

***Verbio***

*Biofuel and Technology*

Separate Group  
non-financial report  
2021/2022

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# Group key figures

for the financial year from July 1, 2021 to June 30, 2022

## Key figures commercial

	2021/ 2022	2020/ 2021	2019/ 2020
<b>Results of operations</b>			
Sales	1,812.5	1,026.00	872.4
EBITDA	503.3	166.3	122.1
EBITDA margin (%)	27.8	16.2	14.0
EBIT	462.0	136.6	91.9
EBT	461.1	135.4	91.0
Net result for the period	315.8	93.5	63.8
Earnings per share basic (EUR)	4.99	1.48	1.01
Earnings per share diluted (EUR)	4.97	1.47	1.01
<b>Operational statistics</b>			
Production Biodiesel and Bioethanol (tonnes)	838,132	834,541	796,411
Production Biomethane (MWh)	884,959	794,817	784,414
Utilisation Biodiesel/Bioethanol (%) <sup>1)</sup>	91.1	90.7	86.6
Utilisation Biomethane (%) <sup>1)</sup>	98.3	88.3	104.6
Investments in property, plant and equipment	121.4	67.7	66.5
Number of employees <sup>2)</sup>	978	820	725
<b>Financial position</b>			
Operating cash flow	325.0	117.2	71.7
Operating cash flow per share (EUR)	5.16	1.85	1.14
Cash and cash equivalents <sup>3)</sup>	314.1	130.2	86.1

<sup>1)</sup> Fro July 1, 2021 the annual production capacity of the production plant is as follows:  
Biodiesel: unchanged 660,000 tonnes;  
Bioethanol: unchanged 260.000 tonnes;  
Biomethane: unchanged 900 GWh

<sup>2)</sup> At the balance sheet date

<sup>3)</sup> At the balance sheet date, including cash on segregated accounts

## Key figures segments

	2021/ 2022	2020/ 2021	2019/ 2020
<b>Biodiesel</b>			
Sales revenue	1,269.7	729.9	588.2
EBITDA	298.4	93.2	46.1
EBIT	272.7	82.3	35.5
Production (tonnes)	574,031	601,257	559,735
Utilisation (%) <sup>1)</sup>	87.0	91.1	84.8
Number of employees <sup>2)</sup>	216	224	208
<b>Bioethanol (incl. Biomethane)</b>			
Sales revenue	531.3	286.6	275.2
EBITDA	202.3	70.6	74
EBIT	188.9	53.6	55.9
Production Bioethanol (tonnes)	264,101	233,284	236,676
Production Biomethane (MWh)	884,959	794,817	784,414
Utilisation Bioethanol (%) <sup>1)</sup>	101.6	89.7	91.0
Utilisation Biomethane (%) <sup>1)</sup>	98.3	88.3	104.6
Number of employees <sup>2)</sup>	514	401	340
<b>Other</b>			
Third party revenues	21.4	16.7	15.8
EBIT	0.4	0.8	0.6

<sup>1)</sup> Fro July 1, 2021 the annual production capacity of the production plant is as follows:  
Biodiesel: unchanged 660,000 tonnes;  
Bioethanol: unchanged 260.000 tonnes;  
Biomethane: unchanged 900 GWh

<sup>2)</sup> At the balance sheet date

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**Key figures environmental <sup>1), 2)</sup>**

	2021/ 2022	2020/ 2021	2019/ 2020
Production volumes, total (tonnes) <sup>3)</sup>	897,805	888,136	760,381
Production volumes, total <sup>3)</sup> (MWh)	8,765,477	8,724,033	7,398,379
Specific energy consumption (MWh/MWh)	0.100	0.095	0.112
Specific fresh water consumption (Litre/MWh)	105.0	89.8	94.3
Specific waste water discharge (Litre/MWh)	29.8	35.3	47.1
Specific waste disposal (kg/tonne)	6.2	5.7	7.3
Specific emissions Scope-1- and Scope-2 per produced volume (GWh) biofuel (tCO <sub>2</sub> /GWh)	17.2	14.8	18.7
Specific emissions reduction per produced volume biofuel tCO <sub>2</sub> /GWh	-296.0	-	-

<sup>1)</sup> Since 2020/2021 incl. Canada  
<sup>2)</sup> Since 2021/2022 incl. USA and India  
<sup>3)</sup> Biofuels, excluding by-products

**Key figures social**

	2020/ 2021	2020/ 2021	2019/ 2020
Number of employees <sup>1)</sup>	978	820	725
Number of permanent employment contracts <sup>1)</sup>	91.62%	94.51%	94.90%
Personnel expenses (in EUR millions)	64.9	54.1	44.9
Average employee age <sup>1)</sup>	40.83 years	41.36 years	42.00 years
Percentage of women employees <sup>1)</sup>	19.45%	21.46%	22.62%
Apprentice ratio <sup>1)</sup>	2.66%	2.80%	2.34%
Average length of service <sup>1)</sup>	5.7 years	6.4 years	6.9 years

<sup>1)</sup> At the balance sheet date

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## GRI 101 – Universal standards (foundation)



With the entry into force of the German CSR Directive Implementation Act (CSR-Richtlinie-Umsetzungsgesetzes – CSR-RUG) and the associated reporting obligations therein, VERBIO Vereinigte BioEnergie AG (hereafter also referred to as VERBIO AG or “the Company”), Zörbig is, as the parent of the VERBIO Group (hereafter also

referred to as “VERBIO”, the “VERBIO Group” or “the Group”) obliged to present a separate Group non-financial report in accordance with § 315b, 315c HGB together with § 289c to § 289e HGB (Handelsgesetzbuch – HGB). This report includes the information about VERBIO AG and its subsidiaries required in accordance with CSR-RUG and

§ 315b, 315c HGB together with § 289c to § 289e HGB for the reporting year 2021/2022. We do not provide separate information or ratios that differentiate between information provided by our subsidiary companies and information provided by the Group’s parent. Our separate Group non-financial report includes all significant information on environmental, employee and social issues, on respecting human rights, and on combating corruption and bribery in accordance with the German CSR Directive Implementation Act. An index providing references to the respective sections and the relevant information thereon is provided in the appendix.

In this separate Group non-financial report, VERBIO publishes detailed information concerning its economic, ecological and social performance. The report describes VERBIO’s sustainability strategy together with the relevant sustainability trends, activities and performance indicators. Together with the annual report, it is intended to provide a comprehensive overview of the Group’s situation, taking into account financial and non-financial performance indicators.

### Reporting period

This separate Group non-financial report is for the financial year 2021/2022, i.e. for the period from July 1, 2021 to June 30, 2022. The contents of the report and the non-financial statistics provided are updated and published on an annual basis.

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*Structur*

The separate Group non-financial report 2021/2022 is based on the Sustainability Reporting Standards issued by the Global Reporting Initiative (GRI), and is structured in accordance with the GRI standards. The report has been prepared in accordance with the core requirements of the GRI standards (2016).

*Contents*

Prior to preparing this separate Group non-financial report, its contents were defined in accordance with the GRI principles. All potential sustainability issues were identified and prioritised by an internal project team.

The statements made in this report are in respect of all entities included in the consolidated financial statements of the VERBIO Group, i.e. including the companies included in the consolidated financial statements prepared in accordance with IFRS for the year ended June 30, 2022. Financial data has been extracted from the VERBIO consolidated annual report 2021/2022.

*Editorial note*

This separate Group non-financial report is published in German (original version) and in English (non-binding translation). It is available for download at [verbio.de](https://www.verbio.de) in both languages.

*Gender Disclaimer*

In order to improve the readability of the report that follows we have not made use of multiple gender forms (he/she/diverse). The male gender is used in a generic form, and in doing so reference is made to all genders on equal terms.

*Forward-looking statements*

This publication contains forward-looking statements that are based on assumptions and estimates made by the management of VERBIO AG. Although the Company's management is of the opinion that these assumptions and estimations are realistic, actual future developments and results may differ significantly from these assumptions and estimates due to a variety of factors. For example, these factors might include changes to the overall economic climate, changes to the legal and regulatory framework in Germany and the EU or globally, and changes in the industry. VERBIO AG can give no guarantees and accepts no liability as to whether future developments and the results actually achieved in future will match the assumptions and estimates made in this publication.



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## GRI 102 – Universal standards (general disclosures)



### Organisational profile

#### GRI 102-1 Name of the organisation

VERBIO Vereinigte BioEnergie AG

#### GRI 102-2 Activities, brands, products and services

VERBIO is one of the leading independent manufacturers of biofuels, and at the same time the only commercial producer of biodiesel, bioetha-

nol and biomethane operating a large-scale biorefinery (Stifel Initiation Research, October 14, 2020). VERBIO is one of the technology leaders in its sector, and produces biofuels, biofertiliser and feedstuffs, as well as sterols and pharmaceutical glycerine for use as a raw material in the cosmetic and food industries, at four locations in Germany and in the USA, Canada and India.

Management places particular emphasis on resource-saving, efficient processes and produc-

tion technologies and on goods of the highest quality. The basis for all our business activities and investments is meeting sustainability criteria in the production of biofuels throughout the entire value-added chain – from the procurement of raw materials, through production, up to the sale of biofuels and by-products. In this way we combine economic success with corporate responsibility and environmental protection. With our advanced technologies and the closed loop concept, which incorporates raw material procurement through to the processing of by-products as feedstuffs and fertiliser products or as high-value input materials for the foodstuff and pharmaceutical industry, we make important contributions to strengthening the agricultural economy in the region, and to providing sustainable mobility for the future.

At the end of the financial year 2021/2022 the annual production capacity totalled 660,000 tonnes of biodiesel, 260,000 tonnes of bioethanol (from July 1, 2022: 300,000 tonnes) and 900 gigawatt hours of biomethane (from July 1, 2022: 1,300 GWh). The Company produces its highly efficient biofuels and resulting by-products using internally developed innovative technologies in its biorefineries. VERBIO biofuels achieve CO<sub>2</sub> savings of up to 90 percent compared to petrol and diesel. The technology developed and applied by VERBIO to create biomethane from 100 percent straw on an industrial scale is unique in the world.

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*Biodiesel*

verbiodiesel is a sustainable alternative to the fossil fuels used in the transport sector. The primary raw material used by VERBIO to manufacture biodiesel is rapeseed oil, with an increasing use of waste materials which are particularly CO<sub>2</sub> efficient. The production and combustion of biodiesel releases significantly less CO<sub>2</sub> than diesel. One litre of verbiodiesel reduces CO<sub>2</sub> emissions by approximately 69.5 percent compared to fossil fuel diesel. The combustion only releases the amount of carbon dioxide that was previously held by the plant on a natural basis. The use of biodiesel as an additive contributes to decarbonisation in transport, and to greater independence from fossil fuel oil products. In addition, biodiesel production creates practically no waste, but does generate high-value by-products such as pharmaceutical glycerine and sterols, which are used in the food, cosmetic and pharmaceutical industries.

*Bioethanol*

verbioethanol is primarily manufactured using low-quality domestic grain that cannot be used in the foodstuff industry. High-value protein-rich animal feed is created as a by-product of the ethanol production process. Under the VERBIO biorefinery concept, distillation waste resulting from the production process is also used in a subsequent production step as a raw material for manufacturing biomethane (verbiogas) and humus biofertiliser. This manufacturing process ensures that the maximum possible amount of energy is generated per hectare of agricultural land. At the same time, it also creates a demand market for agricultural producers in the region, which secures income for local farmers. CO<sub>2</sub> emissions savings of up to 80 percent are

achieved compared to fossil petrol-based fuels. Ethanol-based fuels are now used throughout the world as a source of biogenic energy for up to 100 percent of the fuel used in internal combustion engines. Its use as a substitute for petrol and as an additive for use in motor vehicle fuels is of great significance in achieving independence from fossil fuels from Russia and for decarbonisation in the transport sector.

*Biomethane*

Biomethane is the smallest renewable hydrocarbon and a multi-talented gas with a range of applications. It can be pumped into the European natural gas network and can also be used to generate electricity, for heating and cooling purposes, as a chemical raw material or as a fuel in the transport sector. verbiogas can be manufactured from a range of different agricultural raw materials, and from waste products. Verbiogas, as an advanced second generation biofuel, is manufactured without using foodstuffs; rather, it is manufactured from distillation waste – a waste product from bioethanol manufacturing processes – and from 100 percent straw. Biofertiliser is created as a by-product of the biomethane production process, and it is returned to agricultural use to ensure that the loop remains closed. The use of straw as a raw material avoids creating damaging CO<sub>2</sub> and methane emissions, since permitting the straw to rot unused in the fields would result in direct emissions into the atmosphere. Instead we obtain the methane by targeted means in a fermentation process and return the important ingredients (e.g. phosphorus and potassium) as well as lignin to agricultural land. As a result, important fertiliser components are recycled and the lignin also restores the humus balance to the fields.

Biomethane has the same chemical structure as fossil natural gas. Vehicles powered by natural gas can use biomethane as a fuel, either as an additive or as a 100 percent substitute, without any technical problems, the same as BioCNG or BioLNG. Since 2018 there has been a massive rise in the number of heavy goods vehicles powered by LNG. Biomethane from waste materials, e.g. from straw, achieves a 90 percent CO<sub>2</sub> reduction compared to diesel and petrol. The effect on CO<sub>2</sub> emissions is even better if the CO<sub>2</sub> emissions that are avoided by preventing agricultural straw being left to rot are taken into account. In this way, biomethane from straw is, in emissions terms, significantly better than electro mobility. In addition, BioLNG, BioCNG and biomethane emissions are almost free of nitrogen oxide and fine-particle emissions.

*Glycerin*

Glycerine is a form of alcohol with the chemical name propane-1,2,3-triol. Glycerine is found in all natural fats and oils as a fatty acid ester, and plays a central role as an intermediate product in various metabolic processes. Glycerine can be obtained using petrochemical or biotechnology technologies as well as in the process of manufacturing biodiesel. verbio glycerin, with its 99.8 purity, meets the highest quality standards and is a material that can be used for a wide range of purposes, among others in the cosmetic, food and pharmaceutical industries.

*Phytosterine*

Phytosterine (also phytosterol or sterol) is the name given to a group of chemical compounds that are part of the steroid category and which are found in plants. Phytosterines are fat-accompanying substances that, among other things, are



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used as dietary supplements and have the effect of reducing cholesterol levels in humans. They are also used as raw materials to manufacture hormones.

**GRI 102-3 Location of headquarters**

The holding company, VERBIO AG, is listed on the Frankfurt Stock Exchange; its legal main registered address is in Zörbig, Germany. This location is responsible for contract administration, accounting, and controls performed on invoices received. The Group's central administrative functions are carried out in Leipzig, where in addition to indirect central operations such as accounting, controlling and treasury, some of the Group's trading activities, project development and plant construction work are performed.

