specific energy consumption	MWh/MWh	0.096	0.100	0.095
Specific water consumption	Litres/MWh	100.9	105.0	89.8
Specific wastewater discharge	Litres/MWh	36.2	29.8	35.5
Specific waste disposal (kg/tonne)	Kg/tonne	6.0	6.2	5.7
Specific scope-1 and scope-2 emissions/ GWh biofuels manufactured	tCO ₂ /GWh	16.2	17.2	14.8
Carbon handprint (emissions reduction)	tCO ₂	-3,401,285	-2,594,463	-
Specific emission reduction per quantity of biofuel produced	tCO ₂ /GWh	-360.5	-296.0	-

Key social figures

TABLE 4

	Unit	2022/2023	2021/2022	2020/2021
Number of employees ⁹⁾		1,180	978	820
Number of permanent employment contracts	%	94.2	91.2	94.5
Personnel expenses	In EUR million	81.1	64.9	54.1
Average employee age		40.6 years	41.8 years	41.4 years
Percentage of women employees	%	19.3	19.5	21.5
Apprentice ratio	%	2.5	2.7	2.8
Average length of service		5.5 years	5.7 years	6.4 years

⁶⁾ Excl. SBE.

⁷⁾ All biofuels (incl. biomethane), excluding by-products

⁸⁾ All biofuels (incl. biomethane), excluding by-products

⁹⁾ At the balance sheet date

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Introduction

About this separate non-financial Group report

GRI 2-2 to 2-5, GRI 2-14

This separate non-financial Group report (hereinafter referred to as: "the non-financial Group report") summarises all the significant developments relating to sustainability at VERBIO Vereinigte BioEnergie AG (hereinafter also referred to as "VERBIO AG" or "the Company"), with its registered office in Zörbig, as the parent company of the VERBIO Group (hereinafter also referred to as "VERBIO" or "the VERBIO Group" or "the Group") in the financial year 2022/2023. In addition to information on ecological, economic and social issues, it also encompasses ethical aspects such as the observance of human rights, corruption and competitive behaviour.

With the entry into force of the CSR Directive Implementation Act (CSR-Richtlinie-Umsetzungsgesetz – CSR-RUG) and the associated reporting obligations, VERBIO AG, as the parent company of the VERBIO Group, is required to prepare a separate non-financial Group report in accordance with Sections 315b, 315c in conjunction with Sections 289c to 289e German Commercial Law (Handelsgesetzbuch – HGB).

The reporting period is from July 1 2022 to June 30, 2023. The report contents and data for the non-financial key figures are updated annually. The reference date for all data and facts was June 30, 2023. Financial data was extracted from the VERBIO Group's annual financial statements for the financial year 2022/2023. Figures have been rounded in accordance with normal commercial practice; rounding differences may occur.

All member companies of the VERBIO Group are included in the Group for sustainability reporting purposes. The environmental figures for South Bend Ethanol LLC (SBE) are not yet included in the report due to the fact that the company, which was acquired in May, was in the process of being integrated at the balance sheet date. Where there are differences between the entities included in the scope of consolidation when preparing social data, these are noted in the relevant sections of the non-financial Group report.

The report is prepared with reference to the Global Reporting Initiative (GRI) guidelines for sustainability reporting. The individual chapters are based on the GRI Standards 2021 and can be identified using the subtitle guidance system.

The selection of content to be reported is based on the results of the materiality analysis, which is carried out in accordance with the double materiality approach. Details on the results of this quantitative methodology can be found in the section "Our materiality analysis". If you have any questions or feedback concerning this separate non-financial Group report, please do not hesitate to contact VERBIO's internal ESG project team:

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The non-financial Group report is published in German (original version) and English (non-binding translation). It is available in both languages on the internet at www.verbio.de. The next issue will be published in September 2024.

External audit

The auditing firm Grant Thornton AG, Leipzig, Germany has subjected this non-financial Group report for the financial year from July 1, 2022, to June 30, 2023 to a limited assurance review. Prior to this the report was reviewed and approved by representatives of the VERBIO Supervisory Board.

Gender disclaimer

For the sake of better readability, this statement refrains from using simultaneous male, female and neutral language forms. The generic masculine form is used, with all genders being equally implied.

Forward-looking statements

This publication contains forward-looking statements based on assumptions and estimates made by the management of VERBIO AG. The Company's management believes these assumptions and estimates to be accurate. However, future actual developments and results may deviate significantly from these assumptions and estimates due to various factors. These factors may include, for example, changes in the overall economic situation, legal and regulatory conditions in Germany, in the EU and globally, as well as changes within the industry. VERBIO AG does not provide any warranty or liability that future developments and future actual results will correspond with the assumptions and estimates expressed in this publication.

Pioneering green solutions

Pioneering green solutions

GRI 2-1, 2-6 to 2-12, 2-14 to 2-29

VERBIO Vereinigte BioEnergie AG, headquartered in Zörbig, is a leading bioenergy producer in Europe and a provider of green solutions. In the international VERBIO biorefineries, agricultural raw and residual materials are processed into climate-friendly fuels, green energy, and renewable products for the chemical and agriculture industries. VERBIO also offers high-quality components made from sustainably produced biomass for the animal feed and food industries. Even before manufacturing commences an internal examination is performed by the Group to determine whether negative effects will be generated along the value-added chain and how these can be avoided. This approach enables VERBIO to combine commercial success with social responsibility and environmental protection. With its innovations and cutting-edge technologies, the Company drives climate protection on a global scale. By the end of the 2022/2023 financial year the annual production capacity had reached 660,000 tonnes of biodiesel, 342,000 tonnes of bio-ethanol and 1,300 gigawatt-hours of biomethane.

VERBIO AG is a publicly listed stock corporation under German law with a dual leadership structure consisting of a Management Board and a Supervisory Board. The subscribed capital amounts to EUR 63,517,206 divided into 63,517,206 no-par-value bearer shares. VERBIO AG shares are listed on the Prime Standard of the Deutsche Börse AG under the ISIN code DE000A0JL9W6 and are traded on platforms such as the electronic securities trading system Xetra, among others. VERBIO AG stock is also part of the SDAX and TecDAX indices.

Group segments

The business activities of VERBIO are grouped into three segments: Biodiesel, Bioethanol/Biomethane, and Other. All the products of the VERBIO Group are manufactured in accordance with the closed loop concept: the majority of raw materials are procured locally and processed in the Group's own biorefineries, where possible making use of the material in full. Any resulting by-products are

transformed into high-quality inputs for the food and pharmaceutical industries, as well as animal feed and fertilisers (refer to Table 5: VERBIO product portfolio). As a result, through its production VERBIO not only offers alternatives to fossil fuels and conventional animal feed or fertilisers, but also supports regional agriculture by sourcing local raw materials and supplying sustainable liquid fertilisers. The Company employs technologies developed in-house in its biorefineries.

VERBIO product portfolio

TABLE 5

Biodiesel			Ethanol			Other	
VERBIOdiesel	VERBIOglycerin	VERBIOsterol	VERBIOethanol	VERBIOgas	VERBIO Proti Flow, VERBIO Grain Pro	Fertiliser from renewable sources	Logistics
<p>Product: biodiesel</p> <p>Raw materials used: mainly domestic rapeseed oil and waste materials</p> <p>CO₂ efficiency: at least 70% savings compared to fossil diesel</p> <p>Waste in production: almost none</p> <p>Application: fuels, industry</p> <p>Plus: high-quality by-products (pharmaceutical glycerine and sterols) are produced during the production process</p>	<p>Product: glycerine</p> <p>Raw material used: mainly domestic rapeseed oil</p> <p>Waste in production: glycerine itself is a by-product of biodiesel production</p> <p>Application: ingredient used for cosmetics, food and medicines, among others</p> <p>Plus: 99.8% purity; kosher and halal tested; hazard analysis and critical control points (HACCP) and ISO 22000 certified</p>	<p>Product: phytosterols</p> <p>Raw material used: domestic rapeseed oil</p> <p>Waste in production: almost none; VERBIOsterol itself is a by-product</p> <p>Application: ingredient used for food, cosmetics and pharmaceuticals</p> <p>Plus: 100% non-GMO, vegan, kosher, halal; food safety according to HACCP</p>	<p>Product: bioethanol</p> <p>Raw material used: mainly domestic grain of inferior quality</p> <p>CO₂ efficiency: approx. 80% savings compared to fossil gasoline</p> <p>Waste in production: the stillage produced as a residue serves as a raw material for bio-methane production (VERBIOgas), as humus fertiliser and animal feed</p> <p>Application: fuels</p> <p>Plus: biomethane and high-quality protein-rich animal feed are produced during the production process</p>	<p>Product: biomethane</p> <p>Raw material used: stillage – a residue of bioethanol production – and straw</p> <p>CO₂ efficiency: more than 90% compared to diesel and gasoline</p> <p>Waste in production: almost none</p> <p>Application: fuel, power generation, heat generation</p> <p>Plus: liquid and humus fertilisers are produced as by-products during fermentation</p>	<p>Product: protein-containing feed in liquid form</p> <p>Raw material used: stillage</p> <p>Waste in production: almost none; the feed itself is a by-product</p> <p>Application: agriculture</p> <p>Plus: EU positive list for feed, and certified according to the QS GmbH/PDV guidelines for the feed industry</p>	<p>Product: liquid fertiliser (ammonium sulphate solution and ammonium sulphate-urea solution)</p> <p>Raw material used: straw, stillage</p> <p>Waste in production: the liquid fertilisers themselves are a by-product of fermentation in both biorefineries</p> <p>Application: agriculture</p> <p>Plus: among others, can be used as a single fertiliser or mixed with other liquid fertilisers</p>	<p>Services: execution of transport and logistics tasks for VERBIO companies and third parties outside the Group</p> <p>Plus: GMP+ B4 certification since 2004 – food and animal feed safety system; vehicles run on climate-friendly fuels (biomethane or bio-liquefied natural gas)</p>

Further information can be found at [VERBIO – Products](#).

Organisational structure and size

VERBIO's legal headquarters in Zörbig is responsible for contract administration, invoicing and incoming invoice control for raw materials. Part of the Group's administration is based in Leipzig, where, in addition to indirect central functions such as accounting, controlling and treasury, parts of trading, project development and plant construction are also located. VERBIO AG is the parent company of the VERBIO Group. In addition to VERBIO AG itself, the following companies belonged to the VERBIO Group in the reporting period:

- VERBIO Bitterfeld GmbH (VEB), Bitterfeld-Wolfen/OT Greppin
- VERBIO Zörbig GmbH (VEZ), Zörbig
- VERBIO Schwedt GmbH (VES), Schwedt/Oder
- VERBIO Protein GmbH (VProt), Zörbig
- VERBIO India GmbH, Zörbig
- VERBIO Finance GmbH (VFinance), Zörbig
- Lüneburger Lager- und Agrarhandelsgesellschaft mbH, Lüneburg
- VERBIO Agrar GmbH (VAgrar), Zörbig
- VERBIO Logistik GmbH (VLogistik), Zörbig
- VERBIO Polska Sp. z o.o. (VPL), Stettin, Poland
- VERBIO Hungary Trading Kft., Budapest, Hungary
- VERBIO India Private Limited (VEI), Chandigarh, India
- VERBIO Pinnow GmbH (VEP), Pinnow
- VERBIO Renewables GmbH (VRenew), Zörbig

- VERBIO Poland GmbH (formerly VERBIO Leuna GmbH), Zörbig
- XIMO Kft. (XiMo), Budapest, Hungary
- VERBIO Nevada LLC (VEN), Nevada/Iowa, USA
- VERBIO North America Holdings Corp. (VNAH), Stamford, Connecticut, USA
- VERBIO North America LLC (VNA) (formerly: VERBIO North America Corp.), Stamford, Connecticut, USA
- VERBIO Diesel Canada Corp. (VDC), Toronto/Ontario, Canada
- VERBIO Agriculture LLC (VEA) (formerly: VERBIO Farm Services LLC), Nevada/Iowa, USA
- VERBIO Retail GmbH (VRetail), Zörbig
- VERBIO Brazil GmbH (VBrazil), Zörbig
- VERBIO Baltic GmbH (VBaltic), Zörbig
- VERBIO 1 GmbH, Zörbig
- VERBIO Schkopau GmbH, Zörbig
- South Bend Ethanol LLC, South Bend/Indiana, USA
- Tacoss GmbH, Flensburg, Germany

VERBIO produces biodiesel, bioethanol and biomethane for the European market, primarily in Germany. In the North American market the Company distributes biodiesel, biomethane and bioethanol that it manufactures in Canada and the United States. Since April 2022 VERBIO has been producing and distributing biomethane in India. VERBIOglycerin and VERBIOsterol are sold worldwide. In May 2023 with the acquisition of South Bend Ethanol LLC the Group acquired a second plant in the USA, and plans to convert this plant into a biorefinery modelled on the German VERBIO facilities by 2026.