**GRI 102-4 Location of operations**

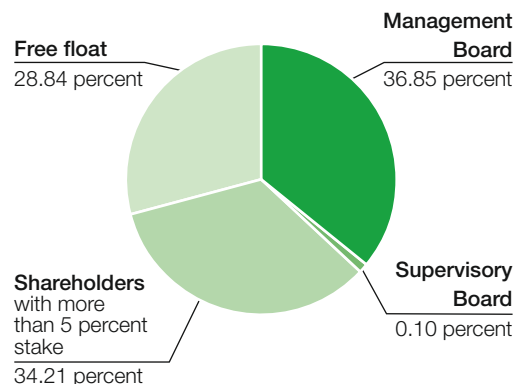
The parent company of the VERBIO Group is VERBIO Vereinigte BioEnergie AG, Zörbig. In addition to VERBIO AG itself, the VERBIO Group companies in the reporting period were as follows:

- 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 Agrarhandels-gesellschaft mbH, Lüneburg
- VERBIO Agrar GmbH (VAgrar), Zörbig
- VERBIO Logistik GmbH (VLogistik), Zörbig
- VERBIO Polska Sp. z o.o. (VPL), Stettin, Polen

- VERBIO Hungary Trading Kft., Budapest, Ungarn
- VERBIO India Private Limited (VEI), Chandigarh, Indien
- VERBIO Pinnow GmbH (VEP), Pinnow
- VERBIO Renewables GmbH (VRenew), Zörbig
- VERBIO Leuna GmbH, Zörbig
- XiMo Kft. (XiMo), Budapest, Ungarn
- VERBIO Nevada LLC (VEN) Nevada/Iowa, USA
- VERBIO North America Holdings Corp. (VNAH), Livonia/Michigan, USA
- VERBIO North America Corporation (VNA), Livonia/Michigan, USA
- VERBIO Diesel Canada Corp. (VDC), Toronto/ Ontario, Kanada
- VERBIO Agriculture LLC (VEA) (formerly: VERBIO Farm Services LLC), Nevada/Iowa, USA
- VERUM GmbH, Schwedt/Oder

**GRI 102-5 Ownership and legal form**

**Shareholder structure at June 30, 2022**



VERBIO AG is a company incorporated under German law listed on a public stock exchange, with a dual management system comprising a Management Board and a Supervisory Board. The Company's share capital is EUR 63,397,913, and is divided into 63,397,913 no-par shares registered in the name of the holders. VERBIO AG's shares are listed in the Prime Standard segment of Deutsche Börse AG, the German stock exchange (ISIN: DE000A0JL9W6), and are traded on the electronic securities trading platform Xetra, among others. The shares of VERBIO AG are included in the SDAX and TecDAX indices.

**GRI 102-6 Markets served**

VERBIO's biofuels are primarily produced in Germany. VERBIO has also been producing biodiesel in Canada since the end of August 2019. The Group sells biodiesel, bioethanol and biomethane in Europe, in North America it sells biodiesel (since August 2019) and biomethane (since December 2021), in India it has been selling biomethane since April 2022, and it sells pharmaceutical glycerine and sterols worldwide. The production of ethanol in the USA is expected to commence in the winter of 2022/2023.

**GRI 102-7 Scale of the organisation**

In the financial year 2021/2022 VERBIO generated Group revenues of EUR 1,812.5 thousand with 978 employees (at June 30, 2022) (2020/2021: EUR 1,026.0 thousand).

Further information and explanations of key financial ratios are provided in the financial statements section of the annual report 2021/2022.

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*Size of company*

		2021/2022	2020/2021	2019/2020
Number of employees		978	820	725
Number of production sites		8	5	5
Group revenues VERBIO	EUR Mio.	1,812.5	1,026.00	872.4
Equity at balance sheet date	EUR Mio.	818.5	509.8	390.8
Liabilities at balance sheet date	EUR Mio.	1,128.6	571.6	678.6
Production Biodiesel and Bioethanol	tonnes	838,132	834,541	796,411
Production Biomethane	MWh	884,959	794,817	784,414

**GRI 102-8 Information on employees and other workers**

Worldwide, VERBIO had a total of 978 employees at June 30, 2022 (June 30, 2021: 820). The split by segment was as follows:

Segment	Employees		Thereof part-time		Thereof temporary	
	30.06.2022	30.06.2021	30.06.2022	30.06.2021	30.06.2022	30.06.2021
Bioethanol/ Biomethane	514	413	11	6	18	20
Biodiesel	216	224	13	11	43	14
Other	248	183	16	12	21	11
<b>Total</b>	<b>978</b>	<b>820</b>	<b>40</b>	<b>29</b>	<b>82</b>	<b>45</b>

At June 30, 2022, 19.43 percent of the workforce in the German entities were female (June 30, 2021: 21.46 percent). By region (as at June 30, 2022):

	Employees	Thereof part-time	in %	Thereof temporary	in %
Europe	759	38	5.0	65	8.6
North America	120	2	1.7	2	1.7
India	99	0	0.0	15	15.2
<b>Total</b>	<b>978</b>	<b>40</b>	<b>4.1</b>	<b>82</b>	<b>8.4</b>

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By gender (as at June 30, 2022):

	Employees	Thereof part-time	in %	Thereof temporary	in %
M	788	12	1.5	64	8.1
F	190	28	14.7	18	9.5
Diverse	0	0	0.0	0	0.0
<b>Total</b>	<b>978</b>	<b>40</b>	<b>4.1</b>	<b>82</b>	<b>8.4</b>

Use is made of temporary contract workers as needed, for example during the harvest.

**GRI 102-9 Supply chain**

Significant elements of our value-added chain are the procurement of vegetable oils, grain and waste from sustainable sources, and the Group's biofuel trading activities. VERBIO primarily sources the raw materials and consumables used in production direct from manufacturers, but also from national and international trading organisations. The logistic chains are subject to ongoing optimisation in order to ensure the availability of sustainable supplies of the required standardised raw materials that meet defined quality standards. Produce is primarily purchased locally or in the region close to the respective production plant. When purchasing goods, services or components used in operating plant and equipment, VERBIO has direct contact and contractual arrangements with the respective suppliers or service providers. As the value of our products is heavily dependent on their sustainability and their CO<sub>2</sub> efficiency, we pay constant attention to ensuring that, wherever possible, we use sustainable raw materials and raw materials obtained from sources close to the respective locations. Accordingly, our manufacturing processes are designed to ensure maximum possible yields and to minimise the consumption

of energy and consumables. In addition, we make optimal use of sustainable rail transport networks to ensure the minimum possible transport of empty wagons and to avoid unnecessary use of heavy goods vehicles.

**GRI 102-10 Significant changes to the organisation and its supply chain**

*Consolidation status*

There were the following changes to the companies included in the consolidated financial statements in the financial year 2021/2022:

VERBIO North America Holdings Corporation was formed in the financial year 2021/2022 and acts as a holding company under VERBIO Renewables GmbH for the Group's remaining US companies. In addition, a new company, VERBIO Leuna GmbH, was formed in the period as a wholly-owned subsidiary of VERBIO AG. VERBIO Hungary Trading Kft. and VERBIO Leuna GmbH are dormant companies with no active business operations. These are either held as off the shelf companies or are companies in the process of being established. Two further wholly-owned group companies were not included in the consolidated financial statements on materiality grounds at June 30, 2022 (June 30, 2021: two further immaterial companies).

*Ownership structure*

Changes to the ownership structure of VERBIO AG in the financial year 2021/2022 just ended were as follows: At June 30, 2022 the Supervisory Board held 0.1 percent of the shares outstanding (June 30, 2021: 0.6 percent) and "Other shareholders holding more than 5 percent of the total share capital" held 34.21 percent (June 30, 2021: 34.35 percent). Shareholdings of 36.85 percent were held by members of the Management Board (June 30, 2021: 36.70 percent).

*Supply chain*

There were no significant changes in the supply chain.

**GRI 102-11 Precautionary principle or approach**

As part of its procurement activities, VERBIO AG examines the performance of its suppliers and logistics partners on an ongoing basis. In view of the European crisis situation involving the Ukraine war, enormous increases in the cost of energy, availability of resources, and low water levels, the Sales, Trade and Supply Department examines alternative potential suppliers and supply routes on a continuous basis.

In addition, where possible inventory reserves are increased, and where necessary the rental of additional storage facilities is examined and entered into when the circumstances are favourable.

**GRI 102-12 External initiatives**

VERBIO AG has been a member of the UN Global Compact Initiative since February 24, 2022. The UN Global Compact is, in our view, the largest and most important initiative for sustainable and responsible corporate management worldwide.

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By signing up to the initiative, Claus Sauter, Chairman of the Management Board, has committed VERBIO AG to include sustainability as a core value of the Group on the basis of 10 universal principles, and to implementing the Sustainable Development Goals.

**GRI 102-13 Membership of associations**

At the national level VERBIO AG is involved in the following trade associations, among others:

- VDB – German Biofuel Industry Association (Verband der Deutschen Biokraftstoffindustrie e. V.)
- UNITI – Federal Association of Medium-sized Mineral Oil Companies (Bundesverband mittelständischer Mineralölunternehmen e. V.)
- BVMW – German Association for Small and Medium-sized Businesses (Bundesverband mittelständische Wirtschaft e. V.)
- AFM+E – Foreign Trade Association for Petroleum and Energy in Germany (Außenhandelsverband für Mineralöl und Energie e. V.)
- AGQM – Biodiesel Quality Management Association (Arbeitsgemeinschaft Qualitätsmanagement Biodiesel e. V.)
- BNW – German Federation for Sustainable Business (Bundesverband Nachhaltige Wirtschaft e. V.)
- CNG Club e. V.

At the international level VERBIO AG is involved in the following trade associations, among others:

- EBB – European Biodiesel Board (Europäischer Verband der Biodiesel-Hersteller)
- ePURE – European Renewable Ethanol (Europäischer Verband der Bioethanol-Hersteller)
- Farm Europe – a European think-tank that aims to promote the development of rural regions, focussing on agriculture, energy, food, the environment and trade

In the USA and Canada VERBIO is engaged in the following trade associations:

- Advanced BioFuels Canada – the association of biofuel manufacturers in Canada (member until the end of 2021)
- RNG Coalition – USA-wide association of biomethane manufacturers
- Iowa Renewable Fuels Association – the association of biomethane manufacturers in Iowa
- Iowa Corn Growers Association – the association of corn farmers in Iowa
- Iowa Pork Producers – the association of pig breeders in Iowa
- Iowa Turkey Federation – the association of turkey breeders in Iowa
- Iowa Cattlemen's Association – the association of cattle breeders in Iowa
- Iowa Soybean Association – the association of soya bean farmers in Iowa
- Iowa Farm Bureau – the association of farmers in Iowa
- Iowa Agribusiness Association – the association of the agricultural industry in Iowa
- Ames Chamber of Commerce – the Ames Chamber of Commerce, Iowa
- Ames Economic Development Commission – the Ames business development commission, Iowa

**Strategy**

**GRI 102-14 Statement from senior decision-makers**

“We make mobility, logistics and chemistry green!” VERBIO converts raw materials and waste products from agriculture into climate-friendly fuels, animal feed and fertiliser, as well as into high-value bio-ingredients used in the pharmaceuticals, foodstuff and chemicals industries.

We are technology leaders in the European bio-fuels market, and we are on an international growth path in Asia and North America. We have approximately 1,000 employees worldwide who are actively driving forward climate protection. In this way we make our contribution to achieving the global goal of 1.5 Celsius.

The technologies used have been developed internally by VERBIO. The Group's plant and processes are subject to ongoing further development and improvements in order to optimise existing production, and at the same time to drive forward the manufacturing of new high-value biogene products from the raw materials used in the production processes.

In Germany, sales of our products and the procurement of the necessary raw materials for their production are carried out by VERBIO AG. The products are manufactured by the Group's subsidiaries at the Group's German locations in Zörbig, Bitterfeld, Schwedt/Oder and Pinnow, as well as in Canada, the USA (Nevada, Iowa) and India (Chandigarh, Punjab).

VPL and VAgar are responsible for procuring the non-liquid agricultural raw materials needed for production purposes in Europe, and in addition they market the VERBIO AG feedstuffs and fertiliser which are by-products of the bioethanol and biomethane production processes. VAgri performs the same tasks in North America for the Group's first production plant in Nevada, Iowa.

VNA is responsible for the sale of methyl ester (biodiesel) produced by the biodiesel plant acquired in Canada in July 2019, and for the procurement of the raw materials required for the production there.

The biomethane plants in India and the USA began production in the financial year 2021/2022 and are currently in the process of being ramped up to full production capacity.

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Molecules from renewable sources are sold in the form of biodiesel and bioethanol in Europe, biomethane in Europe, the USA and India, and also additionally biodiesel in North America from August 2019, as well as pharmaceutical glycerine and sterols worldwide. The commencement of production at the foreign locations in the first half of the financial year 2021/2022 means that the marketing of VERBIO biofuels has become an international operation.

As a technology company, VERBIO has an ongoing programme of developing new technologies that are compatible with the raw materials used in the core processes, its end products – renewable, green molecules – as well as the resulting by-products. The objective of this strategy is to develop and manufacture new products in order to improve and deepen the value-added chain, and consequently improve profitability. These projects include, for example, the establishment of production and sales of plant-based ethanol speciality products and protein products for various industrial and pharmaceutical applications, as well as for use in the animal food and foodstuff industries. These development projects also include the planned commercial-scale manufacture of BioLNG for the heavy goods transport sector, and investments being made in constructing an ethenolysis plant to manufacture biochemical basis components.

VERBIO also sees further applications for its core bioethanol, rapeseed oil methyl ester and biomethane products as a result of the increasing and ever more concrete trend towards decarbonisation in other sectors such as the chemicals, steel and cement industries, as well as in the decarbonisation of the air and shipping transport sectors. There will be further applications in the chemicals sector for biomethane, the smallest renewable hydrocarbon.

The organic chemicals sector is also where the technology company XiMo is most at home. XiMo is a high-tech company in the organic chemistry sector with a particular focus on the development and marketing of metathesis catalysts. For VERBIO, in the future metathesis will offer an opportunity to manufacture further chemical materials based on methyl ester. In the medium term the objective is to team up with XiMo to develop the catalysts and processes necessary to achieve this aim, enabling us to enter into new markets for vegetable oil methyl esters outside the biodiesel market.

**GRI 102-15 Key impacts, risks and opportunities**

A description of the VERBIO Group's most significant risks and opportunities is provided in the annual report 2021/2022 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, human resources, organisation, legal rules and regulations, and other events. The management and assessment of risks and opportunities is described in detail in the risks and opportunity report in the annual report 2021/2022. Detailed explanations are provided on GRI 102-15 in the comments on the GRI 200 management approach.

**Ethics and integrity**

**GRI 102-16 Values, principles, standards and norms of behaviour**

The employees of the VERBIO Group as well as the members of the Supervisory Board have committed themselves to acting in compliance

with the code of conduct approved by the Management Board. These are based on the UN Sustainable Development Goals (SDG) and describe the values and rules of conduct that all employees and members of the Management and Supervisory Boards of the VERBIO Group identify with on a consistent basis concerning human rights, equality and diversity, fair working conditions, health and safety, the prevention of corruption, ecological sustainability and data protection. Higher-level standards are also formulated in the Group's objectives, as well as in the standards set out in the Corporate Governance Code on which the VERBIO Group places a higher priority. Other internal standards are defined in a series of directives, process documents and work instructions.

**Governance**

**GRI 102-18 Governance structure**

The corporate management of VERBIO, as a German stock exchange listed company, is primarily governed by the German Stock Corporation Act, and in addition by the requirements of the German Corporate Governance Code in its current version.

In accordance with the legal requirements, VERBIO is managed using the "dual management system". This system provides for a strict separation of duties between the Management Board, which is responsible for the operative management of the Company, and the Supervisory Board, which has a supervisory function. The Management and Supervisory Boards work together closely in the interests of the Company.

The Management Board manages the Company independently with the objective of achieving sustainable value growth. In doing so the



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principle of collective responsibility is applied, which means that the members of the Management Board carry joint responsibility for the overall management of the Company. They establish the business strategy and, in coordination with the Supervisory Board, are responsible for implementing that strategy.

The Supervisory Board advises the Management Board in its function of managing the Company, and supervises its activities. It appoints and dismisses members of the Management Board, determines the remuneration system for the members of the Management Board, and fixes the total remuneration paid to the respective board members. The Supervisory Board is involved in all decisions that are of fundamental importance for VERBIO.

Since July 1, 2022 the Management Board of VERBIO AG has consisted of six members (until June 30, 2022: five) and they carry joint responsibility for managing the business of the Company with the objective of generating sustainable value creation. The Management Board does this under its own responsibility and in the interest of the Company. The Supervisory Board of VERBIO AG consists of three members, unchanged from previous periods.

**GRI 102-19 Management body responsible for delegating authority**

Within the VERBIO Group a system of different levels of authority is applied, under which the respective authority scopes and limits are set out. Authorities are issued by the Management Board and the respective Managing Directors in the form of powers of attorney and authorisations and approval limits.

**GRI 102-20 Executive-level responsibility for economic, environmental and social topics**

The Management Board has allocated board responsibilities so that the individual members of the Management Board are responsible for different matters. The current allocation of board responsibilities is described in the “Executive bodies of the Company” section of the annual report 2021/2022. The entire board reports to the Supervisory Board as the Company’s highest governing body.

**GRI 102-21 Consulting stakeholders on economic, environmental and social topics**

An open and constructive dialogue with its most important stakeholders is very important for VERBIO’s commercial success. Our approach is to try to make our decisions and actions transparent in order to increase the acceptance of our business activities. Our most important stakeholders include our employees, business partners, customers, suppliers, shareholders, investors and local communities.

*Employees*

Annual employee reviews/target agreement meetings are held to ensure the maintenance of essential communication channels with our employees. These are not only performed in order to measure the individual performance and development of the employee; in addition they provide an opportunity for employees to discuss any problems and requests, to make an assessment of their working environment, and to plan further training and development measures with their supervisors. The human resources department evaluates the feedback received about the Company, the assessment of competencies and the personal development plans.

In addition, the Company has various instruments that it uses for internal communications purposes, which include, among other things, a regular newsletter and the intranet. The regular employee meetings that are usually held have been suspended due to the ongoing COVID-19 pandemic and the associated restrictions. The Management Board provides information on the business results and on the Group’s development at employee assemblies which are held on a semi-annual basis in virtual format.

*Shareholders and investors*

VERBIO has an open, transparent and timely information policy in the interests of our shareholders, investors and the interested public. Our regular reporting ensures that stakeholders are provided with information on a timely basis, and that the various stakeholders are provided with information at the same time. Comprehensive information is provided in the “Investor Relations” section of our website. VERBIO also provides information to interested investors in the form of interviews, technical publications and presentations about the development of the business, and by participating in industry events and discussions at conferences about market developments and the regulatory environment and its impact on the biofuels sector. Investors were able to meet directly (virtually and in person) with management at a total of 10 roadshows held virtually and in face-to-face format.

*Media*

VERBIO has an active and open communications policy. The VERBIO communications department provides press and electronic media with comprehensive information on relevant events on a timely basis. In this way the Company ensures

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transparency for the general public as well as for its stakeholders. VERBIO provides regular news updates on the [verbio.de](https://www.verbio.de) website as well as on the Group's social media channels (Facebook, Instagram and YouTube). Also, Claus Sauter, the Chairman of VERBIO AG's Management Board, gives his opinion on political developments, background issues and market conditions in his blog and podcast #strohklug ([strohklug.de](https://www.strohklug.de)).

**GRI 102-22 Composition of the highest governance body and its committees**

*Supervisory Board*

The Supervisory Board supervises and advises the Management Board in the performance of its management duties. In accordance with the articles of association it consists of three members, who are elected by the shareholders at the annual general meeting. The Supervisory Board has issued internal rules of procedure in accordance with the legal requirements and the requirements of the articles of association. This is published on the Investor Relations/Corporate Governance section of the website [verbio.de](https://www.verbio.de).

*Member of the Management Board*

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 Company's articles of association require that the VERBIO AG Management Board consists of a minimum of two members. The Supervisory Board is responsible for appointing the members of the Management Board.

The Management Board of VERBIO AG had five members in total at June 30, 2022:

- Claus Sauter, Chairman of the Management Board and CFO
- Prof. Dr. Oliver Lüdtke, Management Board, Bioethanol/Biomethane, Vice-Chairman of the Management Board
- Theodor Niesmann, Management Board, Biodiesel
- Bernd Sauter, Management Board, Procurement and Logistics
- Stefan Schreiber, Management Board, North America

In addition, Olaf Tröber was appointed as an additional member of the Management Board of VERBIO AG from July 1, 2022 under a fixed term contract ending on June 30, 2025.

**GRI 102-23 Chair of the highest governance body**

In accordance with the articles of association, the VERBIO AG Supervisory Board consists of three members:

- Alexander von Witzleben, Chairman of the Supervisory Board
- Ulrike Krämer, Vice-Chairman of the Supervisory Board
- Dr. Klaus Niemann, Member of the Supervisory Board

Neither Alexander von Witzleben, Chairman of the Supervisory Board nor any other members of the Supervisory Board are, or have been in the past, simultaneously members of the Management Board.

**GRI 102-24 Nominating and selecting the highest governance body**

The Supervisory Board is elected by the shareholders at the annual general meeting. The members select a Chairman and a Vice-Chairman from among their number. These positions are for the period of their appointments to the board. Unless a different resolution is made by the annual general meeting, the members of the Supervisory Board are appointed for a period up until the end of the annual general meeting at which a resolution is made to approve their activities for the fourth financial year following the commencement of their term of appointment, excluding the financial year in which their appointment commenced.

Further details on this matter are provided in the joint declaration of the Management and Supervisory Boards of VERBIO AG on the recommendations of the "Governmental Commission on the German Corporate Governance Code" in accordance with § 161 AktG in the version dated September 23, 2022, provided on the VERBIO AG website at [verbio.de](https://www.verbio.de).

**GRI 102-25 Conflicts of interest**

Potential conflicts of interest are avoided in advance by ensuring that members of the Supervisory and Management Boards disclose any possible conflicts of interest to the members of the Boards as a whole, abstain from dealings concerning relevant matters, and abstain from votes on resolutions on such subjects.

Further details concerning this matter are provided in the declaration on corporate governance dated September 23, 2022 under "Independence

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of board members”, published in the investor relations section of the VERBIO AG website at [verbio.de](http://verbio.de) and in the notes to the consolidated financial statements 2021/2022 in note 11.2, “Disclosures concerning related persons and entities”.

**GRI 102-26 Role of highest governance body in setting purpose, values and strategy**

VERBIO AG is a Company constituted under German law. A basic requirement of German stock corporation law is the application of the dual management system. Under this system the Management Board is responsible for the management of the Company, and the Supervisory Board has a supervisory function. VERBIO AG’s Management and Supervisory Boards have a close and trusting working relationship, and their objective is to increase the value of the Company for its shareholders on a sustainable basis.

The task of the Supervisory Board is to appoint the members of the Management Board, to supervise their management of the Company, and to advise them in their management role. It fulfils this obligation in a responsible manner, and as a result it contributes significantly to the success of the business. It provides support to assist the Management Board in performing its tasks and participates in significant decision-making. In addition, the Supervisory Board engages the auditor based on resolutions approved at the annual general meeting.

**GRI 102-27 Collective knowledge of highest governance 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, the management of risks and compliance issues. When significant events occur the Chairman of the Supervisory Board informs the Supervisory Board, and, if necessary, convenes an extraordinary meeting of the Supervisory Board. The Chairman of the Management Board maintains regular contact with the Chairman of the Supervisory Board between the dates of the meetings held by the Supervisory Board.

**GRI 102-28 Evaluating the highest governance body’s performance**

The performance of the Supervisory and Management Boards is assessed by the shareholders by means of a vote on the approval of their activities, held annually at the annual general meeting. The Supervisory Board and Management Board are available on a regular basis to enter into debate and answer questions put to them by interested shareholders at the annual general meeting in an open discussion session.

Due to the COVID-19 pandemic the annual general meeting was held in virtual form. This led to limitations to the ability to hold direct discussions between participants. To address this issue, shareholders and shareholders’ representatives were able to submit questions in advance of the annual general meeting, the answers to which were read out during the virtual meeting.

The Supervisory Board audits the efficiency of its work using a self-evaluation questionnaire on a regular basis. The Supervisory Board audited the efficiency of its work in detail at its meeting held on November 2, 2020. The results were examined on an anonymous basis and the poten-

tial for improvement was discussed. The self-assessment concluded with assessments of “good” to “very good” in the individual question categories. The composition of the Supervisory Board has changed following the election of new members at the annual general meeting held on January 29, 2021. Accordingly, the members decided not to perform an efficiency audit in the financial year 2021/2022 and to await the activities of the newly elected board. The next efficiency audit of the activities of the Supervisory Board is planned for the financial year 2022/2023.

**GRI 102-30 Effectiveness of risk management processes**

The VERBIO AG Management Board is responsible for the risk management system. It supervises and manages the Group’s total risk position. At the level below the Management Board the Controlling and Risk Management department is responsible for the application and ongoing development of VERBIO’s risk management system. The specialist departments below the Management Board level report to the VERBIO AG Management and Supervisory Boards on a regular basis concerning the Group’s risk position using a defined process. Each of the risk management process steps must be performed and repeated on a regular basis. In view of the iterative nature of the process the risk management system is subject to a permanent improvement process which ensures that it is efficient and that it is improved.

**GRI 102-31 Review of economic, environmental and social topics**

The VERBIO AG Management Board is informed without delay when significant changes in the risk position arise. The management and supervisory

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bodies are provided with information on the risk position on a regular basis as part of the quarterly reporting process.

The group-wide uniform risk management system governs the recognition, evaluation, documentation and reporting of risks, and is integrated in the Company's strategy, planning and budgeting process.

The entire risk management process is evaluated and carried out by a risk manager tasked with the ongoing implementation, coordination and improvement of the process, as well as with making amendments to the process in response to ongoing changes in the organisational structure. The risk management system (identification, evaluation, management and reporting) is not an annual inventory of risks; rather, it is seen as an ongoing process.

The Management Board is informed without delay by the Controlling department when significant changes in the risk position arise. The risk management system is examined and information concerning the current risk situation is discussed in meetings held by both the Supervisory and Management Boards.

The compliance officer reports to the VERBIO AG Management and Supervisory Boards on compliance issues on a regular basis, in particular concerning the implementation of the code of conduct which underlines VERBIO's values and corporate culture. The compliance management system is focussed on the prevention of fraud and corruption and on anti-trust law in particular. In the financial year 2021/2022, as part of VERBIO's internal control system, audits were performed on internal procedures and compliance therewith in the area of cash payment systems, signatory authority rules and the examination of sanction rules.

The required procedures are applied. A small number of necessary structural amendments to the procedures were identified; these were improvements which were implemented on a timely basis.

**GRI 102-33 Communicating critical concerns**

In cases where there are matters of concern or suspicious activity, VERBIO employees are able to speak to their supervisor or to the compliance officer at any time in confidence personally, by post or by E-Mail, and by telephone or also anonymously by making use of the whistle-blower system. In addition, a report can be made in the compliance section of the VERBIO website.

**GRI 102-34 Nature and total number of critical concerns**

There was one matter of critical concern reported to the compliance officer using the whistle-blower system in the reporting period 2021/2022. It was possible to make a comprehensive clarification of the issue raised using the communications system which is part of the whistle-blower system, and no contraventions were noted.

**GRI 102-35 Remuneration policies**

*Supervisory Board*

The remuneration of the Supervisory Board is governed by § 14 of the Company's articles of association. At the end of the business year each Supervisory Board member receives annual fixed remuneration of EUR 45 thousand. The Chairman of the Supervisory Board receives twice this amount, and the Vice-Chairman receives one and a half times this amount. Further information on the remuneration of the members of the Supervisory Board can be obtained by referring to the remuneration report 2021/2022.

*Management Board*

The remuneration of the Management Board consists of fixed, non-performance-related remuneration and performance-related remuneration components, and is designed to provide incentives for sustainable corporate management. The criteria used include assessments of the tasks assigned to the members of the Management Board, as well as their individual performance, the Company's success and its future prospects. The Supervisory Board examines the reasonableness of the remuneration paid to the Management Board on a regular basis.

Detailed information on the design of the remuneration system of the Management Board, the remuneration principles, and a description of the structure and amounts of remuneration paid to the members of the Management Board are provided in the remuneration report 2021/2022.

The remuneration system in place since July 1, 2021 was approved by a majority of 90.96 percent of the shareholdings represented at the annual general meeting held on February 4, 2022.

**GRI 102-36 Process for determining remuneration**

In accordance with the Appropriateness of Management Board Remuneration Act (Gesetz zur Angemessenheit der Vorstandsvergütung – VorstAG) which came into effect on August 5, 2009, as well as the respective rules in the Supervisory Board's rules of procedure, the full Supervisory Board is responsible for the determination of the remuneration paid to individual members of the Management Board. The remuneration structure currently in place for the Management Board, which was approved by the Supervisory Board at its meeting held on December 2, 2021 and which has been in effect from July 1, 2021, complies



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with both the legal requirements and the requirements of the German Corporate Governance Code and case law.

**GRI 102-37 Stakeholders' involvement in remuneration**

The Management Board's current remuneration system was presented to shareholders at the annual general meeting held on February 4, 2022 and was subject to a voting resolution. This provided the shareholders with the opportunity to express their opinion on the remuneration system. The resolution to approve the Management Board's remuneration system was approved with the necessary majority.