The financial year 2022/2023 was marked by strong growth in Group sales and the number of employees (see Table 6: Economic development of VERBIO, Table 7: Overview of employees by region and gender, and Table 8: Overview of workers who are not employees). With approximately 1,200 employees (at June, 2023), VERBIO generated sales revenues of EUR 1,968.3 thousand (2021/2022: EUR 1.813 billion), an increase of 8.6 percent compared to the previous year. This growth in revenue can be attributed to the successful continuation of the internationalisation strategy, as well as to the overall higher sales volumes of biofuels. In addition, in the financial year 2022/2023 VERBIO continued to build on its structures to enable the expansion and internationalisation of its production and marketing of renewable molecules, and increased its production capacity in Germany and in other countries. In doing so VERBIO focussed on incremental biomethane volumes, which have strong growth potential, thanks to biomethane's versatility and wide range of applications and the worldwide availability of infrastructure for its use. The Company is convinced that alternative fuels are the key to transforming transport, and plans to build in excess of 20 VERBIO-owned CNG and LNG filling stations across Germany.

Economic development of VERBIO

TABLE 6

	Unit	2022/2023	2021/2022	2020/2021
Number of employees as of 30.06.		1,180	978	820
Number of production sites		9	8	5
Sales of the VERBIO Group	In EUR million	1,968.3	1,812.5	1,026.0
Equity at 30.06.	In EUR million	911.8	818.5	509.8
Balance sheet total at 30.06.	In EUR million	1,297.2	1,126.6	571.6
Production of biodiesel and bioethanol	Tonnes	928,122	838,132	834,541
Production of biomethane	MWh	1,078,053	884,959	794,817

Overview of employees by region and gender (as of June 30, 2023)

TABLE 7

	Employees	Thereof part-time	in %	Thereof temporary	in %	Of whom with non-guaranteed working hours	in %
Region							
Europe	882	49	5.6	57	6.5	0	0.0
North America	175	2	1.1	1	0.6	0	0.0
India	123	0	0.0	10	8.1	0	0.0
Total	1,180	51	4.3	68	5.8	0	0.0
Gender							
Male	952	16	1.7	52	5.5	0	0.0
Female	228	35	15.4	16	7.0	0	0.0
Total	1,180	51	4.3	68	5.8	0	0.0

Overview of workers who are not employees (as of June 30, 2023)

TABLE 8

Type of employees without permanent employment contracts	Number	Thereof part-time	in %	Thereof temporary	in %	Of whom with non-guaranteed working hours	in %	Of whom employed indirectly through a third party	in %
Trainee	21	0	0.0	21	100.0	0	0.0	0	0.0
Interns	6	6	100.0	6	100.0	0	0.0	0	0.0
Independent	2	0	0.0	2	100.0	0	0.0	0	0.0
Total	29	6	20.7	29	100.0	0	0.0	0	0.0

Management system

VERBIO is managed in accordance with the provisions of the German Stock Corporation Act (Aktiengesetz – AktG) and the German Corporate Governance Code (Deutscher Corporate Governance Kodex – GCGC) in their respective current versions. By law, VERBIO is obliged to strictly separate personnel between the Management Board as the management body and the Supervisory Board as the supervisory body, in accordance with the principle of the “dual management system”. Both boards work closely together in the management and monitoring of VERBIO AG in the interests of the Company, and strive to achieve sustainable growth in the value of the Company.

The Management Board conducts the business of VERBIO AG and the VERBIO Group in accordance with the law, the Company’s articles of association and the rules of procedure issued by the Supervisory Board. The principle of overall responsibility applies, meaning that the Management Board members collectively share responsibility for the entire management of the Company. They develop the corporate strategy in line with sustainable development, ensure its implementation in

coordination with the Supervisory Board, and, in addition to the managing directors, grant powers of attorney in the form of authorised signatures and basic/limited powers of attorney. There are various authorisation levels, each with specific signing scopes and limits. The Management Board has adopted a distribution of responsibilities; whereby specific board members are responsible for different topics. The current distribution of responsibilities can be found in the ‘Executive bodies of the Company’ section of the 2022/2023 annual report.

The Management Board collectively reports to the Supervisory Board as the Company’s highest governing body. The Management Board provides the Supervisory Board with regular and comprehensive information in management reports and meeting papers, both orally and in writing, about the Company’s situation, regarding company strategy and the implementation thereof, and about business planning and the course of business, including the Company’s financial situation and profitability as well as concerning risk positions, risk management and compliance, audit and sustainability issues. In the case of significant events, the chairman of the Supervisory Board then informs the Supervisory Board and, if necessary, convenes an extraordinary Supervisory Board

meeting. Between the meetings of the Supervisory Board, the chairman of the Management Board maintains regular contact with the chairman of the Supervisory Board. In accordance with the articles of association the Management Board of VERBIO AG must have at least two members, who are appointed by the Supervisory Board.

The Supervisory Board advises the Management Board on the management of the Company and supervises its activities. It appoints and dismisses the members of the Management Board, decides on their remuneration system and determines their respective total remuneration. The Supervisory Board is involved in all decisions that are of fundamental importance for VERBIO. It examines and approves, among other things, information reported for sustainability reporting purposes. It fulfils its duties responsibly and thus makes a significant contribution to the Company’s success. In addition, the Supervisory Board engages the auditor based on resolutions approved at the annual general meeting. In accordance with the articles of association, the Supervisory Board of VERBIO AG is composed of three members who are not simultaneously members of the Management Board and who have not been members in the past. Within the framework of the statutory provisions and the provisions of

the articles of association, the Supervisory Board has established its own rules of procedure. These are published on the Company's website www.verbio.de in the Investor Relations/Corporate Governance section.

As of June 30, 2023 the boards of VERBIO AG were composed of the following members:

Overview of the Management Board

TABLE 9

Name	Position	Term of office on the Management Board
Claus Sauter	Chief Executive Officer	Since 2006
Prof. Dr. Oliver Lüdtko	Chief Technical Officer, Deputy Chief Executive Officer	Since 2011
Olaf Tröber	Chief Financial Officer	Since 2022
Theodor Niesmann	Chief Technical Officer	Since 2011
Bernd Sauter	COO Europe	Since 2010
Stefan Schreiber	COO North America	Since 2020

Overview of the Supervisory Board

TABLE 10

Name	Position	Independent in the decision-making process	Term of office on the Supervisory Board	Other positions or obligations within VERBIO	Gender	Underrepresented social group	Relevant competencies
Alexander von Witzleben	Chairman of the Supervisory Board	Yes	Since April 2006	No	Male	No	Many years of experience in various management and supervisory bodies, including, among others, Arbonia Management AG in Arbon, Artemis Holding AG in Aarburg and KAEFER Management SE in Bremen
Ulrike Krämer	Vice-Chair of the Supervisory Board	Yes	Since June 2010	No	Female	No	Works as an auditor and tax consultant in her own practice
Dr. Klaus Niemann	Member of the Supervisory Board	Yes	Since January 2021	No	Male	No	Several years of managerial activities and positions as a member of the Management Board in various companies

Further information can be found at [VERBIO – Management Board & Supervisory Board](#).

Nomination and selection process of the boards

The Supervisory Board is elected by the Annual General Meeting. It elects a chairman and a deputy from among its members for the duration of the term of office of those elected. The nomination is based on the relevant competencies of a candidate. The aspects of independent judgement, diversity and, where known, stakeholder perspectives regarding the candidates are generally interpreted in favour of the candidates by eligible voters. Possible conflicts of interest, for example vis-à-vis the stakeholders, are prevented by the affected members of the Supervisory Board or the Management Board disclosing such conflicts to the entire body, refraining from participating in discussions of relevant topics, and abstaining from voting on relevant resolutions. Unless otherwise decided by the annual general meeting, the members of the Supervisory Board are elected for the period until the end of the annual general meeting that decides on their discharge for the fourth financial year after the start of their term. The financial year in which the term of office begins is not counted.

Further information on "conflicts of interest" can be found in the Corporate Governance Declaration dated September 22, 2023 under "Independence of board members" and in the notes to the 2022/2023 consolidated financial statements under item 12.2, "Disclosures concerning related persons and entities". The Corporate Governance Declaration and the Declaration of Conformity with the Recommendations of the German Corporate

Governance Code pursuant to § 161 AktG contained therein also contain more detailed information on the nomination and selection process for the boards, which is published under [VERBIO – Corporate Governance Statement](#).

Performance evaluation of the boards

The performance of the Supervisory Board and the Management Board is assessed by the shareholders through their approval during the Annual General Meeting. In principle, both bodies are available to answer questions from all interested shareholders and shareholder representatives during this event. As the decision about the format of the annual general meeting was taken when the boards could not foresee how the COVID-19 situation would develop, the 2023 annual general meeting was again conducted in a virtual format. The shareholders of VERBIO made use of their rights using an internet-supported general meeting system in the virtual annual general meeting, as well as by means of a question and answer process prepared in advance. In addition, shareholders had the possibility of exercising their right to speak and ask questions during the meeting. For this purpose, shareholders were directly connected to the meeting online. Furthermore, the Supervisory Board also reviews its efficiency every two to three years using a self-evaluation questionnaire, most recently in June/July 2023. The self-assessment resulted in the grades "good" to "very good" in the categories surveyed.

Remuneration policy of the boards

The remuneration of the members of the Supervisory Board is regulated by § 14 of the Company's articles of association. At the end of the financial year the members of the Supervisory Board receive a fixed remuneration of EUR 45 thousand p.a. The chairman of the Supervisory Board receives twice this amount, and his deputy receives one and a half times this amount. The remuneration policies and proposals thereon are put to a vote at the annual general meeting.

On the other hand, the remuneration of the Management Board consists of both fixed and performance-related components, and is intended to provide incentives for sustainable corporate governance. Criteria considered include the responsibilities of each Management Board member, their individual performance, and the financial position, success and future prospects of the Company. The Supervisory Board regularly reviews the appropriateness of the remuneration of the Management Board.

The current structure of the Management Board's remuneration system, approved by the Supervisory Board in its meeting on December 2, 2021 and effective since July 1, 2021, aligns with the legal requirements, as well as the German Corporate Governance Code and German jurisprudence. The current remuneration system was approved by the annual general meeting on February 4, 2022 in the presence of shareholders and shareholder representatives with a majority of 90.96 percent of the capital represented.

Management

The responsible management and structuring of corporate governance within VERBIO is based on the structure of rules, practices and processes used to manage and administer a company, the internal compliance and control of which is ensured by the Global Risk Consolidation, Internal Auditing and Compliance departments. Close cooperation between these departments enables a faster and more efficient processing of the requirements that arise.

Risk management

Risk management is an integral part of VERBIO's corporate governance. As a globally active company, VERBIO is exposed to a large number of different risks that arise directly from VERBIO's operational activities. On the basis of the acceptable overall risk, the Management Board decides which risks VERBIO should take in order to be able to take advantage of the opportunities available to the Company.

The aim of VERBIO's risk management is to identify risks as early as possible, to assess them appropriately, and to limit them through appropriate measures. For VERBIO, risks are internal and external events that can have a negative impact on the achievement of its goals and forecasts. In order to effectively manage corporate risks and ensure compliance with corporate governance ethics and legal requirements, VERBIO has implemented the following steps:

1. Management of the operational business, which is responsible for the governance and control of the risks arising there, as well as their management. This also includes the establishment of effective internal control systems within individual operating units.
2. Risk management systematically monitors the significant risks associated with the operational units and reports to the management board.

The risk management system fully complies with the statutory requirements and is included in the scope of the audit of the annual financial statements. With regard to the early risk detection system, which is part of the risk management system, the auditor of the 2022/2023 annual financial statements has determined that the Management Board has taken the necessary measures in accordance with § 91 (2) AktG, and that the Company's early risk detection system is suitable for identifying developments that could jeopardise the continued existence of the Company at an early stage.

The Management Board of VERBIO AG is informed immediately in the event of critical matters and significant changes in the risk situation. The management and supervisory bodies are regularly informed about the risk situation. The group-wide standardised risk management system regulates the recording, assessment, documentation and reporting of risks, and is integrated into the Company's strategy, planning and budgeting processes. The organisation of the entire risk management process is the responsibility of a risk manager, whose role is to implement, coordinate and continuously improve the process on an ongoing basis.

The risk management process (identification, assessment, control and reporting) is not an annual risk inventory, but is understood as a continuous process. In the event of significant changes in the risk situation, the Management Board is informed immediately by the risk manager. The risk management system is regularly reviewed in meetings of both the Supervisory Board and the Management Board, together with reporting on the current risk situation.