**GRI 102-38 Annual total compensation ratio**

The relationship between the median annual total compensation paid by all German companies to all employees to the highest salary is as follows:

- To the highest salary (including members of the Management Board): a 12-fold difference;
- To the highest salary (excluding members of the Management Board): a 6.8-fold difference;

In the North American locations this difference is 6.3-fold. In all other locations the employee numbers are too small to calculate a ratio with any significant meaning.

**GRI 102-40 List of stakeholder groups**

An open and constructive dialogue with regional, national and global stakeholders is the foundation for a mutual understanding of the needs and interests of the respective interested parties. The objective is to have a transparent exchange which increases the social acceptance of our business activity. In order to identify significant sustainability issues we analyse the interests, expectations

and demands of our significant stakeholders which form inputs, not only for our sustainability report, but also for our management of opportunities and risks.

Our most important stakeholders include our employees, business partners, customers, suppliers, shareholders, investors and local communities.

**GRI 102-42 Identifying and selecting stakeholders**

Stakeholders include all relevant groups of influence that are directly or indirectly affected by our activities, or have interests or expectations on the results of our economic, social or sustainability related activities. For this purpose, interest groups can be categorised as internal and external stakeholders based on the different ways in which they have a potential influence. Internal stakeholders are direct participants in events and are involved in activities first-hand. These include our employees, the Company's owners in the form of shareholders and investors, and management. The group of external stakeholders include, in particular, customers, suppliers, banks, the public and business partners.

**GRI 102-43 Approach to stakeholder engagement**

Various different communications instruments enable a regular dialogue to take place with internal and external stakeholders. Our employees give us important impetus to make improvements with their suggestions provided in regular feedback meetings. In order to further improve the analysis of strengths and weaknesses, in future we will use employee surveys across the business which go beyond the methods used to date. We maintain a regular dialogue with our customers and suppliers, in particular in connection with

matters that concern compliance with sustainability standards. These are essential for our entire supply chain. We inform shareholders and investors, and also customers, about current developments in our business and in the market environment by holding roadshows, virtual meetings, and by using social media. Maintaining constructive dialogue with suppliers about ethical, social and health issues is just as important as it is in matters affecting safety and the environment. We also maintain a regular dialogue with regulatory authorities on an ongoing basis. Our active membership of associations and organisations also offer further opportunities to enter into discussions and to exchange opinions and information.

**GRI 102-44 Key topics and concerns raised**

The primary concerns of our important stakeholder groups are identified using the various communication channels. We work on these central issues in our reporting and processes and, appropriate to the respective responsibilities, react appropriately by providing information in order to create transparency. In our stakeholder management process we identified that human rights, the employment of children, work health and safety and data protection gained in importance in 2021/2022. Based on this information we are preparing standards and directives which will apply throughout the Group. These will be issued during the financial year 2022/2023.

**GRI 102-45 Entities included in the consolidated financial statements**

The statements issued in this report apply to all entities included in the VERBIO consolidated group, unless stated otherwise.



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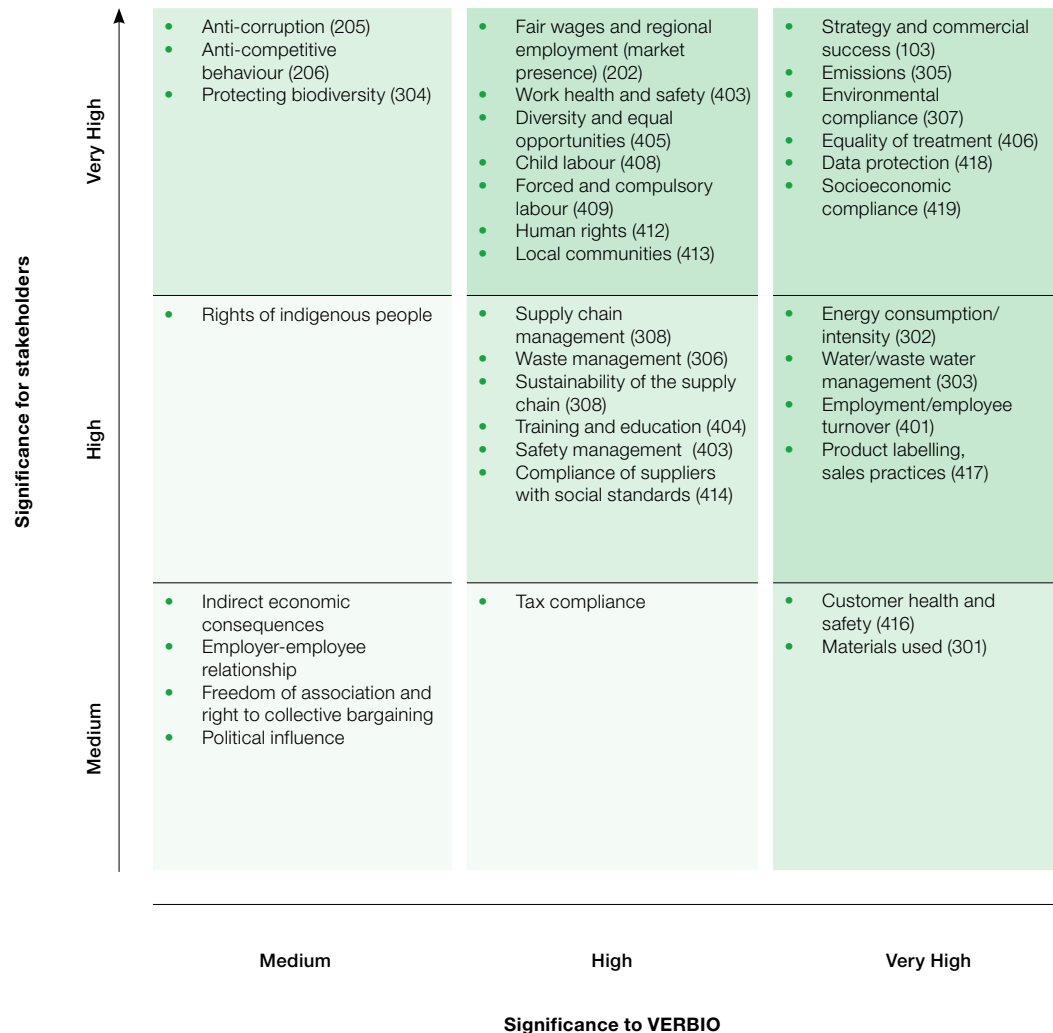
**GRI 102-47 List of material topics**

VERBIO performed a significance analysis for the purposes of preparing this separate Group non-financial report. Accordingly, assessments were made of each sustainability aspect with signifi-

cant economic, ecological and social impacts. The significant non-financial aspects identified in the significance analysis are presented in the significance matrix that follows.

Our separate Group non-financial report only includes aspects identified in the analysis that are relevant for VERBIO or for its shareholders and the significance of which are classified as “high” or “very high”. Aspects that were identified in the significance analysis as being not significant were included in the significance analysis but are not included as part of our separate Group non-financial report.

*Significance matrix*



**GRI 102-48 Restatements of information**

Amendments were made to the materiality matrix compared to the previous report for the reporting period 2021/2022 and, as a consequence, passages contained in the management approach and the respective standards have been reworded. The relevance of child labour, forced and compulsory labour, human rights and compliance have increased in importance. On the other hand, tax compliance and political influence were less significant.

**GRI 102-49 Changes in reporting**

The worldwide spread of COVID-19 and the ongoing pandemic situation in the reporting period 2021/2022 was declared a medical emergency by the World Health Organization (WHO), with significant consequences for the population and for the economy. VERBIO has performed analyses of the specific effects of the COVID-19 pandemic on an ongoing basis.

Attention is drawn to the fact that the ongoing war in Ukraine is and will continue to have consequences for the raw materials and sales markets and the associated future political decisions, and that it is difficult to assess the effects that these consequences will have.

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However, in VERBIO's assessment there have been no significant changes to the material topics and the scope of the topics compared to the reporting period 2021/2022.

**GRI 102-50 Reporting period**

This separate Group non-financial report is for the financial year 2021/2022, i.e. for the reporting period from July 1, 2021 to June 30, 2022.

**GRI 102-51 Date of most recent report**

We issue our sustainability report annually. The report for the previous year was issued on September 22, 2021.

**GRI 102-52 Reporting cycle**

The VERBIO consolidated separate Group non-financial report is updated on an annual basis as of June 30 and issued together with the annual report in September of each year.

**GRI 102-53 Contact point for questions regarding the report**

Interested readers can address any questions or comments to Constanze Blechschmidt, who is responsible for VERBIO's sustainability reporting, at the following E-Mail address: [ir@verbio.de](mailto:ir@verbio.de).

**GRI 102-54 Claims of reporting in accordance with the GRI Standards**

VERBIO aims to position itself as a social, ecological and economic business and to continue to develop this position on an ongoing basis. We have decided to prepare this report in accordance with the current GRI standards issued by the Global Reporting Initiative (GRI). This report has been prepared in accordance with the GRI Standards (Core, 2016) option and reflects the material aspects of our understanding of sustainability and corporate responsibility management.

**GRI 102-55 GRI content index**

The GRI content index, which contains a statement of all the GRI standards used and which includes reference to further information, is attached as an appendix to this report.

**GRI 102-56 External assurance**

A limited assurance external audit of the separate Group non-financial report is performed by Grant Thornton AG, Wirtschaftsprüfungsgesellschaft.

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GRI 102 – General disclosures

**GRI 103 – Management approach**

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## GRI 103 – Universal standards (management approach)



Vision and strategic objectives form the basis of our strategy and drive the performance standards that we set ourselves. For this purpose, the focus is on profitable growth and on the objective to continue to strengthen and build on our position as one of the leading manufacturers of biofuels. In addition, we aim to extend and optimise our value-added chain with the addition of further by-products, and to diversify. In doing so we commit ourselves to the concept of sustainability,

and act in a responsible manner with the natural resources that our environment provides. Using the most modern technologies available we are contributing to energy security, and as a producer of biofuels with proven CO<sub>2</sub> reductions of up to 95 percent compared to the use of fossil fuels we are making an important contribution to the decarbonisation of the transport sector. With our CO<sub>2</sub> efficient biofuels we help our customers to meet their obligations and objectives to reduce the use

of greenhouse gases that are damaging to the climate. In addition, we aim to diversify our product range and our range of by-products in new markets in order to shape our business for the future and to open up new perspectives for our green molecules.

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# GRI 200 – Economic standards



## GRI 103 Management approach (disclosures 103-1, 103-2, 103-3)

In the future, generating energy from renewable raw materials will be a significant component of the energy mix. For us, renewable raw materials include both first generation raw materials (biomass in non-foodstuff quality) as well as all forms of waste used in second generation materials obtained from agriculture, industry and house-

hold sources. In the long term, this mix of raw materials can replace the use of fossil fuel resources. We intend to strengthen and build on our position as one of Europe's leading producers of green molecules. VERBIO is the only company in the world that manufactures biodiesel, bioethanol and biomethane (Stifel Initiation Research, October 14, 2020). The waste and residual products created during the production process are

reprocessed to create by-products, ensuring a highly efficient and resource-friendly use of raw materials. This makes VERBIO one of the industry's innovation and sustainability leaders, and it makes VERBIO unique and differentiates it from its competitors, which are usually multinational businesses. As a result VERBIO makes a significant, active contribution to energy security, to decarbonisation, and accordingly to the implementation of the Paris climate accord. VERBIO stands for sustainable production with maximum CO<sub>2</sub> savings, an ecological and commercial efficient mobility that actively contributes to climate protection, a partnership with the regional agricultural industry, innovative biofuels technology, solid growth, and responsible cooperation with employees, customers, shareholders, politicians, science, interest groups and partners. VERBIO is focussed on sustainable, profitable growth. Environmental Social Governance (ESG) aspects are gaining ever more importance for investors in their valuations of the sustainability of business models; increasingly they expect more than "just profits".

In its annual operative and strategic planning VERBIO determines the key strategic issues for the following years and formulates specific objectives for the next financial year. We provide an annual outlook regarding the significant performance indicators for the current financial year in September of each year, when our annual report is published.



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The VERBIO Group is managed with the objectives of generating added value and ensuring a strong balance sheet. This means achieving sustainable improvements in the value of each segment and the Group as a whole. In order to achieve this, we weigh up the opportunities and their associated risks on an ongoing basis and in a responsible manner.

VERBIO has the necessary resources to be successful and to secure a leading competitive position. In addition to flexible manufacturing plant structures, we have efficient processes and a high level of flexibility regarding the use of raw materials, for which we have the strong innovation skills and committed and qualified employees needed. It is VERBIO's objective to make cost efficiency improvements and energy savings in production by investing in the optimisation of existing plant and equipment and production processes, and to make further improvements in the greenhouse gas (GHG) balance of our biofuels. In addition, VERBIO aims to establish new technology concepts to make further use of by-products that can enable it to improve its competitiveness by entering new sales markets.

Various factors have an influence on VERBIO's iterative strategy development process. The process is based on our long-term strategy (generational approach) for ensuring the ongoing success of VERBIO. Maintaining regular communication with customers, suppliers, employees and trade associations and other stakeholders supports the collection of information, which in turn serves the determination of priorities in the Group's strategy development. Changes in regulatory requirements affecting VERBIO's business model are monitored on an ongoing basis in the relevant markets in order to shape their consequences on VERBIO's strategy in a

positive manner. One of the strengths that VERBIO has developed over the years is to be able to react perfectly to meet the demands of all regulatory frameworks and changing market preferences worldwide, given the flexibility in its raw material use. For example, this led VERBIO to drive forward the internationalisation of its business with projects in the USA, Canada and India and to focus on the use of second generation biofuels and on diversification into new industrial sectors. The Group's entire management team see themselves as drivers of the strategy development and its evolution. In its annual management conference (which did not take place in 2021/2022 due to COVID-19), the management team identifies the areas that VERBIO will focus on in its future and medium-term development, and the results of previous financial reporting periods are presented and analysed. Monthly meetings of departmental heads are used to integrate other levels of management in the strategy development process.

The success of the decisions is measurable in the observable positive commercial progress that has been made by VERBIO, which is a member of the SDAX and TecDAX indices. Here, VERBIO considers itself far from the end of its development; a promotion to the DAX is a long-term objective.

VERBIO's commercial business activities are directed towards profitable growth as well as technology and cost leadership. This forms the basis on which our key performance indicators are determined. The key performance indicator that we use to monitor profitability at Group level and at the Biodiesel and Bioethanol segment levels is EBITDA (operating result before interest, income taxes and depreciation and amortisation).

In addition, we use statistics such as gross margin, EBIT (operating result before interest and income taxes) and production-specific key data, such as production quantities, capacity utilisation, as well as numerous consumption ratios. Segment-specific targets are set for all the key figures described above.

The effective and efficient management of capital is a key component of the VERBIO Group's integrated controlling system. This primarily comprises the management of liquidity, equity and borrowed capital, as well as currency and interest rate management. The important key performance indicator used for this purpose is the measurement of net cash (cash and cash equivalents, less bank loans and other loans). Another significant success factor is the strict control of investments. This includes the assessment of each individual project, taking into consideration the respective amortisation period and its strategic importance. The Group's corporate-wide management and generation of reports using planning, expected and actual data is based on a reliable and meaningful financial and controlling information system.

In order to recognise and manage Company-specific opportunities and risks in the relevant markets on a timely basis, the Management Board of VERBIO has implemented a Group-wide risk management system which is used, among other things, to enable the Group to make immediate amendments to its strategy and the implementation thereof when there are changes in the market environment.

The group-wide uniform risk management system governs the recognition, evaluation, documentation and reporting of risks, and is integrated in the Company's strategy, planning and budgeting process.



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The potential environmental risks associated with VERBIO's own business activities include:

- a) The release of environmentally damaging materials as a result of leaks and transportation accidents
- b) Water pollution resulting from the escape of environmentally damaging substances as a result of leakages in the waste water disposal system
- c) Changes to the terms of waste disposal requirements for waste and the resulting waste disposal risk

The potential environmental risks that could affect VERBIO (including effects from business relationships) include:

- a) New regulations, which are changing at an ever-increasing rate, concerning the use of biofuels as additives or the use of alternative mobility concepts as countermeasures to combat global warming. Such measures could lead to significantly lower levels of biofuels being sold, which would cause lower demand for the products and services offered by VERBIO
- b) Production limitations affecting our locations as a result of changes in regional climatic conditions
- c) Bottlenecks in the availability of raw materials
- d) Extreme variations in temperature, natural disasters and pandemics which could lead to interruptions of production or to supply chain blockages

The potential opportunities include:

- a) New and tightened legal regulations to reduce CO<sub>2</sub> emissions. We already generate most of our sales revenue from products that reduce CO<sub>2</sub> emissions

- b) 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 CO<sub>2</sub> savings and that help to prevent or reduce the burning of agricultural waste products
- c) Increasing energy taxes, energy prices and the cost of CO<sub>2</sub> certificates increase the opportunities and demand for biofuels, in particular for second-generation biofuels

For VERBIO, risk management is an integrated element of corporate governance. As a company with global activities, we are exposed to a wide range of different risks in connection with our operating business. Based on an acceptable total level of risk, the Management Board decides which risks we will accept in order to be able to exploit the opportunities available to the Company.

The objective of VERBIO's approach to risk management is to identify risks as early as possible, to evaluate them appropriately, and to limit them by taking appropriate measures. From our perspective, risks are internal and external events that could have a negative effect on our ability to meet our objectives and forecasts.

VERBIO has taken the following steps in order to manage our business risks effectively, to ensure that the ethical corporate governance principles are met, and to ensure compliance with legal requirements:

1. Management of the operating business that is responsible for the management and control of the associated risks and dealing with those risks. This also includes the establishment of a functioning system of internal control in the individual operating entities.

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2. The risk management system systematically tracks the significant risks of the operating entities and reports on them to the Management Board.
3. In the reporting period 2021/2022 VERBIO has added an internal audit function to its organisational structure and incorporated this into its quality management system. The internal audit function is performed by the controlling department. In the second half of the financial year 2021/2022 it performed an audit on a foreign subsidiary. In the current financial year 2022/2023 a separate department will be created for the internal audit function from October 1, 2022. The department will report to the CFO.

The risk management system meets the statutory requirements in full and is subjected to audit within the scope of the annual audit of the financial statements.

With respect to the early risk warning system, which is part of the risk management system, the auditors of our annual financial statements 2021/2022 conclude that the Management Board have taken the measures required of it in accordance with § 91 (2) German Stock Corporation Act (Aktiengesetz – AktG), and that the early risk warning system is appropriate to enable the early identification of risks that could affect the ability of the Company to continue as a going concern.

**GRI 201 Economic performance**

The VERBIO Group publishes a comprehensive annual report at the end of each financial year (from July 1 to June 30). The annual report provides detailed information on the Group’s business performance.

Condensed financial results are published in half-year financial reports published each year as of December 31 and quarterly interim statements are issued as of September 30 and March 31 each year.

**GRI 201-1 Direct economic value generated and distributed**

The VERBIO Group publishes detailed statements of income using the total cost method, together with a consolidated balance sheet. The key performance indicator used is the Group’s EBITDA, with the segment EBITDA applied at the segment level.

**GRI 201-2 Financial implications and other risks and opportunities due to climate change**

Risks arising from climate change and other environmental effects are documented, analysed and evaluated in financial terms in the component business units. Risks are minimised by entering into insurance policies, among other things. In this context, for the VERBIO Group the opportunities outweigh the potential risks as the reduction of greenhouse gas emissions is precisely VERBIO’s business model and the continuing increased awareness in politics and in society as a whole are only likely to improve opportunities further. At the same time, however, attention should be drawn to the current primary focus on e-mobility in politics and in society in general, as this may be

to the detriment of conventional and advanced biofuels such as those manufactured by VERBIO.

In the reporting period an additional significant risk has arisen in the form of the political discussion concerning a prohibition on biofuels from cultivated biomass in Germany, initiated as a result of Russia’s invasion of Ukraine and the associated disruption to grain supplies, in particular for emerging and developing countries. The significant increases in the price of energy, also a result of the war and which could possibly even lead to governmental orders requiring the rationing of natural gas supplies, could also have a significant negative effect on VERBIO’s earnings.

**GRI 201-4 Financial assistance received from government**

VERBIO has received one de-minimis (defined as below EUR 35,000 for each award) aid award for a logistics subsidiary located in Brandenburg during the reporting period.

In addition, VERBIO received a subsidy from the Federal Ministry of Education and Research for a project undertaken by our biomethane research department on the topic of biorefineries. The project ended on December 31, 2021. The subsidy awarded over the entire period of almost three years amounted to a total of EUR 100 thousand.

VERBIO receives subsidies awarded directly by the European Union as part of the NER 300 programme. Total subsidies of EUR 22.3 million have been approved under this programme for the period 2014–2021. The subsidies available under this programme were fully utilised in the financial year 2021/2022. The last payment of subsidies for the remaining volume of biomethane generated in winter 2021 was received on August 9, 2022.

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## GRI 202 Market presence

### GRI 202-1 Ratios of standard entry level wage by gender compared to local minimum wage

*Germany:*

The starting salaries in all companies and for all positions are significantly above the current minimum wage of EUR 9.82/hour (as at June 30, 2022; from July 1, 2022: EUR 10.45/hour). As remuneration is determined independently of the gender of the employee it is not necessary to examine this aspect by gender.

*Outside Germany:*

Starting salaries for all positions in the Group's foreign subsidiaries are also significantly higher than the local minimum wage levels. As in the German entities, remuneration in foreign subsidiaries is determined independently of the gender of the employee.

### GRI 202-2 Proportion of senior management hired from the local community

*Germany:*

Eight new staff were appointed to senior management positions in the reporting period. 5 of the new staff appointed to senior management positions (62.5 percent) were already living in the respective regions at the date they applied for those positions. The region is defined for this purpose as the Federal State in which the location is situated or, as applicable, the districts adjoining the location, if they are in a different Federal State.

*USA:*

17 new staff were appointed or promoted to senior management positions in the reporting period. 10 of the new members of senior management (58.82 percent) were people from the local region. The region is defined for this purpose as the US Federal State or Canadian Province in which the location is situated.

*India and the rest of Europe:*

No new staff were appointed to management positions in the reporting period. The rest of Europe in this case refers to the locations in Poland and Hungary.

## GRI 205 Anti-corruption

All the measures taken are aimed at stopping corruption by preventing its occurrence. These measures include training events as well as monitoring performed by the compliance officer to ensure compliance with directives.

### GRI 205-1 Operations assessed for risks related to corruption

During the reporting period the risk analysis took also account of corruption as a risk factor at the respective business locations.

### GRI 205-2 Communication and training about anti-corruption policies and procedures Anti-corruption

In addition to the code of conduct, the issue of corruption and anti-corruption measures were covered in audits and training sessions with the compliance and internal audit handbooks and the directive on accepting grants and subsidies.

### GRI 205-3 Confirmed incidents of corruption and actions taken

There were no confirmed incidents of corruption during the reporting period.

## GRI 206 Anti-competitive behaviour

### GRI 206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices

There were no legal actions for anti-competitive behaviour, anti-trust, and monopoly practices during the reporting period.

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## GRI 300 – Environmental standards



### GRI 103 Management approach (disclosures 103-1, 103-2, 103-3)

Management places particular emphasis on efficient processes and production technologies and on goods of the highest quality. Our aim to be an environmentally aware company concerns the entire value-added chain for VERBIO's products. Accordingly, our responsibility for the environment extends from research and development through to the procurement of raw materials and

components and to logistics and production, and beyond to the utilisation and disposal of our products, whereby the significant basis of all our business activities and investments is meeting the sustainability criteria. In this way we combine economic success with corporate responsibility and environmental protection. With our advanced technologies and the closed loop concept, which incorporates raw material procurement through to the processing of by-products as feedstuffs

and fertiliser products or as high-value input materials for the foodstuff and pharmaceutical industry, we make important contributions to strengthening the agricultural economy in the region, and to providing sustainable mobility for the future. The Group's most significant source of supply is from agriculture, with which close contact is maintained in order to remain aware of new developments at all times.

The Company produces its highly efficient biofuels and resulting by-products using internally developed innovative technologies. VERBIO biofuels achieve CO<sub>2</sub> savings of up to 95 percent compared to petrol and diesel. VERBIO's primary objective is to consume as little CO<sub>2</sub> as possible over the entire value added chain, as every additional kilogramme of CO<sub>2</sub> created in the process has a direct consequence for the CO<sub>2</sub> emissions values attributed to our biofuels. The Group aims for zero emissions in the VERBIO's value-added chain. The technology developed and applied by VERBIO to create biomethane from 100 percent straw on an industrial scale is unique in the world. In addition to the Group's technologies, technical equipment and the raw materials that it uses, the most important key resource are VERBIO's employees. A key element of the management process is to ensure that the Group can retain the knowledge and experience that they possess.

Our activities are aimed at the ongoing optimisation of the resources utilised in our operations in relation to the size of the business operations. Core issues include implementing energy efficiency measures, reducing greenhouse gas



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emissions, the sustainable use of resources, and a waste management system that provides for ways of ensuring the reuse of the majority of our waste products by competent partners. The objective of generating as much CO<sub>2</sub> savings as possible for our customers' value-added chain by making use of our range of products is of particular importance to our business model. Our target is to save at least 8 million tonnes of CO<sub>2</sub> for our customers in 2025.

We strengthen the energy and environmental awareness of our employees by training measures as well as in direct discussions. We see these ongoing improvements as a significant objective of our environmental philosophy.

Under the sustainability standards applicable to biofuels, only raw materials that can be documented to be sustainable are accepted for use in manufacturing biofuels. In addition, supplier audits are performed by experienced and qualified employees. When recognisable contraventions are identified, obligatory remediation measures are defined, which are subsequently followed up and documented by the auditor. In the environmental sector we evaluate new suppliers using a questionnaire before we enter into contracts with them. The questionnaire addresses, among other things, their energy consumption, packaging, operational hygiene, safety documentation, environmental certification, and standards for dealing with operational emergencies. VERBIO requests information on the status of management system certifications on a regular basis for the substantial majority of suppliers with whom

contractual arrangements are already in place. This information is used in the internal assessment system. VERBIO places a high value on supply chain management for the production of sustainable biofuels compliant with the sustainability standards REDcert in Germany, KZR INIG in Poland and ISCC in the USA and Canada.

The organisation of the management system is based on our own experience as well as on the DIN EN ISO 9001:2015 quality standard. Due to synergies achieved, this system also meets energy saving requirements under DIN EN ISO 50001 as well as the requirements of European and national law.

**GRI 301 Materials**

**GRI 301-1 Materials used**

As a consequence of the Group's product portfolio and the legal environment in which it operates, the raw materials used by VERBIO are consciously and naturally almost exclusively obtained from sustainable and renewable sources, and in addition a substantial share of the materials are waste and residual materials. VERBIO places a high priority on using low-value grain which is not suitable for use in the foodstuff industry. The proportion of waste and residual products used in the Group's biofuel production process will

increase significantly in the coming years. VERBIO is a holder of the relevant REDcert and ISCC certificates which provide third-party evidence of the sustainability of the materials used.

**GRI 302 Energy**

**GRI 302-1 Energy consumption within the organisation**

VERBIO's energy use is primarily driven by the quantities of biofuels produced, and by the efficiency of its plant utilisation capacity. Energy efficiency and the associated reduction in CO<sub>2</sub> emissions are an established and significant part of our business model.

VERBIO's total energy consumption in the financial year was 878,220 MWh (previous year: 831,328 MWh), an increase compared to the previous year of 5.6 percent due to the additional locations now included in the reported figures.

It is our objective to make ongoing reductions in our energy consumption. To achieve this, energy teams in all VERBIO's departments analyse energy consumption and develop appropriate action plans for the efficient use of existing energy sources. No differentiation has been made between renewable and non-renewable energy sources; however, this will be examined for future reporting purposes.

	Units	2021/2022	2020/2021	2019/2020	-/+ %
Total energy consumption	MWh	878,220	831,328	828,218	+ 5.6



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**GRI 302-3 Energy intensity**

	Units	2021/2022	2020/2021	2019/2020	-/+ %
Quantity of biofuels produced (Bioethanol, biodiesel, biomethane)	MWh	8,765,477	8,724,033	7,398,379	+0.5
Energy intensity	MWh/MWh	0.100	0.095	0.112	+5.1

The specific energy consumption at VERBIO's production locations increased by 5.1 percent (0.100 MWh/ MWh) compared to the previous year. This is primarily due to the fact that operations commenced at two additional production locations where energy was consumed in the construction and test phases, but full production levels have not yet been reached. In addition, the efficiency of the plants can only be improved once the plants have been ramped up to full production.

**GRI 302-4 Reduction of energy consumption**

VERBIO has committed itself to the objective of achieving a continuous reduction in the specific energy consumption in all areas of its business activities. Targeted efficiency measures are driven by our energy management systems that comply with DIN EN ISO 50001 and DIN 16247-1, which have been implemented in all areas of the business in Germany over many years.

Over and above our commitment to compliance with legal obligations, the terms of authorisation permits and other requirements, we aim to implement energy efficiency measures in all areas of our business. These are identified and measured on an ongoing basis in our production processes and in our vehicle fleet, workshops and storage areas. The measures taken to reduce

energy consumption are summarised in the annual energy reports prepared by the holding company and the production locations and independently assessed in the annual DIN EN ISO 50001 audit in a multi-site process.

The planned growth, expanding production by acquiring additional plants, will lead to an increase in the specific energy consumption in the short term, as these plants, as a rule, have a higher specific energy consumption which can subsequently be reduced by optimising the equipment. The expansion of our bioethanol production will increase the average specific energy requirements of our products overall as the production of bioethanol is more energy intensive than biodiesel. For these reasons it is currently not possible to make specific targets for the reduction of specific energy consumption.