A description of the VERBIO Group's most significant risks and opportunities is provided in the annual report 2022/2023 in the "Outlook, opportunity and risk report" section, separated into the following categories: market and sales, procurement, environment, tax and commercial law, production and technology, finance, legal, and regulations, personnel and other risks. The management and assessment of risks and opportunities is listed in the Risk and Opportunity Report in the annual report 2022/2023.

Compliance management system

The Compliance Officer reports to the Management Board and the Supervisory Board of VERBIO AG at regular intervals on compliance-related issues, in particular the implementation of the code of conduct introduced by the Group which underlines the values and corporate culture of VERBIO. Employees of VERBIO or any external third party can submit reports about concerns or anomalies at any time via the various reporting channels in person, by post, telephone, fax or e-mail and, if desired, anonymously via the whistleblower system on the VERBIO website. The compliance department will check

the report for relevance and, if necessary, arrange for internal investigation. The Management Board and the Supervisory Board are regularly informed of relevant reports. The compliance department is also available for queries regarding the implementation of corporate policies and practices for responsible business conduct via the same reporting channels. The compliance management system pays particular attention to fraud and corruption prevention as well as antitrust law. In the 2022/2023 reporting period the compliance officer was notified of one critical report. Within the framework of the communication structure within VERBIO, the issue raised could be clarified completely and without identifying a violation. There were no significant violations of laws and regulations that apply to VERBIO during the reporting period.

Approach to sustainable development

Sustainability is a fundamental component of VERBIO's business model, as a provider of environmentally friendly solutions and a technology leader for biofuels. The management places strong emphasis on optimised resource utilisation, exemplified by recycling in production and the promotion of the circular economy. By making investments in the further optimisation of existing plant and equipment as well as production processes, VERBIO is aiming to make its production even more resource-efficient and improve the greenhouse gas (GHG) footprint of the Group's products further. By establishing new technology concepts to make further use of by-products, VERBIO increases its competitiveness by developing new, climate-friendly products and entering new sales markets. During the reporting period, work continued on the development of new production

processes for basic chemicals for the chemical industry based on rapeseed oil methyl ester (biodiesel), and for proteins for the animal feed and food industries based on the raw materials used in the bioethanol refineries.

Sustainability takes precedence in the procurement of raw materials. VERBIO's biofuels are a clear testament to this commitment, as they reduce CO₂ emissions by more than 90 percent in some cases compared to conventional fossil fuels. The Company's goal is to save at least 8 million tonnes of CO₂ for its customers in 2026. Furthermore, VERBIO plans to achieve climate neutrality in its direct operations (Scope 1 and 2) by 2035. The Company is committed to engage itself socially, primarily at its own sites, by, among other things, supporting initiatives with donations, grants and sponsorships for projects with a long-term impact, and it aims to further expand this commitment.

The Company's management takes a proactive approach to sustainability and ESG issues (i.e., issues affecting the environment, social impact and good corporate governance). The materiality survey, impact assessment and quantitative analysis results are evaluated and approved by the Management Board. The non-financial Group report is examined by the Supervisory Board and the Management Board. The data collected informs strategic decisions, policies and objectives. In the reporting year VERBIO strengthened its sustainability management activities by recruiting additional staff, and sharpened the focus on sustainability in all departments in the Group.

Since February 24, 2022 VERBIO AG has been part of the UN Global Compact (UNGC), an internationally recognised flagship initiative for sustainable and responsible corporate governance. VERBIO actively demonstrates its commitment to the UNGC by employing the initiative's

principles and the specific Sustainable Development Goals (SDGs) as guiding benchmarks. These serve as a basis for the continuous improvement of operational processes and daily functioning in alignment with the sustainability imperatives. A summary of VERBIO's alignment with the UNGC principles can be found in the 'Content index'.

Declaration of commitment to principles and practices

All employees and members of the Management and Supervisory Boards of the VERBIO Group have committed to act in accordance with the [Corporate Commitment Policies](#) adopted by the Management Board. These are aligned with the SDGs and describe VERBIO's values and rules of conduct with regard to human rights, corporate objectives and the standards of the corporate governance code. Equality and diversity, fair working conditions, health and safety, the prohibition of corruption, environmental sustainability and data protection are also aspects with which all employees and members of the Management and Supervisory Boards of the VERBIO Group identify. The right to social security is also addressed through the provision of an occupational pension scheme (see the section "Employment", Pg. 34). Overarching standards are also reflected in the formulations of the corporate objectives, which are given high importance. Further internal standards are defined in a range of guidelines, procedures and work instructions. The contents of VERBIO's internal standards are made accessible via information on the intranet, the e-learning training portal, a checklist provided at the start of employment, and upon request at any time. This is the responsibility of the respective department heads. Information and

training on various topics, for example, data protection, occupational safety or hybrid work practices, are provided on an ad hoc basis and at regular intervals. Compliance with VERBIO's internal standards is also monitored as part of an internal control system.

VERBIO has also committed to the ten principles of the Global Compact in the areas of human rights, labour standards, environmental protection and anti-corruption, and holds the status of being "Active" in this regard.

Stakeholder dialogue

The management of VERBIO AG engages in open and constructive exchange with its regional, national and global stakeholders. This includes all key stakeholder groups that are directly or indirectly affected by VERBIO's activities and have interests or expectations in the outcomes of its economic, social or sustainability-related actions.

By making its decisions and actions transparent to stakeholders, management enhances acceptance of its business activities, better perceives social trends and

developments, and it is able to consider different interests and needs. Additionally, the ESG team also analyses the expectations of key stakeholders in order to identify significant sustainability aspects through a "materiality analysis". The materiality analysis serves as an important tool through which stakeholders can directly engage in the (further) development of the sustainability strategy during by means of a survey (see "Our materiality analysis", Pg. 23).

VERBIO has established the following formats for regular exchange with its internal and external stakeholders:

Overview of VERBIO's stakeholder engagement formats

TABLE 11

Stakeholder groups	Format
Employees	<ul style="list-style-type: none"> • Intranet (online; ongoing) • MS Teams (online; ongoing) • Employee events (in person; semi-annually) • Employee meetings on business figures and corporate development (online; semi-annually) • Employee/target agreement appraisals (in person; 1x per year) • Career fairs • Elected employee committee • Employee surveys

Stakeholder groups	Format
Business partners	<ul style="list-style-type: none"> • News on the website www.verbio.de (online; ongoing) • Social media channels LinkedIn, Facebook, Instagram, YouTube, TikTok, Xing (online; ongoing) • #strawclever ® podcast and blog by CEO Claus Sauter (online; regular, event-related) • ESG reporting on rating agencies' platforms such as such as EcoVadis and CDP at the customer's request (online; regular, event-related)
Shareholders and investors	<ul style="list-style-type: none"> • News, ad-hoc announcements, the Company's articles of association, rules of procedure for the Supervisory Board, annual reports, half-yearly financial reports and quarterly statements, and company presentations on the website under "Investor Relations" (online; event-related) • Analyst and investor conference (in person or online; annually in September) • One-on-one meetings with analysts and investors (regular, event-related) • Annual general meeting (once annually) • Investor calls (for each quarterly statement, half-yearly financial report) • Announcements in the financial calendar (published online in the annual report, in the half-yearly financial reports and quarterly statements and on the Company's website) • Publications in the Federal Gazette (event-related) • Social media channel LinkedIn for company news (event-related) • #strawclever ® podcast and blog by CEO Claus Sauter (online; regular, event-related)
Media	<ul style="list-style-type: none"> • Press releases (regularly) • News on the website www.verbio.de (online; ongoing) • Social media channels LinkedIn, Facebook, Instagram, YouTube, TikTok, Xing (online; ongoing) • #strawclever ® podcast and blog by CEO Claus Sauter (online; regular, event-related) • Annual press conference (once a year) • Direct exchange (face-to-face or online; ongoing) • Interviews (regular, event-related) • Visits to the factories (regular, event-related)
Local communities	<p>Municipal authorities:</p> <ul style="list-style-type: none"> • Exchange on construction projects (event-related) • Information to local residents (on an ad hoc basis) • Support in the form of training or donations (event-related) • News on the website www.verbio.de (online; ongoing) <p>Community involvement:</p> <ul style="list-style-type: none"> • Engagements in the form of sponsorship, for example VERBIO's sponsorship of Martin Schulz, Olympic paratriathlete.
Civil society organisations	<ul style="list-style-type: none"> • Public networking events (event-related) • Association and committee meetings (in person; quarterly) • Guest posts and comments (event-related)

Our materiality analysis

GRI 3, GRI 2-13

VERBIO has carried out a comprehensive materiality analysis based on the principle of double materiality. This approach involves a dual assessment of sustainability issues, from the perspective of impact materiality (inside-out perspective), which measures VERBIO's impact on the economy, the environment and society, and the perspective of financial materiality (outside-in perspective), which takes into account the financial impact on the Company.

In a first step, a list of various sustainability topics was drawn up, encompassing ecological, social and economic aspects and based on the current GRI topic standards, industry-relevant sustainability considerations and insights from VERBIO's previous year's analysis. The second step consisted of two analyses – the cross-company impact analysis, and the materiality survey among stakeholders.

The impact analysis was carried out in order to understand the impacts and dependencies of the previously identified sustainability topics on and from VERBIO. Both positive and negative impacts were assessed on the basis of double materiality.

Actual or potential impacts were also identified along the entire value chain. The impacts were determined on the basis of their severity (scale, scope and remediable character of the impact), their likelihood of occurrence, and their financial materiality. Subsequently, prioritisation was carried out at an aggregated level, based on impact materiality and financial significance for VERBIO.

With the help of a survey addressed to the most important stakeholder groups, the findings and expectations of the respondents with regard to VERBIO's ecological, social and economic performance were recorded. The response rate among the external stakeholders surveyed

(including banks, investors, industry associations, suppliers and customers) was around 42 percent, and among VERBIO employees the response rate was 32 percent within the groups surveyed. In a third step, potential gaps in the findings of the impact analysis and the stakeholder expectations were discussed by the ESG officer and representatives of the Management Board.

The cumulative findings of the impact analysis, the materiality survey and the gap analysis were used as inputs to the materiality matrix. Any topic that was deemed to be of "high" or "very high" priority in terms of financial materiality and/or impact materiality was considered material to VERBIO.

The quantitative methodology has been significantly revised compared to last year in order to adapt it at an early stage to the requirements of the upcoming CSRD regulations.

Materiality matrix



Results

VERBIO highlights at a glance

Sustainable global growth	Building an independent ESG team	Female participation in the first management level	Investing in sustainable development
EUR 240.3 million EBITDA	1.5 new full-time positions created	25 percent (compared to 19.3 percent female participation in the total workforce)	EUR 251.2 million
VERBIO's approach to the circular economy	Greenhouse gas (GHG) reduction through VERBIO biofuels	Greater participation in family life	Carbon handprint
We process more than 99 percent of residual materials into high-quality by-products	Over 90 percent compared to fossil fuels	20 fathers and 14 mothers on parental leave	-3,401,285 tCO ₂

Economic development: Our commitment and impact

GRI 201, 202, 203, 204, 413

In the 2022/2023 financial year, revenues increased by 8.6 percent to almost EUR 2 billion. Among the important factors contributing to this development is the strong demand for biofuels, driven by the need to reduce dependence on conventional, non-renewable energy sources. Further factors are the regulatory environment, incentive programmes, societal pressure, investments by VERBIO to expand production capacities, and further innovations in the field of environmentally conscious production. In the year under review, VERBIO received a de minimis subsidy for its subsidiary VERBIO Zörbig GmbH amounting to EUR 12,449.97.

The management proactively addresses climate-related risks and opportunities with regard to VERBIO's economic performance. The Group's business model is characterised by a predominance of opportunities over climate-related risks, as it specialises in reducing greenhouse gas emissions.

The potential opportunities include:

- New and tightening legal regulations to reduce CO₂ emissions. We already generate most of our sales revenue from products that reduce CO₂ emissions.
- New legal obligations to reduce air pollution in the agricultural sector. For example, the Bioethanol segment develops and constructs straw biomethane plants that generate above-average CO₂ savings, and which can help to prevent or reduce the burning of agricultural waste products.

- Increasing energy taxes, energy prices and the increasing cost of CO₂ certificates will increase the opportunities and demand for biofuels, in particular for second-generation biofuels.

Potential environmental risks affecting VERBIO (including those arising from business relationships) include:

- New and rapidly changing regulations regarding the blending of biofuels or alternative mobility concepts as a measure against global warming, which could lead to reduced significance of liquid and gaseous biofuels.
- The impact of climate change and associated extreme weather conditions on the quality and availability of agricultural commodities. Restrictions on supply and distribution routes (road, rail and water) due to weather events and natural disasters.

In order to mitigate these risks, VERBIO is taking various countermeasures. The observation of the market plays a central role in this by planning alternative supply routes and adapting the procurement strategy in good time in response to weather events to avoid bottlenecks. Another important countermeasure is the diversification of procurement and distribution channels. By using a variety of transportation methods, such as road, rail and waterways, VERBIO can respond more flexibly to weather events and utilise alternative routes if particular supply channels are affected. By proactive planning and adapting to changing environmental conditions, VERBIO strengthens the resilience of supply chains to climate-related risks. As part of its procurement activities, VERBIO AG also continually assesses the performance of its suppliers and logistics partners. The Company also increases warehousing where possible, and considers renting additional storage space when favourable options arise. On the basis of the risk analyses performed and in the assessment of the management of VERBIO there are no reportable non-financial risks which, under application of the net method and taking account of risk mitigation measures, meet the materiality criteria in accordance with § 289c no. 3 and 4 HGB.

The VERBIO Group publishes a comprehensive annual report at the end of each financial year (July 1 – June 30). This provides detailed information on the economic development of the Group. Interim results are also

published for the half year ending December 31 of each financial year, as well as quarterly statements on September 30 and March 31.

VERBIO addresses the direct and indirect impacts of its business activities on its stakeholder groups and on the environment. The investments being made, the consistent expansion of the operating units and the research and development efforts support the transition to a post-fossil economy. Furthermore, the Company contributes to social well-being by promoting local livelihoods and addressing regional environmental problems. In the various regions, VERBIO strikes a balance between local and international recruitment, thus promoting both regional livelihoods and the integration of global talent. In Germany, where 13 new managers were hired, 38.5 percent were already resident in the respective region, demonstrating VERBIO's local commitment. In the United States, 17 new managers were hired or promoted, of whom 58.8 percent were from the local region.

As the value of VERBIO's products depends heavily on their sustainability and CO₂ efficiency, the Company consistently seeks to use sustainable raw materials that are sourced locally. In Europe VERBIO sources all chemical raw materials, production aids and additives from manufacturers or suppliers who are certified in accordance with REACH. This procurement strategy empowers local communities and fosters social cohesion and integration. It also helps to build relationships and trust

between the Company and the community. Manufacturing processes are designed to maximise efficiency and minimise the consumption of energy and consumables. VERBIO places great emphasis on considering the impact on local communities, such as noise and odour emissions from production facilities. To mitigate any adverse effects stemming from noise emissions, specific zones within the plants are designated for noise-producing processes and sound dampening structures are erected. Additionally, VERBIO Zörbig has made significant strides in reducing odour pollution by integrating regenerative thermal oxidation systems in its operations.

In Northern India, VERBIO has played a pivotal role in addressing a pressing issue: twice each year, farmers there burn straw from rice or wheat as there is no alternative way of disposing of the material. This practice results in environmental damage and is a cause of health problems. VERBIO's innovative solution is to purchase the straw from the farmers and use it to manufacture biomethane, as a sustainable alternative fuel, and biofertiliser. This not only reduces smog and health hazards but also creates additional sources of income for the local population and generates additional tax revenues, thereby benefiting society as a whole.

VERBIO's regional and international cooperation with a large number of organisations, associations and networks contributes to advancing progress towards the post-fossil age. These are as follows.

At the national level in Germany:

- BNW – Bundesverband Nachhaltige Wirtschaft e. V. (Federal Association for Sustainable Economy)
- BVMW – Bundesverband mittelständische Wirtschaft e. V. (German Association for Small and Medium-sized Businesses)
- OAOEV – Ost-Ausschuss – Osteuropaverein der Deutschen Wirtschaft e. V. (East Committee – Eastern European Association of German Business)
- VDB – Verband der Deutschen Biokraftstoffindustrie e. V. (German Biofuel Industry Association)

At the international level:

- EBB – European Biodiesel Board (European Association of Biodiesel Producers)
- ePURE – European Renewable Ethanol (European Association of Bioethanol Producers)
- Farm Europe – European think-tank for rural development in the fields of agriculture, energy, food, the environment and trade
- Renewable Carbon Initiative
- UN Global Compact

In North America:

- American Biogas Council
- Ames Chamber of Commerce, Iowa
- Ames Economic Development Commission, Iowa
- Iowa Agribusiness Association, Iowa
- Iowa Cattlemen's Association, Iowa
- Iowa Corn Growers Association, Iowa
- Iowa Farm Bureau, Iowa
- Iowa Pork Producers, Iowa
- Iowa Soybean Association, Iowa

- Iowa Turkey Federation, Iowa
- Iowa Renewable Fuels Association, Iowa
- RNG Coalition – US-wide association of biomethane producers
- South Bend Regional Chamber

VERBIO's commitment to local communities goes beyond its core activities and includes initiatives such as donations, grants and sponsorship projects. In general, VERBIO supports sustainable projects with a long-term impact. During the reporting period, support was provided to schools, day-care centres, clubs/associations and volunteer fire brigades, among others.

Our business ethics

GRI 205, 206, 207, 408, 409

Taking into account responsible business principles, VERBIO consistently adheres to its own corporate guidelines and is committed to the principles of the UNGC. In addition, in accordance with internal ethical standards, VERBIO has formulated a code of conduct for its business partners aimed at promoting ethical practices throughout VERBIO's value chain.

Corruption

As a responsible group of companies VERBIO is committed to addressing corruption through prevention. This includes all measures that enable compliance with internal requirements and contribute to the clarification of

any suspicions. The codes of conduct for employees and business partners address the handling of corruption and convey the fundamental values for conducting business at VERBIO. The directive on the acceptance and granting of benefits also regularly addresses the issue of corruption and its prevention through audits and training. All of the Group's facilities are audited for corruption risk factors. During the reporting period, no circumstances were identified that would favour the risk factors of corruption at the respective facilities. In addition, no incidents of corruption were reported or known.

Anticompetitive practice

During the reporting period there were no legal proceedings pending for anti-competitive conduct or the formation of cartels and monopolies.

Taxes

VERBIO pursues the principle of paying the taxes due in each country on the basis of the legal regulations applicable in the respective countries. The Company has an interest in paying appropriate taxes in the countries in which it operates. This is essential for funding necessary investments in education, infrastructure and social standards, as well as for promoting innovation. VERBIO complies with all the relevant tax regulations and requirements of the respective countries concerning tax submission, documentation, disclosure and examination.

Internal policies determine the responsibilities and authorities for tax-related matters. The central tax department of VERBIO AG (Global Accounting and Tax), which reports to the Management Board member responsible for the group's finances (CFO), is responsible for all tax-related issues.

The internal guidelines, systematic internal controls and documentation requirements ensure that VERBIO complies with its tax obligations in each country in which it operates. Tax professionals must possess relevant knowledge and receive ongoing training to meet compliance requirements. Tax risks are reported and monitored within the framework of the risk management system to enable adequate assessment and control. External advisors are also engaged to assist in decision-making processes for complex matters.

VERBIO does not engage in artificial tax arrangements without business substance. Tax evasion and tax fraud are unacceptable and not to be tolerated. The subsidiaries in the respective countries are necessary for business activities in these countries. Tax optimisation aligns with business needs, and taxation is in line with the respective value chains.

The Company places great importance on trustworthy and transparent communication with the tax authorities, as this foundation can help to reduce tax risks or avoid tax disputes.

VERBIO's tax expenses amounted to EUR 67.1 million in the 2022/2023 financial year. Of this amount, EUR 66.8 million was attributable to current taxes, EUR -0.6 million to out-of-period current taxes, and

EUR 0.9 million to deferred taxes. Taxes for the financial year 2022/2023 amounted to EUR 67.1 million, distributed among the following countries:

- Germany (EUR 65.9 million)
- Poland (EUR 0.6 million)
- USA (EUR 0 million)
- Canada (EUR 0 million)
- India (EUR 0.6 million)
- Hungary (EUR 0 million)

VERBIO's Group tax rate was 29.2 percent in the 2022/2023 financial year. In countries outside Germany, lower tax rates apply for the most part. The effective tax rate for the Group in the 2022/2023 financial year was 33.7 percent, which is higher than the Group tax rate. The main reason for this is the non-capitalisation of deferred taxes on tax losses incurred, as the requirements for the recognition of deferred tax assets were not met under IFRS.

For the financial year 2021/2022, VERBIO AG has submitted country-by-country reporting to the relevant tax authorities in Germany in accordance with legal requirements.

Child, forced or compulsory labour

VERBIO is committed to fair working conditions that respect human rights. The Employee Code of Conduct and Business Partner Code of Conduct both state that VERBIO does not tolerate any form of child labour, forced labour or compulsory labour. The Handbook of HR Compliance Guidelines for VERBIO India states that, in accordance with legal regulations, no underage person (under 18 years of age) or forced or compulsory labourers may be employed at the production site in India. These regulations

are publicly available, communicated unambiguously to all VERBIO personnel, and subject to monthly random checks by the HR department and site security staff on location. If, despite these measures, employees notice any violations, they are required to inform the HR department for appropriate action. During the reporting period no violations of child labour, forced labour or compulsory labour were reported at VERBIO or partners of VERBIO. It is already planned that the requirements of the Supply Chain Due Diligence Act (Lieferkettensorgfaltspflichtengesetz – LkSG) will include further aspects of these human rights due diligence obligations, whereby VERBIO's suppliers must commit to not allowing child or forced labour and must maintain detailed records of this commitment.

Sustainability along the value chain

GRI 308, 414, 416, 417, 418

VERBIO's commitment to sustainability extends throughout the entire value chain and includes reliable procurement, fair pricing and transparent collaboration. Supplier selection is based on established quality management processes, including regular assessments and audits following the DIN ISO 9001 standard. Although VERBIO is not yet subject to the Supply Chain Due Diligence Act, the Company has already commenced work on future selection criteria which will take account of human rights obligations and the environmental duty of care on the part of its future suppliers through the employee code of conduct and its accompanying declaration on the code of conduct for business partners. In preparation for the applicability of the Supply Chain Due Diligence Act to VERBIO, the legal consequences of any identified violations within the supply chain are anticipated accordingly.

If such a violation were to be detected the board would reconsider its business relationship with the suppliers/ business partners concerned, which could include terminating the contractual relationship. Environmental aspects are integrated into internal supplier audits, which also help to maintain product quality and, if necessary, allow conscientious and transparent adjustments to be made. According to their declaration, all suppliers have adhered to the Code of Conduct, and no negative environmental or social impacts were identified during the reporting year.

Customer health and safety

VERBIO takes full responsibility that its products – provided they are used correctly are not a risk for humans, animals or the environment. To continuously ensure product quality and safety, VERBIO has implemented an integrated quality management system throughout the entire value chain. All products (100 percent) undergo regular inspections and assessments to provide VERBIO's customers with a high level of safety and reinforce their trust in the products.

The foundation for this is compliance with statutory requirements, as well as with even more stringent internal standards. VERBIO subjects its high quality objectives to an annual inspection by an external company in accordance with DIN EN ISO 9001:2015. Customer and supplier audits, as well as regular internal audits in various company areas, also help to monitor product quality and allow it to be adjusted conscientiously and transparently as needed.

Particular quality management attention is given to by-products of biodiesel and bioethanol production, which are sold to customers as food additives or animal feed. Continuous risk analyses are part of VERBIO's quality assurance, as is continuous product sampling. Product and safety data sheets, as well as customer information, are available for all products. Customers are informed about the correct use and potential risks of our products. Incoming customer complaints and claims are promptly evaluated and used for continuous improvement of product quality and safety. During the reporting period, no violations related to the health and safety impacts of products and services were reported.

Marketing and labelling

All VERBIO products (100 percent) are labelled in accordance with legal requirements. Sales specifications, product and safety data sheets, as well as various manufacturer declarations provide information on ingredients and handling. Products traded as animal feed are labelled regarding their origin, composition and use. Products that are supplied for use in the food industry are additionally identified as vegan, free of genetically modified material, kosher and halal, i.e. as being suitable for consumption by people of the Jewish or Muslim faiths respectively. The relevant third-party certification has been obtained for this purpose. The products also provide information on their proper disposal. No violations related to product and service information, labelling, marketing or communication were reported during the reporting period.

Protection of customer data

Within VERBIO, established measures are monitored on an ongoing basis to process customer, employee, supplier and other stakeholders' data, as well as company-owned data in compliance with the data protection framework. During the reporting period, no complaints related to the breach or loss of customer data were reported. In the financial year 2022/2023, no other data protection violations were identified.

Sustainable resource management

GRI 301, 302, 303, 304, 305, 306

VERBIO's resource management, which is geared towards resource efficiency and the circular economy, primarily uses sustainable and renewable raw materials, including a significant proportion of residual materials. This approach is validated by rigorous audits to obtain REDCert and ISCC certifications. The following sections describe VERBIO's approach to resource management in more detail.