**GRI 302-5 Reductions in energy requirements of products and services**

Climate protection and careful use of resources are a key issue for VERBIO. We always take account of the effects of greenhouse gas emissions when making acquisition and investment decisions. With the optimisation of energy consumption in our production equipment and the reduction of emissions along the entire value-added chain, we are able to offer sustainable

products to our customers and, as a result, make a contribution to climate protection.

The conversion of our vehicle fleet to CNG- and LNG-powered vehicles for VERBIO Logistik GmbH is an important contribution to CO<sub>2</sub>-neutral powered heavy goods vehicles transport. These heavy goods vehicles are powered with biomethane (BioCNG and BioLNG) made from 100 per cent straw manufactured in VERBIO's own production plants. Sixteen additional CNG vehicles and twenty LNG vehicles were added in the financial year 2021/2022, in addition to the eight vehicles acquired in the previous financial year. In addition to a 90 percent reduction in CO<sub>2</sub> emissions, these vehicles significantly reduce emissions of fine particulate matter and nitrogen oxide emissions compared to a diesel heavy goods vehicle. In order to be able to fill heavy goods vehicles as well as passenger vehicles in our CNG pool with our own verbiogas, we operate a CNG/ biomethane filling station of our own at our Schwedt location. The construction of a CNG filling station has begun at the Zörbig location; an LNG filling station already commenced operation in July 2021.

We use our experience in working with alternative biomethane-based fuel sources in order to enter into discussions with other transport companies that are interested in a logistics system that is close to CO<sub>2</sub>-free.

**GRI 303 Water and effluents**

**GRI 303-1 Water as a shared resource**

The sparing use of all raw materials and consumable resources also includes the careful use of water. Water is a valuable and scarce resource.

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For this reason, as an industrial business we believe we have an obligation to act responsibly concerning our water consumption and sources of water. We make efforts to ensure we have a low level of water consumption, in particular in our production processes but also in all other areas of the business. The planned growth, expanding production by acquiring additional plants, makes it difficult to make a reasonable forecast of specific water consumption as these plants, as a rule, have a higher specific consumption which can subsequently be reduced by optimising the equipment.

**GRI 303-2 Management of water discharge-related impacts**

At all production plants the water we discharge is not piped directly into open waters; instead it is processed at water treatment plants in accordance with legal requirements.

**GRI 303-3 Water withdrawal**

The Group's fresh and drinking water supplies are taken from public water utility networks, spring water sources, and private water works.

The data is primarily obtained from water meters.

Total water withdrawn increased by 4.6 percent compared to the previous year. This is primarily due to the inclusion of further locations in the reporting. The specific water withdrawals have also increased slightly, by 4.1 percent. Here, too, the commissioning of new plants is associated with a start-up phase in which production is ramped-up, which requires additional consumption of water before the plant is operating at full capacity. The plant can only be effectively optimised after it has been fully commissioned.

	Units	2021/2022	2020/2021	2019/2020	-/+ %
Ground water	m <sup>3</sup>	56,156	44,472	29,860	+ 24.0
Water from third parties	m <sup>3</sup>	1,124,988	1,047,025	1,016,176	+7.4
Total water withdrawn	m <sup>3</sup>	1,181,144	1,091,497	1,046,036	+8.2
Quantity of biofuels produced (Bioethanol, biodiesel, biomethane)	MWh	8,765,477	8,724,033	7,398,379	+0.5
Specific withdrawal consumption per unit of biofuel manufactured	Litre/MWh	134.7	125.1	141.4	+7.1

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**GRI 303-4 Water discharge**

The total volume of water discharged was reduced by 19.5 percent as a result of recycling. It should be noted that the production locations in the USA (Nevada) and India (Chandigarh) have been included in the reporting for the first time.

	Units	2021/2022	2020/2021	2019/2020	-/+ %
Direct water discharged	m <sup>3</sup>	0	0	0	
Indirect water discharged	m <sup>3</sup>	261,171	307,653	348,548	-15,1
Total water discharged	m <sup>3</sup>	261,171	307,653	348,548	-15,1
Specific water discharged consumption per unit of biofuels manufactured	Litre/MWh	29.8	35.3	4.1	-15.6

No waste water is discharged directly into open waters; instead it is processed at water treatment plants.

**GRI 303-5 Water consumption**

Despite having taken measures taken to recycle and save water the specific water consumption per tonne of final product increased by 13.5 percent compared to the previous year. This is due to the commissioning of the new plants, including

the initial “fill up” of the biomethane fermenter in India and the USA while at the same time the ramp-up production phase results in lower production levels and higher specific consumption overall.

	Units	2021/2022	2020/2021	2019/2020	-/+ %
Quantity of biofuels produced (bioethanol, biodiesel, biometane)	MWh	8,765,477	8,724,033	7,398,379	+0.5
Water consumption (water withdrawals – water discharge (total))	m <sup>3</sup>	919,973	783,844	697,488	+17,4
Specific consumption per unit of biofuel manufactured	Litre/MWh	105,0	783,844	697,488	+16.9

**GRI 304 Biodiversity**

VERBIO's production locations are primarily located in industrial and commercial areas, and are not located close to areas which are under nature protection orders. There are no significant direct or indirect consequences for biodiversity due to the nature of VERBIO's products and the production plants required for manufacturing purposes. VERBIO does not occupy any protected or natural areas that have been restored to their natural state. Products and plants do not have any effect on red list species or national conservation list species.

**GRI 305 Emissions**

**GRI 305-1 Direct (Scope 1) GHG emissions**

**GRI 305-2 Indirect (Scope 2) GHG emissions**

Greenhouse gas emissions include carbon dioxide, nitrogen oxide, methane and four types of fluorinated gases. The Greenhouse Gas Protocol defines greenhouse gas emissions in three categories:

- Scope 1: Direct emissions from the consumption of fuels by an entity, from transport and from dissipating emissions, for example from unintended leakages.
- Scope 2: Indirect emissions that occur as a result of the use of purchased electricity, steam, heat, or cooling.
- Scope 3: All other indirect emissions that occur in the value added chain of the reporting company.

Our target: CO<sub>2</sub> neutrality by 2035. <sup>1)</sup>

<sup>1)</sup> Scope 1 and Scope 2

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VERBIO biofuels achieve CO<sub>2</sub> savings of up to 95 percent compared to petrol and diesel. Our primary objective is to consume as little CO<sub>2</sub> as possible over the entire value added chain, as every additional kilogramme of CO<sub>2</sub> created in the process has a direct consequence for the CO<sub>2</sub> emissions values attributed to our biofuels. The Group aims for zero emissions in the value added chain. With the biofuels that we produce we save approximately 2.6 million tonnes of CO<sub>2</sub> for our customers. In doing so, in our view we make a

	Units	2021/2022	2020/2021	2019/2020	-/+ %
Direct CO <sub>2</sub> emissions scope 1	tCO <sub>2</sub>	91,255	71,536		
Indirect CO <sub>2</sub> emissions scope 2	tCO <sub>2</sub>	59,850	57,371		
Total emissions scope 1 and 2	tCO <sub>2</sub>	151,105	128,907	138,258	
Specific scope 1 and 2 emissions/ GWh biofuels manufactured	tCO <sub>2</sub> /GWh	17.2	14.8	18.7	+ 16.7

The specific emissions/volume of biofuels produced increased by 16.7 percent. The increase is due to the commissioning of the two new plants in the USA and India.

**GRI 305-3 Other indirect (Scope 3) GHG emissions**

In connection with our climate management approach VERBIO is currently also in the process of defining significant factors to identify greenhouse gas (GHG) emissions along the entire value-added chain, beyond the boundaries of the Group's internal locations. Stakeholder and investor driven initiatives such as the Science Based Targets Initiative and the CDP are increasingly interested in this information. The emissions generated by our raw material suppliers are defined

very important contribution to the decarbonisation of fuels used in the transport sector. The amounts reported here are the direct and indirect CO<sub>2</sub> emissions resulting from our activities. Total emissions are calculated using a general obligatory formula in accordance with the Biofuel Sustainability Regulation [Biokraft-Nachhaltigkeitsverordnung – Biokraft-NachV]. This is the sum of the GHG emissions and the GHG emissions savings along the biofuels production chain.

given the legal environmental framework (RED II; Biokraft-NachV).

VERBIO's CO<sub>2</sub> handprint is a measure of the sustainability impact of our products. This is an innovative and holistic approach which makes it possible to make the impact of our products for climate protection purposes measurable, and enables us to communicate them. It shows how much CO<sub>2</sub> is saved by the use of our biofuels compared to the use of fossil fuels. The negative number represents the CO<sub>2</sub> savings, which is precisely the purpose of VERBIO's business activities. As a result this number represents the amount of CO<sub>2</sub> compensated in the business activities of other market participants. In this way we express our direct contribution to climate protection that we make with the use of our products.

CO <sub>2</sub> footprint	Units	2021/2022
Emissions reductions	tCO <sub>2</sub>	-2,594,463
Specific emissions reductions/unit of biofuel manufactured	tCO <sub>2</sub> /GWh	-296.0

**GRI 305-6 Emissions of ozone-depleting substances (ODS)**

Emissions of ozone and depleting substances are not relevant to our Group.

**GRI 305-7 Nitrogen oxides (NOx), sulphur oxides (SOx), and other significant air emissions**

We comply with all limits in accordance with our permits. Nitrogen oxide, sulphur dioxide and other significant air emissions are not relevant to our production locations.

**GRI 306 Waste**

**GRI 306-1 Waste generation and significant waste-related impacts**

We follow a consistent objective at all of our production locations: avoiding waste is preferable to recycling, i.e. a "zero waste" policy.

However, the proper recycling and treatment of unavoidable waste is an important issue for us in our efforts to make careful use of valuable resources.

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**GRI 306-2 Management of significant consequences of waste**

With our VERBIO closed loop model based on internally-generated technologies, we recycle a large proportion of non-hazardous waste, with the waste being used as inputs for further process steps in the production of additional products. In the reporting year the proportion recycled was 99.58 percent (previous year: 99.43 percent).

For waste products that require disposal, we select reliable partners and approved waste disposal specialists who comply with all applicable legal requirements.

However, it is notable that 99.58 percent of waste is recycled, mostly by VERBIO with a small component used by third parties. This “waste” is primarily distillation waste, the residual mass from bioethanol production, which for us is an extremely valuable start material used in the production of our advanced biomethane.

	Units	2021/2022	2020/2021	-/+ %
<b>VERBIO use</b>				
Hazardous waste sent for disposal	t	18	3	+600.0
Non-hazardous waste sent for disposal	t	1,327,906	1,147,313	+15.7
Total waste sent for disposal	t	1,327,924	1,147,316	+15.7
Specific waste disposal/per unit of biofuel manufactured	kg/t	1,479.1	1,291.8	+14.5

**GRI 306-3 Waste generated**

The total waste generated by the German and international locations and the vehicle fleet in the financial year 2021/2022 totalled 1,333,494 tonnes (previous year: 495,844 tonnes; previous year correction: 1,152,353). This represents an increase in total waste of 168.9 percent. This is primarily because the waste cycles of the production locations in Nevada (USA) and Chandigarh (India) have been included as well as to changes in the system of data collection which has also been applied in the previous year to ensure the figures are comparable.

In the financial year 2021/2022 we have achieved our target of a closed-loop production cycle in which in excess of 99 percent of waste generated is reused.

	Units	2021/2022	2020/2021	-/+ %
Total waste	t	1,333,494	1,152,353	+15.7
Waste recycled by VERBIO or by third parties	t	1,327,924	1,147,316	+15.7
Sent for disposal	t	5,570	5,037	+10.6

**GRI 306-4 Waste diverted from disposal**

The VERBIO biorefinery concept is based on the closed loop system and the use of whole plants for the production of biofuel. We are the first to create a biorefinery that combines biomethane, bioethanol and biofertiliser production on an industrial scale.

For each tonne of biofuel that we produce, 99.58 percent of the waste we generate (among other things mucas substances, fatty acid esters and distillation waste) is recycled and used as valuable raw materials for our wide portfolio of sustainable co-products such as biomethane, biodiesel and biofertiliser, as well as for animal feed.



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**GRI 306-5 Waste directed to disposal**

There has an increase of 10.6 percent in the total volume of waste sent for disposal. This is primarily due to the inclusion of the locations in Nevada (USA and Chandigarh (India).

	Units	2021/2022	2020/2021	-/+ %
Hazardous waste sent for disposal	t	26	44	-40.9
Non-hazardous waste sent for disposal	t	5,544	4,993	+ 11.0
Total waste sent for disposal	t	5,570	5,037	+ 10.6
Specific waste disposal/per unit of biofuel manufactured	kg/t	+6.2	5.7	+8.7

**GRI 307 Environmental compliance**

We are aware of the potential consequences of our business for the environment. These range from the procurement of raw materials and their processing, the product development process and production through to logistics. For this reason, we manage and monitor the entire value-added chain, and in doing so we evaluate, among other things, compliance with legal requirements, environmental standards and guidelines. It is our objective to protect resources, avoid negative impacts on the environment, take measures to reduce risks and, in this way, ensure our long-term commercial success.

We have not become aware of any contraventions of environmental laws and regulations in the reporting period.

**GRI 308 Supplier environmental assessment**

Our supplier audits include an examination of environmentally sound production practices used by our suppliers. These audits contribute, among other things, to supervising the quality of our products and, where necessary, to making amendments to the best of our ability and in a transparent manner.

**GRI 308-1 New suppliers that were screened using environmental criteria**

Our suppliers are an important part of our value-added chain. For us, stable supplier relationships are based on reliable supplies of raw materials and services, fair prices and transparent working relationships. We select our suppliers using the

processes required in accordance with our quality management systems and guidelines, and we evaluate their performance on a regular basis. For selected companies we perform our own audits in line with the DIN ISO 9001 quality standard. We expect our suppliers to abide by the same social and environmental standards that we do. In many cases we give preference to suppliers from our local regional areas.

**GRI 308-2 Negative environmental impacts in the supply chain and actions taken**

No negative environmental impacts were noted in the supply chain in the reporting period.

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## GRI 400 – Social standards



### GRI 103 Management approach (disclosures 103-1, 103-2, 103-3)

Work at the VERBIO Group is based on the principles of a compliance-based system of corporate governance that goes beyond compliance with statutory obligations. These principles are set out in the VERBIO code of conduct. All VERBIO employees and members of the Management and Supervisory Boards are obliged to comply with these standards. VERBIO is a signa-

tory to the Global Compact on human rights, labour standards, environmental prevention and anti-corruption and, accordingly, aligns itself with the ten principles:

- Businesses should support and respect the protection of internationally proclaimed human rights.
- Businesses should make sure that they are not complicit in human rights abuses.

- Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.
- Businesses should work towards the elimination of all forms of forced and compulsory labour.
- Businesses should work towards the effective abolition of child labour.
- Businesses should work towards the elimination of discrimination in respect of employment and occupation.
- Businesses should support a precautionary approach to environmental challenges.
- Businesses should undertake initiatives to promote greater environmental responsibility.
- Businesses should encourage the development and diffusion of environmentally friendly technologies.
- Businesses should work against corruption in all its forms, including extortion and bribery.

The performance of compliance work ensures that these principles as well as the associated legal requirements are applied throughout the VERBIO Group. Compliance training is provided to ensure that employees are aware of the relevant risks, and communicate the code of conduct for behaviour in their daily work. This is governed by the Group's compliance guidelines. Employees and members of the Management and Supervisory Boards are required to inform their supervisors or the compliance officer should they observe contraventions of these guidelines. It is also possible for any employee or member of the

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Management Board to contact the Supervisory Board directly.

Prevention is the primary focus of the work performed by the compliance officer and by staff with management roles. They provide training, and they inform and provide advice to employees and members of the Management and Supervisory Boards, for example concerning the Group's strategy and measures, with the objective of preventing corruption. No breaches of compliance were identified in the financial year 2021/2022.

We process personal data relating to employees as well as from all external persons with whom we are in contact, taking into account the appropriate data protection regulations, and only for the purposes for which the data was intended.

The General Data Protection Regulation (GDPR) and the BDSG (German Federal Data Protection Act – Bundesdatenschutzgesetz) set out strict rules for companies making use of personal data. As a result, there has been an increase in the legal, operative and technical demands on data protection procedures. VERBIO has taken appropriate technical and organisational measures to ensure data protection and data security.

Various coordinated technical and organisational measures are in place to ensure the integrity of information security at VERBIO. The technical measures include, for example, measures to recognise malware or measures taken to encrypt data in storage or in transmission. Organisational measures include matters such as guidelines, standards and working instructions.

Just as important as these technical and organisational measures are the measures taken to make employees aware of the issues and provide them with training. VERBIO makes use of

various measures for this purpose. Using the "E-Learning" software tool, employees are made aware of data protection issues on a regular basis. All VERBIO employees are provided with a training event on data protection matters at least once annually, and when circumstances make it necessary further training is provided at short notice on key issues. In addition, information on current data protection issues is made available to employees using the Group's intranet.

Further, regular group-wide internal and department-specific data protection audits are performed which are used, among other things, to train the responsible employees on key relevant department-specific data protection issues. When necessary, follow-up audits are performed in which the implementation of recommendations made during initial audits is examined.

Responsibility is centralised with VERBIO AG's data protection officer, who is tasked with ensuring that data protection measures are implemented and maintained, with assistance from coordinators at the Group's subsidiary companies.

The data protection system used is subject to ongoing continued development and amendments to take account of the continued new challenges concerning data protection as they arise

on a day-to-day basis. The COVID-19 pandemic had already led to a significant increase in VERBIO employees working from home in the financial year 2019/2020. On the one hand this was to prevent the spread of the COVID-19 virus and to protect the Group's employees by limiting contact between employees, while on the other hand it aimed to ensure that operations were able to continue. For this purpose, use was made of appropriate technical and organisational protective measures already in place, such as the use of a Virtual Private Network (VPN encryption), access controls using a 2-phase authentication procedure, as well as by disabling USB ports.

The compliance department reports to the Supervisory Board once a year on its work and, if applicable, on significant compliance incidents.

**GRI 401 Employment**

**GRI 401-1 New employee hires and employee turnover**

A total of 197 new jobs were created in the financial year 2021/2022. 130 employees left the Group; most of these employees have been replaced. The employee turnover rate in Germany is 11.26 percent (financial year 2020/2021: 11.44 percent) and approximately 14 percent worldwide.

	Germany	Rest of Europe	North America	India
New appointments	155	5	84	69
Terminations	81	3	41	3
<b>Turnover rate</b>	<b>11.26%</b>	<b>7.50%</b>	<b>34.16%</b>	<b>3.03%</b>

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The rest of Europe in the table above refers to the locations in Poland and Hungary.

**Distribution by age group in Germany**

Age	New appointments	Terminations
Under 30	25.81%	19.75%
30–50	56.77%	46.92%
Over 50	17.42%	33.33%

**Distribution by gender in Germany**

Gender	New appointments	Terminations
m	82.58%	81.48%
f	17.42%	18.52%

**GRI 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees**

In addition to a fixed salary, VERBIO employees receive a variable payment. The variable payment consists of a success-based component and a component that is linked to the individual performance of the employee. Depending on the bonus group/job level classifications, payment of the variable remuneration is made monthly (production workers and administration staff) or once annually (specialists and management staff). The total variable remuneration paid on a monthly basis amounted to approximately EUR 1 million in the financial year 2021/2022 (financial year 2020/2021: approximately EUR 900,000). The total amount of the one-off payments for the financial year 2021/2022, which will be paid in October 2022, is expected to be approximately EUR 5.2 million (financial year 2020/2021: approximately EUR 4.9 million).

The company pension scheme is a component of VERBIO's employee remuneration arrangements. It is offered at all German as well as most foreign locations (with the exceptions of Poland and India). The scheme consists of a purely employer-financed arrangement in which annual payments are made into a pension scheme. A pro-rata payment is made for part-time employees. In addition, employees have the opportunity to make additional payments into the occupational pension scheme; VERBIO provides a 15 percent supplement to such payments.

Severely disabled employees are awarded 5 additional days' holiday annually as required by law. VERBIO employs a total of 9 severely disabled employees (financial year 2020/2021: 9).

Parental leave can be taken by both mothers and fathers. In Germany, 13 fathers and 8 mothers took parental leave in the reporting period. All employees who returned from parental leave in the financial year 2019/2020 continued to be employed by VERBIO. Two mothers employed by non-German companies in the Group took parental leave in the reporting period.

In North America, Hungary and India employees receive an additional health insurance policy to ensure that they have access to healthcare if the state system does not cover their needs.

In order to support families with young children, VERBIO makes payments towards the cost of child care in Germany and Poland. The subsidy paid totalled approximately EUR 73,000 in the reporting period (financial year 2020/2021: approximately EUR 60,000).

At German locations VERBIO shares in the cost of a "job ticket", offering travel passes for local transport in order to promote the use of public transport for journeys to work and to make an active contribution to environmental protection.

VERBIO makes efforts to promote employee health. From April 2021 every employee has been able to lease a "Jobbike" (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 76 employees have taken up this offer. In addition, VERBIO pays the cost of a basic membership or, respectively, makes a contribution to an additional membership option offered by a fitness studio for interested employees (in Leipzig and Bitterfeld this is with the Urban Sports Club and in Schwedt this is with the FitINN club). This offer is currently used by 71 employees.

Recruiting is complemented by the "employees recruit employees" programme. Employees are awarded a bonus when they recruit a new employee and initiate a successful new hire. The bonuses paid under this arrangement amounted to approximately EUR 14,000 in the reporting period for 26 new hires.

VERBIO permits the use of flexible working hours where the responsibilities of an employee make this possible. Mobile working arrangements are permitted where this is practicable.

**GRI 403 Occupational health and safety**

**GRI 403-1 Management system for occupational health and safety**

VERBIO ensures that the working conditions at the individual workplaces are appropriate to enable employees to perform their work with the appropriate level of quality, and ensure that the work health and safety regulations are complied with.



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The Management Board ensures that VERBIO AG and the directors of the VERBIO subsidiary companies provide occupational safety systems in the respective companies that comply with legal requirements.

VERBIO AG and its subsidiary companies each have a member of staff (either internal or external) who is responsible for work and safety matters. Further, contractual arrangements with a works doctor are in place. In addition, we have appointed, in writing, at least one safety officer as well as an appropriate number of first-aiders and fire volunteers.

A report is sent to the member of the Management Board responsible for ethanol concerning the status of occupational safety at the individual locations.

In the Biodiesel segment the reporting is made by the respective technical staff responsible for occupational safety at regular meetings of the responsible persons at the individual plants. The personnel department informs the Management Board as a whole on accident and sickness statistics on a regular basis.

**GRI 403-2 Identification of hazards, risk assessment and investigation of incidents**

All activities undertaken in the business, together with the materials and consumables required for the activities, are subject to an analysis and measurement of potential risks that could affect the safety and health of employees. The Management Board (for VERBIO AG) and the directors of the respective subsidiary companies are responsible for this process, and they assign the technical staff for the performance of the assessments. In cooperation with the heads of departments, the technical staff responsible for safety and the safety officer pre-

pare specific risk analyses for each activity and re-examine these to make sure they are up to date on an annual basis.

Based on the risk determined as well as on the requirements of trade associations, the Management Board and directors, together with the respective technical staff responsible for safety, set out the protective measures necessary for the individual activities.

The Management Board and directors ensure that the necessary and prescribed protective equipment is available to all employees for the purposes of performing their activities. Each employee is responsible for the careful use of their personal protective equipment.

Employees are provided with instructions concerning the protective equipment defined for their use. Where necessary, workplaces are marked with instruction notices. Checks are performed on a regular basis to ensure the proper use of the protective equipment. Divergences are recorded in a record of deficiencies.

The Management Board (for VERBIO AG) and the directors of the respective VERBIO subsidiary companies are responsible for ensuring that appropriate measures are taken to provide effective help and damage limitation for potential accidents and emergencies. These include:

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

All occupational and commuting accidents must be reported to the responsible employee at the

respective location. The responsibilities are defined for each specific location by the Management Board (for VERBIO AG) and the directors of the respective subsidiary. Work-related occupational accidents that cause the injured person to no longer be able to work are investigated internally. This is the responsibility of the director of the respective location at quarterly work-safety committees. The holding of these meetings is obligatory. In the course of these meetings accidents and near-accidents are analysed on location. Where this is considered necessary a visit is made to the site of the accident in order to exclude the risk of further accidents.

**GRI 403-3 Occupational health services**

To improve occupational health services VERBIO AG and its subsidiaries have entered into contractual arrangements with two occupational health medical centres. In doing so, optimal use has been made of regional strengths.

The contractually agreed services include, among other things, the regular performance of occupational medical examinations, vaccination campaigns, visits to branches/workplaces at regular intervals, co-operation with/participation in meetings of the occupational safety committee (Arbeitsschutzausschusses – ASA), participation in determining protective measures, and the preparation of occupational risk assessments of health hazards for employees. By agreement the works doctors also provide advice to employees on an individual basis.

**GRI 403-4 Employee participation, consultation, and communication on occupational health and safety**

Occupational safety committees (ASAs) are established in accordance with § 11 Occupational



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Safety Act (Arbeitssicherheitsgesetz – ASiG) at the individual German locations. The membership of these committees consists of the following:

- 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 specialists
- Works doctor
- External specialists, by invitation

The ASA meetings are held once each quarter. The meetings are public; all employees have the right to attend and have the opportunity to put questions to the ASA.

Minutes of each meeting of the ASA are created; these minutes are available to all employees and can be inspected at any time. A tour of the production plant is conducted at each ASA. These include a visit to each part of the plant, in particular those parts of the plant where occupational accidents have occurred or where problems have been identified over the past period.

Work health and safety rules are also afforded a high priority in the foreign subsidiaries. These are strictly based on the respective laws in the respective jurisdictions, and, where possible, on the higher standards applicable in Germany.

**GRI 403-5 Employee health and safety training**

All employees are provided with instructions/training on matters related to safety issues. The instructions are primarily provided in electronic format (e-learning) for employees to study on an

individual basis. In addition, instructions are provided directly and practical training events are held for selected matters. The issues covered by instructions include both matters that concern occupational safety as well as technical training for employees.

**GRI 403-6 Promoting employee health**

The personal health of employees is of great importance for VERBIO. For this reason, VERBIO also supports and promotes measures benefiting the health of its employees that are not work-related. One example is the “Job bike” (German: “Jobrad”) programme described under GRI 401-2 above, in which support is provided for the procurement of a bicycle.

**GRI 403-8 Employees covered by a management system for health and safety**

In all VERBIO AG companies a work safety system is implemented in compliance with the legal requirements. The rules are examined on a regular basis and amended and adjusted as required. The effectiveness of the work protection system is examined on a regular basis based on statistics and in the form of audits.

All measures implemented are binding, without limitation, for all VERBIO employees, and all employees are required to adhere to and implement such measures. At the same time VERBIO works closely with partner companies, and accordingly a duty of care also extends to the personnel of these companies. Accordingly, rules are established that are designed to protect these workers. All employees of third-party companies are required to take instruction concerning the occupational safety measures in place before commencing work.

**GRI 403-9 Occupational accidents**

Our occupational safety processes are improved on a continuous basis. All employees are provided with instruction in safety matters relevant to their individual workplace, for example with e-learning materials. The instruction provided ranges from general safety information for office or laboratory personnel to specialist instruction for the production and repair and maintenance departments. The teaching units include assessment testing.

All work accidents are recorded and investigated at the respective locations. Depending on the nature and scope of the resulting injuries, improvement measures are determined in order to reduce the risk potential and to avoid a recurrence of such accidents.

An investigation is undertaken into all work accidents that result in the injured employee being unable to work. The results of the investigation are documented in a written report which is submitted to the VERBIO Management Board. In addition, the results and the resulting improvement measures are analysed with the site employees.

In addition to work accidents, near accidents, i.e. accidents which did not result in injury to a person, are also recorded and evaluated.

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*Work accidents (statistics for VERBIO Germany):*

	2021/2022	2020/2021	2019/2020	2018/2019
Occupational accidents	21	12	15	16
LTIF <sup>1)</sup>	3.64	2.23	3.04	3.52

<sup>1)</sup> Frequency of reportable occupational accidents/200.000 working hours

There were no work accidents in the foreign subsidiaries in the reporting period 2021/2022.

There were no accidents resulting in deaths during the reporting period in any part of the Group.

**GRI 403-10 Occupational diseases**

There were no occupational diseases during the reporting period in any part of the Group.

**GRI 404 Training and education**

The creation of specific objectives for employee training and education measures is one of the issues that we will be addressing in the near future. The development of competencies is of increasing importance in view of our growth plans and the associated personnel requirements.

**GRI 404-1 Average hours of training per year per employee**

At June 30, 2022 a total of 26 trainees (June 30, 2021: 23) were employed as trainee chemists, laboratory chemists, electronic engineers, industrial mechanics, agricultural service technicians, vehicle mechatronics technicians, office administrators and heavy goods vehicle drivers. In the reporting period 1 electronic engineer and 1 logistics technician have successfully completed their training programmes. All trainees were

offered a position following the completion of their training; both accepted the offer. In order to ensure that high quality standards are met, VERBIO works with occupational training centres in the respective regions in which it operates. These disclosures relate to VERBIO's German locations. There were no trainees in the foreign subsidiaries in the reporting period.