Energy

The volume of energy consumed by VERBIO is primarily dependent on the quantities of biofuels produced, and on the efficient utilisation of its production facilities. Energy efficiency and the associated reduction in CO₂ emissions are an established and significant part of our business model. A distinction between renewable and non-renewable energy sources has not been made, but will be sought in the future.

In the reporting year VERBIO achieved a 4.1 percent reduction in specific energy consumption at its production sites compared to the previous year, reaching 0.096 MWh/MWh. This reduction can be attributed primarily to the completion of ramp-up and testing phases at production sites recently added, allowing for increased production volumes. It is planned to monitor energy consumption along the VERBIO value-added chain in future.

VERBIO consistently pursues the goal of continuously reducing specific energy consumption in all areas. Energy teams in all business units analyse energy consumption and develop action plans for the efficient use of available energy sources. The basis for targeted efficiency measures is the energy management system according to DIN EN ISO 50001 and DIN 16247-1, which has been established in all business areas in Germany for several years. Beyond compliance with statutory, approval-related, and other requirements, VERBIO strives to implement economic energy efficiency measures in all business units. These measures are continually identified and assessed in production processes, office complexes, the vehicle fleet, workshops and warehouses. The annual energy reports of the holding and production plants

Overview of energy consumption within the organisation

TABLE 12

	Unit	+/- % (2021/2022- 2022/2023)	2022/2023	2021/2022	2020/2021
Total energy consumption	MWh	3.3	906,889	878,220	831,328
Quantity of biofuel produced (bioethanol, biodiesel, biomethane)	MWh	7.6	9,434,022	8,765,477	8,724,033
Specific energy consumption per unit of bio-fuel manufactured	MWh/MWh	-4.1	0.096	0.100	0.095

summarise the measures taken to reduce energy consumption and are independently evaluated through the annual DIN EN ISO 50001 audit in a multisite procedure.

A significant contribution to carbon-neutral freight transport is the gradual conversion of the VERBIO Logistik GmbH fleet to vehicles powered by CNG and LNG. These heavy goods vehicles are primarily fuelled with biomethane (BioCNG and BioLNG) from VERBIO's in-house production facility. In addition to a 90 percent reduction in CO₂ emissions, fine particulate matter and nitrogen oxide emissions are significantly reduced compared to diesel heavy goods vehicles. At the end of the financial year 2022/2023, 72 percent of the VERBIO vehicle fleet consisted of vehicles powered by low-carbon alternatives. This marks a significant increase compared to the 45 percent in the previous reporting period. To enable the refuelling its heavy goods vehicles and its Schwedt pool of CNG passenger vehicles with its own VERBIOgas, VERBIO has its own CNG and LNG filling stations at its Schwedt and Zörbig locations, among others. VERBIO leverages its experience with CNG- and LNG-powered vehicles to engage with other transport companies

interested in nearly carbon-free logistics systems. In addition, VERBIO makes use of an optimised and sustainable rail transport networks to ensure the minimum possible transport of empty wagons and to reduce the use of heavy goods vehicles further.

Water and effluents

VERBIO strives for low water consumption, especially in all production processes but also in all other business areas. The supply of drinking and industrial water comes from public networks, wells and private water supplies. The data provided below is primarily based on measurements using water meters.

The specific water consumption decreased by 3.9 percent due to increased production volumes and utilisation, particularly in the new production facilities. Total water withdrawal overall increased by 9.5 percent compared to the previous year, mainly due to the additional production volumes in recently built facilities.

Wastewater from all production plants is not directly discharged into bodies of water but rather is directed to appropriate treatment plants and treated in accordance with legal requirements. The total wastewater discharge increased by 30.9 percent as higher production levels results in more process water volumes being used, which cannot wholly be recycled. The quality of the water in the cooling towers also determines how much cooling water is required in the production process.

Biodiversity

VERBIO adheres to international standards such as RED-Cert in Germany and ISCC in the USA, which are among the highest standards for sustainable sourcing. VERBIO's production facilities are not located in or near protected areas or areas of high biodiversity value, but are primarily situated on industrial and commercial land. VERBIO does not claim protected or renatured habitats. The products and facilities do not impact species on the Red List or protected species on national lists. In accordance with the German Federal Emissions Protection Act (Bundes-Immissionsschutzgesetz – BImSchG), VERBIO conducts an environmental impact assessment with the support of external service providers whenever the Company wishes to expand an existing operating unit or establish a new one. Whether such an expansion is approved depends on the results of the assessment by the relevant authority. In addition, environmental impact assessments are performed at all international VERBIO locations in accordance with national and regional requirements. Due to the nature of VERBIO's product portfolio and production facilities, there are no direct or indirect impacts on forest loss or damage.

Overview of water consumption

TABLE 13

Water consumption	Unit	+/- % (2021/2022- 2022/2023)	2022/2023	2021/2022	2020/2021
Water consumption (abstraction – discharge), total	m ³	3.5	951,858	919,972	783,844
Specific water consumption per unit of bio-fuel produced	Litres/MWh	-3.9	100.9	105.0	89.8

Overview of water withdrawal

TABLE 14

Water withdrawal	Unit	+/- % (2021/2022- 2022/2023)	2022/2023	2021/2022	2020/2021
Groundwater	m ³	20.4	67,607	56,156	44,472
Third-party water	m ³	9.0	1,226,025	1,124,988	1,047,025
Total water withdrawal	m ³	9.5	1,293,632	1,181,144	1,091,497
Quantity of biofuel produced (bioethanol, biodiesel, biomethane)	MWh	7.6	9,434,022	8,765,477	8,724,033
Specific water withdrawal per quantity of biofuel produced	Litres/MWh	1.8	137.1	134.7	125.1

Overview of wastewater discharges

TABLE 15

Wastewater discharge	Unit	+/- % (2021/2022- 2022/2023)	2022/2023	2021/2022	2020/2021
Directly discharged water	m ³	0	0	0	0
Indirectly discharged water	m ³	30.9	341,774	261,172	307,653
Total volume of wastewater discharged	m ³	30.9	341,774	261,172	307,653
Specific wastewater discharge per quantity of biofuel produced	Litres/MWh	21.6	36.2	29.8	35.3

Emissions

VERBIO reports on direct (Scope 1) and indirect (Scope 2) CO₂ emissions from its business activities, following the standards of the GHG (Greenhouse Gas) Protocol. Scope 2 emissions increased by 13.1 percent compared to the previous year due to the increased production volumes and the resulting increase in electricity consumption compared to the previous year. At the same time, specific emissions per quantity of produced biofuel decreased by 6.2 percent, showing the improvement in the production efficiency. Furthermore, the Company is continuing the process of defining factors for GHG emissions that occur beyond its own site boundaries along the value chain (Scope 3) and examining their materiality. The aim is to record these greenhouse gas emissions in the future. The emissions of raw material suppliers are already defined today due to the legal framework (RED II; Biokraft-NachV) and are included in VERBIO's CO₂ footprint.

The carbon handprint includes VERBIO's own emissions generated in production processes in addition to the emissions generated by suppliers of raw materials. Accordingly it is an indicator of the sustainability impact of VERBIO's products. It quantifies the reduction in CO₂ emissions resulting from the use of VERBIO's biofuels instead of fossil fuels in the activities of other market participants. The Company strives to save as much CO₂ as possible through its business activities in order to offset CO₂ emissions caused by the economic activities of other market participants (see Table 16: Overview of direct and indirect CO₂ emissions and Table 17: Reduction in emissions compared to the previous year).

Overview of direct and indirect CO₂ emissions

TABLE 16

	Unit	+/- % (2021/2022- 2022/2023)	2022/2023	2021/2022	2020/2021
Direct CO ₂ emissions – Scope 1	t CO ₂	-7.0	84,900	91,255	71,536
Indirect CO ₂ emissions – Scope 2	t CO ₂	13.1	67,697	59,850	57,371
Total emissions – Scope 1 and 2	t CO ₂	1.0	152,597	151,105	128,907
Specific emissions per quantity of biofuel produced	t CO ₂ /GWh	-6.2	16.2	17.2	14.8

Reduction in emissions compared to the previous year

TABLE 17

Carbon handprint ¹⁾	Unit	+/- % (2021/2022- 2022/2023)	2022/2023	2021/2022
Emissions reduction	t CO ₂	31	-3,401,285	-2,594,463
Specific emission reduction per quantity of biofuel produced	t CO ₂ /GWh	21.8	-360.5	-296.0

¹⁾ The negative figures stand for the reduction of CO₂.

In doing so, the company expresses its direct contribution to climate protection, which it achieves through its products. VERBIO's biofuels achieve CO₂ savings of more than 90 percent compared to petrol and diesel. The company saves approximately 3.4 million tonnes of CO₂ for its customers with its self-produced and traded biofuels, making a significant contribution to the decarbonisation of fuels in the transport sector. The calculation of the carbon handprint in the 2022/2023 financial year includes VERBIO's international entities for the first time. Including the international units, VERBIO would have generated savings of approximately 2.8 million tonnes of CO₂ its customers.

VERBIO does not produce, import or export any ozone-depleting substances in tonnes of CFC-11 equivalent (chlorofluorocarbons). The Company complies with all required limits in accordance with the permits issued to it. Nitrogen oxides, sulphur oxides and other significant air emissions are of no relevance at VERBIO's production sites.

Waste

As a matter of principle, VERBIO aims for a "zero waste policy". The growth in production activities at its new facilities has led to increased waste generation in recent years. However, VERBIO uses insights from previous plant start-ups to optimise its waste management. In addition, the Company's IT department is proactively involved in digitalising and automating paper-based procedures to reduce paper and the consumption of printing materials. Responsible recycling of hardware at the end of its lifecycle is ensured through partnerships with competent service providers. Unavoidable waste is properly recycled and disposed of.

With the VERBIO circular model based on self-developed technologies, the Company, and to a limited extent third parties, recycle the majority of non-hazardous waste. This "waste" primarily includes stillage, the residual material from bioethanol production, a feedstock for biomethane production, as well as mucilage and fatty acids for biodiesel production.

In the reporting year, the recycling rate was 99.56 percent (previous year: 99.58 percent). Consequently, the goal of a closed loop production cycle was once again achieved in the financial year 2022/2023. For waste that must be disposed of, VERBIO collaborates with reliable companies and specialist firms that ensure compliance with all legal requirements.

The total volume of waste generated by the German and international locations and the vehicle fleet in the financial year 2022/2023 totalled 1,319,465 tonnes. Most of this waste (1,313,696 tonnes) was used to produce biomethane and biodiesel. There was a slight increase of 3.6 percent in the amount of waste sent for disposal.

Overview of waste recycling

TABLE 18

	Unit	+/- % (2021/2022- 2022/2023)	2022/2023	2021/2022	2020/2021
Total waste	Tonnes	-1.1	1,319,465	1,333,494	1,152,353
Waste recycled by VERBIO/third parties	Tonnes	-1.1	1,313,696	1,327,924	1,147,316
Forwarded for disposal	Tonnes	+3.6	5,769	5,570	5,037
Recycling quota	%	-0.02	99.56	99.58	99.56

Disposal of waste and waste diverted from disposal

TABLE 19

Waste disposal	Unit	+/- % (2021/2022- 2022/2023)	2022/2023	2021/2022	2020/2021
Hazardous waste	Tonnes	+324.1	111	26	44
Non-hazardous waste	Tonnes	+2.1	5,658	5,544	4,993
Total waste	Tonnes	+3.6	5,769	5,570	5,037
Specific waste recycling per quantity of biofuel produced	Kg/tonne	-3.2	6.0	6.2	5.7

Waste diverted from disposal	Unit	+/- % (2021/2022- 2022/2023)	2022/2023	2021/2022	2020/2021
Waste recycled by VERBIO or by third parties	Tonnes	-1.1	1,313,696	1,327,924	1,147,316
Hazardous waste for recycling at VERBIO	Tonnes	114.5	38	18	3
Non-hazardous waste for recycling	Tonnes	-1.1	1,313,658	1,327,906	1,147,313
Specific waste recycling per quantity of biofuel produced	Kg/tonne	-7.5	1,367.5	1,479.1	1,291.8

Most of the waste disposed of consisted of organic materials. As a result of an unexpected blockage it was necessary to clean the heat exchanger in one plant,

which temporarily led to an increased volume of hazardous waste. This waste was disposed of safely by an approved waste disposal company.

Our working culture

GRI 2-30, 401, 402, 403, 404, 405, 406, 407

VERBIO's management promotes an open working culture and a positive environment in order to attract, develop and retain the best talent in the long term. These framework conditions enable our employees to unleash their full potential and at the same time strengthens the entire Group. In the course of VERBIO's internationalisation, diversity issues are playing an increasingly important role; they are being recorded, among other things, by the HR department in feedback meetings, identified as potential areas for improvement and successively translated into action plans.

Employment

Within the VERBIO Group, a total of 329 new jobs were filled or created in the financial year 2022/2023. 214 employees left the Company during or between the reporting periods. Most of these positions have been filled. The employee turnover rate at the German VERBIO locations (VERBIO AG, VERBIO Schwedt GmbH, VERBIO Zörbig GmbH, VERBIO Bitterfeld GmbH, VERBIO Pinnow GmbH, VERBIO Agrar GmbH and VERBIO Logistik GmbH) was 14.3 percent (financial year 2021/2022: 11.3 percent; financial year 2020/2021: 11.4 percent) and for VERBIO worldwide approximately 16 percent.

Overview of the main employment figures – regional statistics

TABLE 20

Appointments	%	2022/2023	2021/2022
Germany	18.7	184	155
Rest of Europe ¹⁾	20.0	6	5
North America	4.8	88	84
India	-26.1	51	69
Total	5.1	329	313
Leavers			
Germany	48.2	120	81
Rest of Europe	0.0	3	3
North America	58.5	65	41
India	766.7	26	3
Total	67.2	214	128

¹⁾ "Rest of Europe" here refers to locations in Poland and Hungary.

VERBIO aligns its compensation structure with customary and market-based compensation structures in the respective regions in which it operates. These are determined based on regional collective agreements and external market analyses, and are embedded in a fair and performance-oriented system of remuneration with fixed salary levels determined by qualifications and roles for lower hierarchy levels, and market-based salaries for middle and upper hierarchies. The ratio of the total annual compensation of all German companies to the median of all VERBIO employees (in an employment relationship; for part-time employees, a full-time equivalent was used) to the highest salary is as follows:

- for the highest salary (incl. Management Board): 12.3 times (+ 2.5 percent compared to the previous year);
- for the highest salary (excl. Management Board): 7.7 times (+ 14.7 percent compared to the previous year)

At the North American sites this ratio is 6.5 times the median. At the other locations the number of employees is too small to be able to make a significant statement in this regard.

Overview of the main employment figures – age statistics (Germany)

TABLE 21

New hires by age (in %)	%	2022/2023 (in %)	2021/2022 (in %)
Under 30	11.6	28.8	25.8
30-50	-1.4	56.0	56.8
Over 50	-12.6	15.2	17.4
Leavers by age			
Under 30	1.0	20.0	19.8
30-50	15.6	54.2	46.9
Over 50	-22.5	25.8	33.3

Overview of the main employment figures – gender statistics (Germany)

TABLE 22

New hires by gender (in %)	%	2022/2023 (in %)	2021/2022 (in %)
Male	-6.5	77.2	82.6
Female	31.0	22.8	17.4
Leavers by gender			
Male	-0.9	80.8	81.5
Female	3.8	19.2	18.5

The entry-level salaries across all companies and positions in Germany are significantly above the applicable minimum wage which is EUR 12 per hour (from October 1, 2022). In foreign subsidiaries as well, entry-level salaries for all positions are significantly above the local minimum wage. The principle of equal pay is observed both in foreign and German branches by additive validation of influencing factors such as local markets and shortage of specialist skilled workers, and is examined as part of a global levelling project.

In addition to their fixed base salary, VERBIO employees receive variable compensation. This consists of a success-based component and a component tied to the employee's personal performance. Depending on the bonus group/job level, the payout is made monthly (for blue-collar and administrative employees) or once per year (for specialists and managers). The total amount of variable compensation components paid monthly across the entire Group was approximately EUR 1.1 million in the financial year 2022/2023 (2021/2022: approximately EUR 1.0 million). The total amount of the one-off payments for the financial year 2022/2023 which will be paid in October 2023, is expected to be approximately EUR 5.9 million (financial year 2021/2022: approximately EUR 5.2 million).

Company pension schemes are a part of the overall compensation package for VERBIO employees. These are offered at all German as well as most foreign locations (with the exceptions of Poland and India). The Company makes an annual employer-funded contribution to a retirement savings system. For part-time employees, the contribution is made proportionally. Additionally, employees have the option to make their own contributions to the Company pension scheme through salary conversion, which is matched by a 15 percent contribution by VERBIO.

As legally required, severely disabled employees receive five days of special leave per year. VERBIO employs a total of 8 severely disabled employees (financial year 2021/2022: 9). Parental leave can be taken by both mothers and fathers. In Germany, during the reporting period 20 fathers and 14 mothers took parental leave. All employees who returned from parental leave in the financial year 2020/21 were still employed by VERBIO during the reporting period. In the foreign companies, two mothers were on parental leave during the reporting period. In North America, Hungary and India, employees receive additional private health insurance to ensure that health-care is covered when government systems are inadequate.

To support employees with small children, in Germany and Poland VERBIO contributes to childcare fees. The subsidy paid totalled approximately EUR 85,800 in the reporting period (financial year 2021/2022: approximately EUR 73,000). Additionally, at German locations VERBIO participates in the job ticket programme to encourage

the use of public transportation for commuting, thus making an active contribution to environmental protection. In the reporting period, 139 employees took advantage of this offer.

VERBIO promotes the health of its employees. From April 2021 every employee has been able to lease a "Job bike" (German: "Jobrad") – a bicycle of their choice with a value of up to EUR 5,000. This offer is available to all employees on permanent contracts who have been employed by VERBIO for at least one year. Currently, 92 employees are using this programme. This policy is in line with VERBIO's corporate philosophy of reducing CO₂ emissions. Additionally, VERBIO covers the basic membership fee or contributes to extended membership options for a fitness studio (Urban Sports Club for the Leipzig, Bitterfeld and Zörbig locations, FitINN in Schwedt) for interested employees. This offer is currently being utilised by 114 employees.

The "Employee Referral Programme" supports recruiting efforts. Employees receive a bonus when they refer a future employee to VERBIO, resulting in a successful hire. In the reporting period, approximately EUR 23,800 was paid out for 35 new hires. In 2023 VERBIO introduced a hybrid work model that allows for flexible working hours and locations, promoting a better work-life balance. VERBIO also adheres to applicable rules regarding minimum notice periods for operational changes at the local level. Furthermore, regular works council meetings, information in the intranet, and an elected employee committee are in place to keep employees informed about developments that affect them.

Occupational health and safety in the workplace

The Management Board of VERBIO AG and its subsidiaries ensures that each subsidiary organises an occupational health and safety system within their respective organisation that complies with legal requirements.

VERBIO AG and at each of its locations has an occupational safety specialist (internal or external) as well as at least one occupational safety officer and the minimum number of first-aid and fire safety personnel required by law. They investigate and evaluate each activity in terms of, among other things, the required work equipment and operating materials, considering the risks to the safety and health of employees. Department heads, in cooperation with the safety specialist and safety officer, prepare activity-related risk analyses and check them annually to ensure that they are up-to-date.

Based on the identified risks and the requirements of the employers' liability insurance association, the Management Board and Directors, in collaboration with the occupational safety specialist, determine the necessary protective measures for individual activities. The Management Board and Directors ensure that all employees have access to the required or prescribed protective equipment for their work. Each employee is individually responsible for the careful handling of their personal protective equipment.

Furthermore, in Germany VERBIO AG has contractual arrangements with two occupational medical centres. The contractually-agreed services include, among other things, the regular conduct of occupational medical examinations, vaccination campaigns, visits to branches/workplaces at regular intervals, cooperation with/participation in meetings of occupational safety committees (Arbeitsschutzausschusses- ASAs), participation in determining protective measures, and the preparation of occupational risk assessments of health hazards. Upon request, the occupational physicians also provide individual employee consultations.

Training and prevention measures

The Management Board (for VERBIO AG) and the Directors (for the subsidiaries) ensure that suitable measures for effective assistance and damage limitation are in place for potential accidents and emergencies. These measures include:

- Stationing equipment for first aid and emergency situations (e.g. first aid kits, fire extinguishers) in sufficient quantities in all production areas,
- Provision of training for employees concerning the correct procedures to be followed in case of accidents and emergencies, and
- Marking of hazardous areas and escape routes.

The training courses are mainly carried out independently by the employees in electronic form (e-learning). In addition, direct instruction or practical training is carried out on selected topics. The training encompasses both occupational safety and professional development topics for employees.

All protective measures are fully binding for all VERBIO employees (100 percent) and must be complied with or implemented by each individual. Compliance with the specified protective measures is regularly monitored. Deviations are logged. At the same time VERBIO works closely with partner companies, so that there is also a duty of care towards the staff of these companies. This is why regulations have been laid down to protect these workers. All employees of external companies are instructed in the applicable occupational health and safety regulations before starting their activities.

The personal health of its employees is also a high priority for VERBIO. For this reason, VERBIO also supports and promotes non-work-related measures that promote the health of its employees. One example is the "Jobrad" programme, which has already been mentioned under "Employment", in which financial support is provided for use of a bicycle.

Information flows

The occupational safety officers at the VERBIO locations report directly to the location manager and share their monthly reports on the supervision of and improvements to occupational safety with the location management and with higher management at VERBIO AG, including the Chief Technical Officer. At the same time they keep the Human Relations department informed on health and safety measures, and are responsible for communicating accident and sickness statistics to the Management Board.

In accordance with § 11 of the Occupational Safety Act (Arbeitssicherheitsgesetz – ASiG), occupational health and safety committees (Arbeitsschutzausschüsse – ASAs) have also been set up in the individual German plants. The members of these committees are as follows:

- Employer representatives – as a rule the employer is represented by the Managing Director and the Head of Production
- Employee representatives – process engineers, representatives of repair and maintenance teams, representatives of the production shift present at the date of the meeting
- Safety officers
- Safety specialist
- Works doctor
- External specialists, when invited to the committee meetings

Meetings of the ASAs take place once per quarter. They are open to all; every employee has the right and the opportunity to ask questions to the ASA directly. Each ASA meeting is documented, and the minutes are accessible and viewable for every employee at any time. A site inspection is conducted for each ASA meeting. This involves visiting specific areas of operation, primarily those where there have been workplace accidents or problems in the recent periods. In the overseas subsidiaries, too, occupational safety and health protection are pursued with a high priority. The approach is generally aligned with local legal requirements and, where possible, with higher German standards.

Reporting channels and documentation of occupational accidents

All workplace and commuting accidents are reported to the responsible employee depending on the location. The determination of responsibility is site-specific and is made by the Management Board for VERBIO AG and by the managing directors for VERBIO subsidiary companies. Work-related accidents resulting in subsequent incapacity for work of the injured party are internally investigated. The managing directors of the plants are responsible for this; such investigations occur in quarterly ASA meetings, which are mandatory. During these meetings, accidents and near-miss incidents are analysed on-site. If deemed necessary, an inspection of the accident site follows to eliminate further hazards. As VERBIO generally follows a preventive approach regarding occupational safety risks, the safety and environmental performance of suppliers and contractors with whom the Company maintains business relationships are also considered.

All workplace accidents are recorded and evaluated at individual locations. Depending on the nature and extent of injuries, corrective measures are established to reduce the potential hazards and prevent the recurrence of accidents. For all workplace accidents resulting in subsequent incapacity of the injured parties, an accident investigation is conducted. The results of the investigation are documented in a written report and reported to the Management Board of VERBIO. Additionally, the results and established corrective actions are reviewed with the workforce at the location. In addition to workplace accidents, near-miss incidents, i.e., accidents that do not result in personal injury, are also recorded and evaluated.

Overview of accidents

TABLE 23

	2022/2023
Europe	
Accidents	18
Fatalities	0
LTIF ¹⁾ (Germany)	2.7
North America	
Accidents	4
Fatalities	0
India	
Accidents	0
Fatalities	0
LTIF ¹⁾	0

¹⁾ Frequency of reportable occupational accidents/200,000 working hours.

Education and training

At June 30, 2023 a total of 21 trainees (June 30, 2022: 27) were employed as chemistry technicians, laboratory chemists, electronic engineers, industrial mechanics, agricultural service technicians, vehicle mechatronics technicians, office administrators and heavy goods vehicle drivers. During the reporting period 6 chemistry technicians, 1 agricultural service specialist, 1 truck driver and 2 office management assistants successfully completed their apprenticeships. Of the 10 apprentices who completed their training, 9 were offered positions after their apprenticeship, and all 9 accepted these offers. To ensure a high level of quality, VERBIO collaborates with vocational training centres in the respective regions. These

disclosures relate to VERBIO's German locations. There were no apprentices in the foreign subsidiaries in the reporting period.

VERBIO places a high value on the development of its employees by providing further education and training measures. In the reporting period, a total of 812 training sessions were conducted in Germany. These included seminars, further education, company-specific and external development measures, as well as coaching. The average number of hours for training and further education per employee per year was not recorded. This offering is complemented by an extensive e-learning programme, primarily used for training in occupational safety, compliance and the code of conduct. During the reporting period training was provided through this tool. Additionally, 28 employees participated in English language courses to acquire or improve the language skills required for their respective positions. The implementation of employee development measures is already underway at our foreign locations. In the USA an e-learning tool is already being used for compliance training.

Competent employees are essential to the Company's innovation and competitiveness. Therefore, we support employees in their professional and personal development as needed and in accordance with their circumstances by organising training sessions and seminars. In addition, VERBIO supports part-time degree programmes. During the reporting period, 3 employees (2021/2022: 2) were in part-time training programmes supported by VERBIO. Furthermore, new managers at the German locations participated in a junior leadership training programme designed to enhance their leadership skills and prepare them for managing employees and teams.

Annual employee discussions provide feedback to both employees and managers. All employees receive a performance assessment during these discussions. In September 2022 employee appraisal meetings were held with a total of 497 employees (63.9 percent of the 778 employees employed in Germany as of September 30, 2022) at the Group's German locations, and 135 meetings were held with employees at international locations (63.4 percent of the 213 employees at that date). The goal is to have a feedback discussion with every employee annually and derive measures from these meetings to promote their further personal and professional development. The relatively low percentage and, as a result, non-achievement of a target rate of 100 percent was due to the large number of new appointments made over the past twelve months, as for these employees appraisal meetings are not held during their employee probationary period.

Performance assessments apply to both employees eligible for bonus awards and employees with monthly bonuses. At these assessments, further personal and professional development is discussed, and evaluations are performed of the results of measures implemented.

For new employees who are not yet eligible for bonuses an orientation discussion is conducted, during which a professional onboarding plan is created.

Diversity and equal opportunities

For VERBIO, all employees are treated equally, regardless of their ethnic background, age, gender, sexual identity, religion, political beliefs, national or social origin, or other factors. As part of its personnel management VERBIO focuses on promoting a diverse workforce. At the same time, the Company ensures that all employees have equal opportunities, including equal compensation. Among the 840 employees in Germany, 164 employees (19.5 percent) come from other nations (138 from Europe, 14 from India, 2 from Egypt, and 1 each from Lebanon, China, Brazil, Indonesia, Morocco, Colombia, Tunisia, Pakistan, Syria and Vietnam). The integration of international employees is supported, particularly through participation in German language courses. In turn, German employees can attend business English courses during working hours. A total of 13 employees completed a total of 278 units of German language training during the reporting period.

The proportion of women among all employees in the entire group is currently 19.3 percent, while in Germany it is 20.2 percent. The average age of VERBIO's employees is 40.73 years (June 30, 2022: 40.83). Pay equality is a given at VERBIO. Compensation levels are solely based on the qualifications and contribution of the employee to the Company. For lower-level employees the amounts are determined based on wage bands which are derived from qualification groups, and in specialist and management positions salaries are determined based on external benchmarks. Standard entry-level salaries for employees in manufacturing in Germany are approximately 44.8 percent above the statutory minimum wage. Similarly, entry-level salaries in foreign subsidiaries are significantly higher than the locally prescribed minimum wage.

The age structure as of June 30, 2023 was as follows:

Diversity among VERBIO employees

TABLE 24

	Age	Male	in %	Female	in %	Total
Germany	Under 30	101	74.8	34	25.2	135
	30-50	368	80.3	90	19.7	458
	Over 50	202	81.8	45	18.2	247
		671	79.9	169	20.1	840
USA	Under 30	32	82.1	7	17.9	39
	30-50	73	78.5	20	21.5	93
	Over 50	37	86.0	6	14.0	43
		142	81.1	33	18.9	175
India	Under 30	41	97.6	1	2.4	42
	30-50	75	93.8	5	6.3	80
	Over 50	1	100.0	0	0.0	1
		117	95.1	6	4.9	123
Poland	Under 30	0	0.0	2	100.0	2
	30-50	7	46.7	8	53.3	15
	Over 50	0	0.0	1	100.0	1
		7	38.9	11	61.1	18
Hungary	Under 30	2	50.0	2	50.0	4
	30-50	11	68.8	5	31.3	16
	Over 50	2	50.0	2	50.0	4
	Total	15	62.5	9	37.5	24

VERBIO implements the law for the equal participation of women and men, which has been in effect since May 1, 2015, as follows.

Supervisory Board

At its meeting on May 6, 2022 the VERBIO AG Supervisory Board renewed the resolution passed in May 2017 for a 33 percent proportion of women on the Supervisory Board, and set an implementation deadline of June 30, 2027. Since the Supervisory Board consists of one female and two male members, this goal has been achieved.

Management Board

The members of the Management Board and their responsibilities are determined by the Supervisory Board. The Management Board currently consists of six male members. The Supervisory Board is responsible for ensuring diversity in the appointment of the Management Board, and for setting a target for the proportion of women. The Supervisory Board believes that the success of VERBIO reflects the proven track record of the current Management Board team. The current Management Board is appointed until June 30, 2025 (Mr. Stefan Schreiber until June 30, 2027). The members of the Management Board are convinced that diverse perspectives and backgrounds enrich the work of the VERBIO Management Board. Diversity, according to the Charter of Diversity, is expressed in multiple dimensions, of which gender and gender identity are just one level. The Supervisory Board is encouraged to actively seek and consider female applicants in its deliberations when selecting new Management Board members. The average age of the members of the Management Board is 55.3 years at June 30, 2023.

First management level

The Management Board pays attention to diversity when filling leadership positions, taking into account the Company's organisation and industry structure. On July 1, 2022 the Management Board set a target of 25 percent for the proportion of women in the management level below the Management Board by June 30, 2027, which was already achieved as of June 30, 2023. Women currently make up 25 percent of the management level immediately below the Management Board (previous year: 20 percent). Setting a female quota for a second management level is not required, as VERBIO, as the group holding company with a flat leadership structure, only has one relevant management level (with personnel and management authority) below the Management Board. The average age in this level is 41.4 years.

Discrimination

Unequal treatment or disparagement on the basis of gender, ethnic origin, religion or belief, disability, sexual orientation or age are not tolerated at VERBIO. These principles apply company-wide. Employees who experience possible incidents of discrimination can report them to their supervisor, the compliance officer (through various reporting channels, such as the whistleblower system) or the HR department. The complaint is reviewed for its content, and the complainant is informed of the outcome. If necessary, appropriate consequences may be imposed, including actions under employment law. There is no register for recording discrimination cases. All managers have been familiarised with the General Equal Treatment Act (Allgemeines Gleichbehandlungsgesetz – AGG) through an e-learning training course, and they have communicated the essential content to their employees.

Associations and collective bargaining

Among the operational sites or suppliers of VERBIO that were audited during the reporting period, no restrictions on the rights of employees in exercising freedom of association or engaging in collective bargaining were identified. VERBIO clearly communicates in its Code of Conduct for Business Partners that freedom of association holds significant importance in its business relationships.

EU taxonomy regulatory disclosures

The EU Taxonomy Regulation is part of the 2019 European Green Deal and is intended to fulfil several functions. It aims to increase investment in sustainability, provide certainty to investors, protect private investors from greenwashing and support companies in becoming greener. In accordance with the EU Taxonomy Regulation and the delegated acts adopted in connection therewith, VERBIO reports on taxonomy-eligible economic activities and, for the first time, on the alignment of its economic activities (hereinafter economic activities or activities) for the financial year 2022/2023.

Determination of EU taxonomy eligibility

In connection with the update of our impact analysis, all taxonomy-eligible economic activities were classified in accordance with the activities described in Annex 1 and 2 to the Delegated Regulation (EU) 2021/2139 dated June 4, 2021 (and the amending regulation dated March 9, 2022). The NACE codes for economic activities were used as a reference for classification purposes. In this analysis, the economic activities "4.13. Manufacture of biogas and biofuels for use in transport and of bio-liquids" undertaken by VERBIO and 6.6. "Freight transport services by road" undertaken by VERBIO Logistik GmbH were classified as taxonomy-eligible activities in accordance with the EU Taxonomy Regulation. Accordingly, turnover, CapEx and OpEx is reported for both of these economic activities for the financial year. Both economic activities are attributed to the environmental

objective "climate protection" so that double-counting is avoided. Based on our current assessment, other economic activities, for example the manufacture of high-value ingredients for the animal feed and foodstuff industries and of sustainable products for the chemicals industry, are not included in the EU-Taxonomy Regulation and are therefore not taxonomy-eligible.

Determination of EU taxonomy alignment

In addition to preparing an impact analysis, from 2022 companies covered by the reporting obligations are also required to determine the taxonomy alignment of identified taxonomy-eligible economic activities. In doing so, an examination is performed to determine whether an economic activity makes a significant contribution to at least one of the six environmental objectives, does not damage any of the environmental objectives, ("Do no significant harm" – DNSH), and complies with minimum social standards. The project team has analysed the technical screening criteria set out in Annexes 1 and 2 of the delegated act on climate protection and climate change adaptation supplementing Regulation (EU) 2020/852, and compared them to the identified activities described above.

At VERBIO the production of biofuels is carried out in accordance with the criteria set out in Article 29 (2) to (7) of Directive (EU) 2018/2001. Both low-quality grains and oils (first-generation biofuels) and waste and residues

(second-generation biofuels) are used for production. The technical screening criteria exclude low-quality grains and oils from taxonomy compliance, even though these raw materials can be certified as sustainable under RED II. Therefore, only second-generation biofuels are potentially taxonomy-compliant. At VERBIO, this includes the entire volume of biomethane produced, as well as the biodiesel volumes that are manufactured from waste materials. Nevertheless, to date the alignment of these economic activities under 4.13. and 6.6. cannot be confirmed as further documentation of a climate risk analysis is required.

Reporting on revenues, capital expenditure and operating expenditure in accordance with the EU taxonomy

Reporting shall be carried out in accordance with the requirements of Article 8 of Regulation (EU) 2020/852 for the three key performance indicators (KPIs): turnover, capital expenditure (CapEx), and operating expenditure (OpEx). These have been prepared in accordance with the EU Delegated Regulation of July 6, 2021. VERBIO Logistik is specialised in providing transport services and is reported within the "Other" segment. In connection with the analysis of the economic activities, VERBIO has identified a further taxonomy-eligible economic activity attributable to the category "6.6. Freight transport services by road", and has included this in its reporting.

In the previous year disclosures of turnover, CapEx and OpEx resulting from activities attributable to the category "6.6. Freight transport services by road" were omitted as it was assumed that the allocation of the data was not sufficiently accurate. In addition, right-of-use assets (CapEx) and short-term leasing expenses (OpEx) were also omitted in the previous year for the same reason. In order to ensure that the figures are comparable with those reported for the current financial year, the KPIs for the previous year presented in the table below have been adjusted for the effects of these items.

Taxonomy-eligible turnover (the numerator) corresponds to the share of turnover from products or services in total Group sales after deduction of energy taxes (the denominator). The numerator primarily includes the turnover generated from the sale of bioethanol/biomethane totaling EUR 500.1 million and turnover from biodiesel of EUR 1,179.4 million. The total Group turnover in the denominator amounts to EUR 1,968.3 million; a detailed analysis is presented in the notes to the consolidated financial statements (Point 9, "Segment reporting"). The increase in the proportionate share of non-taxonomy-eligible turnover is a result of the increase in sales of by-products which are not classified for taxonomy purposes.

The share of taxonomy-eligible capital expenditure represents the proportionate share of additions to property, plant and equipment (EUR 175.2 million for biofuels, EUR 8.6 million for freight transport), leasing expenses

and right-of-use assets (EUR 11.1 million for biofuels, EUR 0.04 million for freight transport), and changes in the entities included in the consolidation (EUR 49.2 million for biofuels) associated with taxonomy-eligible economic activities in the financial year. The denominator consists of the total sum of all capital expenditures, consisting of EUR 202.0 million for additions to property, plant and equipment, leasing expenses and right-of-use assets (EUR 17.2 million), changes in entities included in the consolidation (EUR 49.2 million) and additions to intangible assets (EUR 0.3 million). The increase in taxonomy-eligible capital expenditure compared to the previous year is primarily due to the increase in investments in property, plant and equipment and to the changes to the entities included in the consolidation. The increase in the proportion of non-taxonomy-eligible capital expenditure is due to investments in property, plant and equipment for manufacturing proteins and basic chemicals.

Taxonomy-eligible operating expenditure in the numerator represents our assessment of the share of the direct, non-capitalised costs of research and development (EUR 1.4 million – biofuels), repair and maintenance of property, plant and equipment (EUR 19.4 million – biofuels; EUR 0.05 million – freight transport) and non-capitalised leasing expenses (EUR 1.3 million – biofuels) associated with taxonomy-eligible economic activities as a proportion of the total amounts incurred for this operating expenditure. These comprised research and development expenses of EUR 4.7 million, repair and maintenance

expenses for property, plant and equipment of EUR 19.9 million, and leasing expenses of EUR 1.7 million. There is no notable change in the relative share of operating expenditure which is taxonomy-eligible compared to the same period in the previous year.

For a production plant with a taxonomy-eligible activity, we count the total capital expenditure and operating expenditure as taxonomy-eligible, even if the plant produces a small proportion of non-taxonomy-eligible by-products.

Double-counting in the key figures is avoided by obtaining the figures from the Group's accounting, financial controlling and Group accounting systems and by the use of unambiguous classification of taxonomy-eligible and taxonomy-aligned turnover, capital expenditure and operating expenditure, which is allocated to one taxonomy-eligible or taxonomy-aligned economic activity respectively.

There are no taxonomy-aligned turnover, capital expenditure and operating expenditure for the reasons described above.

EU taxonomy indicators: 2022/2023 Turnover

TABLE 25

Economic activities	Code	Absolute turnover (in EUR Million)	Turnover share (in %)	Criteria for a substantial contribution						DNSH criteria							
				Climate protection (%)	Adaptation to climate change	Water and marine resources	Circular economy	Environmental pollution	Biodiversity and ecosystems	Climate protection	Adaptation to climate change	Water and marine resources	Circular economy	Environmental pollution	Biodiversity and ecosystems	Minimum level of protection	Taxonomy-eligible share of turnover year 2021/2022 (%) ¹⁾
A. Taxonomy-eligible activities																	
A.1 Taxonomy-aligned																	
Production of biofuels	4.13.	0	0.0	0.0	n/a	n/a	n/a	n/a	n/a								
Freight transport	6.6.	0	0.0	0.0	n/a	n/a	n/a	n/a	n/a								
Taxonomy-aligned turnover (A.1)		0	0.0														
A.2 Taxonomy-eligible but non-aligned activities																	
Production of biofuels	4.13.	1,679.5	85.3													87.8	
Freight transport	6.6.	15.6	0.8													0.7	
Turnover taxonomy-eligible but non-aligned activities (A.2)		1,695.1	86.1													88.5	
Total (A.1+A.2)		1,695.1	86.1													88.5	
B. Non-taxonomy-eligible activities																	
Turnover non-taxonomy-eligible activities		273.2	13.8													11.5	
Total (A+B)		1,968.3	100.0													100.0	

¹⁾ Figures for the previous year have been adjusted.

EU taxonomy indicators: 2022/2023 Capital Expenditure

TABLE 26

Economic activities	Code	Absolute CapEx (EUR Mil- lion)	CapEx share (%)	Criteria for a substantial contribution						DNSH criteria							
				Climate protection (%)	Adaptation to climate change	Water and marine resources	Circular economy	Environmental pollution	Biodiversity and ecosystems	Climate protection	Adaptation to climate change	Water and marine resources	Circular economy	Environmental pollution	Biodiversity and ecosystems	Minimum level of protection	Taxonomy-eligible CapEx share year 2021/2022 (%) ²⁾
A. Taxonomy-eligible activities																	
A.1 Taxonomy-aligned																	
Production of biofuels	4.13.	0	0.0	0,0	n/a	n/a	n/a	n/a	n/a								
Freight transport	6.6.	0	0.0	0,0	n/a	n/a	n/a	n/a	n/a								
Taxonomy-aligned CapEx (A.1)		0	0														
A.2 Taxonomy-eligible but non-aligned activities																	
Production of biofuels	4.13.	235.5	87.6													88.1	
Freight transport	6.6.	8.6	3.2													5.1	
CapEx taxonomy-eligible but non-aligned activities (A.2)		244.1	90.8													93.2	
Total (A.1+A.2)		244.1	90.8													93.2	
B. Non-taxonomy-eligible activities																	
CapEx non-taxonomy-eligible activities		24.6	9.2													6.8	
Total (A+B)		268.7	100													100.0	

²⁾ Figures for the previous year have been adjusted.

EU taxonomy indicators: 2022/2023 Operating expenditure

TABLE 27

Economic activities	Code	Absolute OpEx (EUR Mil- lions)	OpEx share (%)	Criteria for a substantial contribution						DNSH criteria							
				Climate protection (%)	Adaptation to climate change	Water and marine resources	Circular economy	Environmental pollution	Biodiversity and ecosystems	Climate protection	Adaptation to climate change	Water and marine resources	Circular economy	Environmental pollution	Biodiversity and ecosystems	Minimum level of protection	Taxonomy-eligible OpEx share year 2021/2022 (%) ³⁾
A. Taxonomy-eligible activities																	
A.1 Taxonomy-aligned																	
Production of biofuels	4.13.	0	0.0	0,0	n/a	n/a	n/a	n/a	n/a	n/a							
Freight transport	6.6.	0	0.0	0,0	n/a	n/a	n/a	n/a	n/a	n/a							
Taxonomy-aligned OpEx (A.1)		0	0.0														
A.2 Taxonomy-eligible but non-aligned activities																	
Production of biofuels	4.13.	22.0	83.6												84.0		
Freight transport	6.6.	0.05	0.2												0.3		
OpEx taxonomy-eligible but non-aligned activities (A.2)		22.1	83.8												84.3		
Total (A.1+A.2)		22.1	83.8												84.3		
B. Non-taxonomy-eligible activities																	
OpEx non-taxonomy-eligible activities		4.3	16.2												15.7		
Total (A+B)		26.4	100.0												100.0		

³⁾ Figures for the previous year have been adjusted.

Zürbig, September 25, 2023



Claus Sauter
Chairman of the Management Board



Prof. Dr. Oliver Lüdtke
Vice-Chairman of the Management Board



Theodor Niesmann
Member of the Management Board



Bernd Sauter
Member of the Management Board



Stefan Schreiber
Member of the Management Board



Olaf Tröber
Member of the Management Board

Report of the independent auditor

Independent auditor's report on a limited assurance engagement on the separate non-financial Group report 2022/2023

To VERBIO Vereinigte BioEnergie AG, Zörbig

We have performed a limited assurance engagement on the separate non-financial Group report 2022/2023 of VERBIO Vereinigte BioEnergie AG, Zörbig (the Company) for the period from July 1, 2022 to June 30, 2023 (the non-financial Group report).

Not subject to our assurance engagement are the external sources of documentation or expert opinions mentioned in the non-financial Group report.

Responsibility of the executive directors

The executive directors of the Company are responsible for the preparation of the non-financial Group report in accordance with sections 315b, 315c in conjunction with 289c to 289e HGB [Handelsgesetzbuch: German Commercial Code] and Article 8 of Regulation (EU) 2020/852 of the European Parliament and of the Council of June 18, 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (the EU Taxonomy Regulation) and the delegated acts adopted thereunder, as well as in accordance with their own interpretation of the wording and terms contained in the EU Taxonomy Regulation and the delegated acts adopted thereunder described in the section of the non-financial Group report entitled "EU taxonomy regulatory disclosures".

This responsibility includes the selection and application of appropriate non-financial reporting methods and making assumptions and estimates about individual non-financial disclosures of the Group that are reasonable in the circumstances. Furthermore, the executive directors are responsible for such internal control as they consider necessary to enable the preparation of a non-financial Group report that is free from material misstatement whether due to fraud (i.e. fraudulent financial reporting and misappropriation of assets) or error.

The EU Taxonomy Regulation and the delegated acts issued thereunder contain wording and terms that are still subject to considerable interpretation uncertainties and for which clarifications have not yet been published in every case. Therefore, the executive directors have disclosed their interpretation of the EU Taxonomy Regulation and the delegated acts adopted thereunder in the section of the non-financial Group report entitled "EU taxonomy regulatory disclosures". They are responsible for the defensibility of this interpretation. Due to the immanent risk that indeterminate legal terms may be interpreted differently, the legal conformity of the interpretation is subject to uncertainties.

The Supervisory Board is responsible for overseeing the process for the preparation of the non-financial Group report.

Independence and quality assurance of the audit firm

We have complied with the German professional requirements on independence as well as other professional conduct requirements.

Our audit firm applies the requirements of the IDW Quality Assurance Standard issued by the Institute of Public Auditors in Germany (IDW): Requirements for quality management in the audit firm (IDW QMS 1 (9.2022)). We have complied with the professional responsibilities according to the Public Accountant Act [Wirtschaftsprüferordnung] and the German Professional Charter for Public Auditors/Sworn Auditors [Berufssatzung für Wirtschaftsprüfer und vereidigte Buchprüfer] including independence requirements.

Auditor's responsibilities

Our responsibility is to express a conclusion with limited assurance on the non-financial Group report based on our assurance engagement.

We conducted our assurance engagement in accordance 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 to obtain limited assurance about whether any matters have come to our attention that cause us to believe that the Company's non-financial Group report, other than the external sources of documentation or expert opinions mentioned in the non-financial Group report, are not prepared, in all material respects, in accordance with sections 315b, 315c in conjunction with 289c to 289e HGB and the EU Taxonomy Regulation and the delegated acts issued thereunder as well as the interpretation by the executive directors disclosed in the section of the non-financial Group report entitled "EU taxonomy regulatory disclosures".

In a limited assurance engagement, the procedures performed are less extensive than in a reasonable assurance engagement, and accordingly, a substantially lower level of assurance is obtained. The selection of the assurance procedures is subject to the professional judgement of the assurance practitioner.

In the course of our assurance engagement we have, among other things, performed the following assurance procedures and other activities:

- Gain an understanding of the structure of the Group's sustainability organisation and of the stakeholder engagement

- Inquiries of selected employees involved in the collection of data for and preparation of the non-financial Group report about the preparation process and about disclosures in the non-financial Group report
- Evaluation of the processes for determining, processing and monitoring the disclosures, including the consolidation of the data
- Identification of likely risks of material misstatement in the non-financial Group report
- Examination and audit of selected documents (audit evidence) confirming the disclosures made in the non-financial Group report
- Reconciliation of selected disclosures with the corresponding data in the consolidated financial statements and Group management report
- Evaluation of the presentation of information provided in the non-financial Group report
- Evaluation of the process to identify the taxonomy-eligible and taxonomy-compliant economic activities and the corresponding disclosures in the non-financial Group report.

In determining the disclosures in accordance with Article 8 of the EU Taxonomy Regulation, the executive directors are required to interpret undefined legal terms. Due to the immanent risk that undefined legal terms may be interpreted differently, the legal conformity of their interpretation and, accordingly, our assurance engagement thereon are subject to uncertainties.

Assurance opinion

Based on the assurance procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the VERBIO Vereinigte Bio-Energie AG, Zörbig non-financial Group report for the period from July 1 2022 to June 30, 2023 is not prepared, in all material respects, in accordance with sections 315b, 315c in conjunction with 289c to 289e HGB and the EU Taxonomy Regulation and the delegated acts issued thereunder as well as the interpretation by the executive directors as disclosed in the section of the non-financial Group report entitled "EU taxonomy regulatory disclosures".

We do not express an assurance opinion on the external sources of documentation or expert opinions mentioned in the non-financial Group report.

Restriction of use and limitation of liability

We draw attention to the fact that the assurance engagement was conducted for the Company’s purposes and that the report is intended solely to inform the Company about the result of the assurance engagement. Consequently, it may not be suitable for any other purpose than the aforementioned. Accordingly, the report is not intended to be used by third parties for making (financial) decisions based on it. Our responsibility is to the Company alone.

We issue this report on the basis of the terms of the engagement agreed with the Company which is subject to the General Engagement Terms for Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften [German Public Auditors and Public Audit Firms] as of January 1, 2017, also vis-à-vis third parties.

In accordance with section 9 paragraph 2 of these General Engagement Terms, our liability for an individual case of damages caused by negligence, with the exception of damages resulting from injury to life, body or health, as well as for damages that constitute a duty of replacement by a producer pursuant to section 1

ProdHaftG [Produkthaftungsgesetz – German Product Liability Act] is limited to EUR 4 million. This limitation of liability applies to all addressees or third parties (hereinafter collectively referred to as “recipients”) who receive our assurance opinion as intended. These recipients are joint and several creditors within the meaning of section 428 BGB (Bürgerliches Gesetzbuch – German Civil Code), and the maximum liability amount of EUR 4 million per claim is available to all recipients together only once.

We do not accept any liability, responsibility or other obligations to third parties.

Leipzig, September 25, 2023

Grant Thornton AG
Wirtschaftsprüfungsgesellschaft

Sebastian Koch
Wirtschaftsprüfer

[German Certified
Public Auditor]

Niclas Rauscher
Wirtschaftsprüfer

[German Certified
Public Auditor]

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Forward-looking statements

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