*Personal development measures*

VERBIO places a high value on the continued professional education of its employees. A total of 379 training events were held in Germany in the reporting period, including seminars, further education events, internal and external personal development measures and coaching sessions. Statistics measuring the average number of hours of training per year per employee are not recorded. These face-to-face training events were complemented with a comprehensive e-learning programme, which has been primarily used for training in occupational safety, compliance and code of conduct training events. Approximately 2,200 instruction programmes were completed using this tool in the reporting period. In addition, 6 employees have been provided with English language training to enable them to improve their language skills needed for their respective positions.

We are already in the process of implementing personnel development processes at our foreign locations. In the USA an e-learning tool is already in use for compliance training purposes.

**GRI 404-2 Programmes for upgrading employee skills and transition assistance programmes**

Competent employees help to keep the Company innovative and competitive. For this purpose, we support our employees in their professional and personal development by organising training events and seminars. In addition, VERBIO supports employees who study on a part-time basis. During the reporting period, 2 employees (2019/2020: 5) were in part-time training programmes supported by VERBIO.

In addition, managers newly appointed to positions at the German locations take part in leadership skills development training events which help to improve their leadership competencies and to prepare them for the task of leading employees and teams.

**GRI 404-3 Percentage of employees receiving regular performance and career development reviews**

Employees and management receive feedback in annual employee meetings. All employees are provided with an assessment of their performance in these meetings. In September 2021 assessment meetings were held with a total of 467 employees (68.67 percent of the 679 employees in Germany at September 30, 2021 (2020/2021: 516 employees, 67 percent), in the foreign subsidiaries 83 meetings were held (38.97 percent of the 213 employees at that date). These figures include both employees entitled to bonuses as well as employees receiving monthly

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bonus awards. In addition, personal and technical development needs are discussed and a review is made of measures taken. For new employees who are not yet entitled to bonus awards, orientation meetings are held instead of assessment meetings, in which a job-specific integration plan is prepared. The objective is to hold an annual feedback meeting with every employee and, based on this, to establish measures to help him in his further personal and technical development.

**GRI 405 Diversity and equal opportunity**

**GRI 405-1 Diversity of governance bodies and employees**

At VERBIO all employees are equal, irrespective of their ethnic origin, age, gender, sexual identity, religion, political views, national or social origin or other factors. Accordingly, as part of its personnel management, VERBIO promotes diversity in its employee structure. At the same time, the Company makes sure that it offers equal opportunities to all of its employees; this includes ensuring that equal remuneration is paid. Of the 725 people employed in Germany, 108 (14.89 percent) are non-German nationals (91 from Europe, 7 from India, 2 each from Egypt and Kazakhstan and 1 each from the Lebanon, Brazil, Pakistan, Syria, Russia and Vietnam). The integration of non-German employees is supported, primarily by offering German language courses. In total 5 employees have completed a total of 278 German language learning units in the reporting period.

Currently 19.45 percent of the Group's employees are female; in Germany the percentage is 19.89 percent.

The average age of VERBIO's employees is 40.83 years (June 30, 2021: 41.36 years).

The age structure at June 30, 2022 was as follows:

Age	Male	Female	Diverse	Total
Under 30	152	34	0	186
30–50	411	105	0	516
Over 50	225	51	0	276

The age structure at June 30, 2022 (as a percentage of 978 employees) was as follows:

Age	Male	Female	Diverse	Total
Under 30	15.56%	3.48%	0.00%	19.02%
30–50	42.02%	10.45%	0.00%	52.76%
Over 50	23.03%	5.21%	0.00%	28.22%

VERBIO implements the statutory requirements for equal opportunities for women and men which were enacted with effect from May 1, 2015 as follows:

*Supervisory Board:*

The Supervisory Board set a target of 33 percent female participation in the Supervisory Board at its meeting held on September 21, 2015, with an implementation period of up to and including June 30, 2017. In its meeting on May 8, 2017 the Supervisory Board extended its resolution beyond its expiry date of June 30, 2017, extending it for a further five years up until June 30, 2022. The Supervisory Board consists of two male and one female members, and accordingly this quota is met.

*Management Board:*

The members of the Management Board and their areas of responsibility are determined by the Supervisory Board. The Management Board currently consists of five male members.

The Supervisory Board is required to take account of diversity when making appointments to the Management Board, and to set a target for female participation. The Supervisory Board is of the opinion that VERBIO's success is evidence that the current management team has proved itself. The current members of the Management Board have been appointed to office until June 30, 2025 (Stefan Schreiber until June 30, 2027). There has been and continues to be no question of changing the composition of the Management Board for the sole purpose of increasing the female participation rate. There is also no question of VERBIO increasing the size of the Management Board in order to meet a quota for female participation. In view of the successful work performed by the current Management Board and under consideration of the remaining term of their service contracts, at the current time the Supervisory Board does not see any practical necessity or legal possibility to improve female participation in the Management Board. Also, in future the Supervisory Board wishes to continue to select candidates, male or female, who possess the necessary qualifications and personal integrity and, in its opinion, are most suited to the position, irrespective of their gender.

The average age of the members of the Management Board is 54.6 years at June 30, 2022.

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*Management levels below the Management Board:*

In making appointments to management positions the Management Board pays attention to diversity in a manner consistent with the needs and industrial sector structure of the Company. A target of 25 percent was set by the Management Board for female participation in the first management level on September 21, 2015, to be achieved by June 30, 2017. In its meeting on June 20, 2017 the Management Board extended its target for female participation beyond its expiry date of June 30, 2017, extending it for a further five years up until June 30, 2022. Women currently make up 20 percent of the management level immediately below the Management Board. It was not necessary to set a quota for female participation in the second management level as VERBIO acts in a purely holding company function with a flat management structure, so that there is only one relevant management level with personnel and management responsibility below the Management Board.

Here, the average age is 49 years.

**GRI 405-2 Ratio of basic salary and remuneration of women to men**

For VERBIO it is self-evident that remuneration is determined independent of a person's gender. Remuneration is determined solely on the basis of the employee's qualifications and the contribution made by the employee to the Company. The standard entry-level wages and salaries paid to production sector in Germany are approximately 43 percent above the legal minimum wage.

In the foreign subsidiaries, too, the entry-level wages and salaries are significantly higher than the local minimum wages.

**GRI 406 Non-discrimination**

**GRI 406-1 Incidents of discrimination and corrective actions taken**

We do not tolerate any unequal or unfair treatment on the basis of gender, ethnic origin, religion or philosophy, disability, sexual orientation or age. This principle applies throughout the Group. Employees can report possible cases of discrimination to their supervisor, the compliance manager or the personnel department. Complaints are examined and the complainant is informed of the results of the investigation. Where necessary, appropriate consequences are taken, if necessary including disciplinary employment consequences. A register of discrimination cases is not maintained. All managers have been trained in the requirements of the General Equal Treatment Act (Gleichbehandlungsgesetz – AGG) using e-learning techniques and have communicated the most important aspects to their employees.

**GRI 408 Child labour**

**GRI 408-1 Operations and suppliers at significant risk for incidents of child labour**

In our Handbook of HR Compliance Guidelines – VERBIO India we commit ourselves to ensuring that, in accordance with the legal requirements, no children are employed at our production location and that children's protection legislation is complied with. Specifically, it is forbidden to employ under-age persons (persons under 18 years of age) at our location in India. This regulation is made public and is communicated to all employees and supervisors in a clear and unambiguous manner. The personnel department and the security teams on location are responsible for

supervising and ensuring compliance with this requirement. Checks are performed on a random basis each month. Should, despite this, employees become aware of child labour being used at the location or by suppliers, the personnel department is informed immediately, and it takes appropriate action.

**GRI 409 Forced or compulsory labour**

**GRI 409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour**

The Handbook of HR Compliance Guidelines – VERBIO India includes policies concerning the use of forced or compulsory labour. Forced or compulsory labour is not tolerated at any time. All employees are free to leave the workplace. No original documents shall be withheld and no monetary deposit is demanded for equipment. The personnel department shall supervise and ensure compliance with these requirements.

**GRI 412 Human rights assessment**

VERBIO considers itself obligated to respect human rights along its entire value added chain, and to prevent any infringement of these rights. There are no indications of infringements of human rights at any VERBIO locations or with its suppliers.



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**GRI 412-1 Operations that have been subject to reviews of the observance of human rights or where impact assessments concerning human rights have been performed**

There were no operations where a human rights impact assessment was performed in the reporting period.

**GRI 412-2 Employee training on human rights policies or procedures**

There were no grounds for holding training events on human rights or procedures.

**GRI 412-3 Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening**

The rules concerning human rights are explicitly included in VERBIO's commitment to adherence to the relevant legal frameworks set out in the code of conduct, and they also form part of the basis of VERBIO's decision-making when it considers entering into significant investment agreements.

**GRI 413 Local communities**

**GRI 413-1 Operations with local community engagement, impact assessments, and development programmes**

VERBIO contributes to the economies of the regions in which its production sites are located by creating jobs and providing tax revenues, and in this way it supports the structure of those regions. In addition, our social engagement with local communities includes making donations to or taking part in sponsoring projects for local initiatives. Recipients of donations made in the reporting period have included, among others,

schools, nurseries, clubs, and voluntary fire-fighter brigades.

**GRI 413-2 Operations with significant actual and potential negative impacts on local communities**

We are conscious of our impact on the environment and we are focussed on the efficient use of resources and on environmental protection in order to minimise the impact we have. However, there is damage which results from VERBIO's business activities with negative consequences for the local communities from, for example, noise and odour emissions. In order to reduce these emissions, we make ongoing investments in our existing production plants. At the Zörbig location, an investment was made over recent financial years in additional regenerative thermal oxidation (RTO) plants to treat exhaust air.

**GRI 414 Supplier social assessment**

**GRI 414-1 New suppliers that were screened using social criteria**

Our suppliers are an important part of our value-added chain. For us, stable supplier relationships are based on reliable supplies of raw materials and services, fair prices, and working relationships that are transparent and strictly in conformity with legal requirements. We select our suppliers using the processes required in accordance with our quality management systems and guidelines, and we evaluate their performance on a regular basis. We perform audits of our own in selected companies. We expect our suppliers to abide by the same social and environmental standards that we do. In many cases we give preference to suppliers from our local regional areas.

**GRI 414-2 Negative social impacts in the supply chain and actions taken**

No significant current or potential negative social impacts were noted in the supply chain in the reporting period.

**GRI 416 Customer health and safety**

**GRI 416-1 Assessment of the health and safety impacts of product and service categories**

We accept comprehensive responsibility for ensuring that, provided they are used properly, our products are safe for humans, animals and the environment. In order to ensure the ongoing quality and safety of our products, VERBIO has implemented an integrated quality management system along the entire value-added chain. Our products are subject to regular audits and assessments, designed to provide our customers with a high level of assurance and to strengthen trust in our products. The foundation for this is compliance with statutory requirements and with internal standards over and above these standards. We subject our 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 departments, also contribute to the supervision of the quality of our products, and enable us to make changes where necessary and in a transparent manner.

A particular focus of our quality management is on the by-products that we manufacture in bio-diesel and bioethanol production. These are sold to our customers as food additive products and as animal feed. Ongoing risk analyses are also part of our quality assurance, as is a continuous process of product sampling.



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Product and safety data sheets and customer information are available for all products. Our customers are provided with information concerning the proper use of our products and the potential risks that they carry.

Complaints and claims received from customers are analysed on a timely basis, and these are used to make ongoing improvements in product quality and safety accordingly.

**GRI 416-2 Incidents of non-compliance concerning the health and safety impacts of products and services**

No incidents of non-compliance concerning the health and safety impacts of products and services are known to have occurred in the reporting period.

**GRI 417 Marketing and labelling**

**GRI 417-1 Requirements for product and service information and labelling**

Our product labelling is designed to meet the appropriate legal regulations. Sales specifications, product and safety data sheets and various supplier specifications provide information on product contents and use.

Products that are traded as animal feed are labelled to specify their source, ingredients and use. Products that are supplied for use in the food industry are additionally identified as kosher and/or 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.

**GRI 417-2 Incidents of non-compliance concerning product and service information and labelling**

No incidents of non-compliance concerning product and service information and labelling are known to have occurred in the reporting period.

**GRI 417-3 Incidents of non-compliance concerning marketing and communications**

No incidents of non-compliance concerning marketing and communications are known to have occurred in the reporting period.

**GRI 418 Customer data**

**GRI 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data**

No complaints concerning breaches of customer privacy and losses of customer data are known to have been raised in the reporting period.

In addition, no other breaches of data protection rules were noted in the financial year 2021/2022.

**GRI 419 Socio-economic compliance**

**GRI 419-1 Non-compliance with laws and regulations in the social and economic area**

We not aware of any failure to comply with laws and regulations in the social and economic area in the reporting period.

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## EU Taxonomy Regulation disclosures

At the Paris climate accord in 2015 197 countries adopted a global climate protection agreement in order to make a joint effort to limit global warming to 1.5 Celsius compared to pre-industrial times. The objective is to reduce greenhouse gas emissions by 80–95 percent by 2050, with a reduction to neutrality. In addition, financing cash flows should be brought into line with the world's climate objectives. The European Green Deal is the European Union's strategic instrument to drive forward the decarbonisation of the world economy, aiming to make Europe the first climate-neutral continent.

The EU Taxonomy Regulation is part of the Green Deal and is intended to meet multiple objectives: to increase investment in sustainability, provide certainty for investors, protect investors from greenwashing, and help companies to become more climate-friendly.

The reporting obligations under Article 8 of the Regulation (EU) 2020/852 of the European Parliament and of the Council dated June 18, 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (hereafter "the EU Taxonomy Regulation") and the associated delegated legal ordinances, are divided into two stages:

- For the reporting year 2021 disclosures of data are only required for so-called taxonomy-eligible economic activities, and the disclosures are limited to those that make a significant contribution to climate protection or to adapting to climate change as defined in

the EU Taxonomy Regulation. An economic activity is considered eligible if it is included in the list of activities covered by the Delegated Acts of the EU Taxonomy Regulation.

- In the future, reporting obligations will cover four further EU environmental objectives: 1) the sustainable use and protection of water and marine resources, 2) the transition to a circular economy, 3) pollution prevention and control, and 4) the protection and restoration of biodiversity and ecosystems. In addition to reporting on the extent to which business activities are economic activities that qualify as environmentally sustainable, the obligatory reporting must also cover the proportionate share of the taxonomy-eligibility of identified economic activities. According to the EU Taxonomy Regulation, for an economic activity to be taxonomy-eligible it must contribute to at least one of the six environmental objectives listed in the Taxonomy without harming any of the other objectives, while respecting basic human rights and labour standards.

In accordance with the simplifications that apply to our reporting year 2021/2022, VERBIO only reports on the taxonomy-eligibility of its economic activities. For this purpose an analysis process has been implemented which examines all economic activities against the taxonomy-eligibility criteria set out in the delegated Regulation (EU) 2021/2139 dated June 4, 2021.

Based on the analysis, VERBIO's taxonomy-eligible economic activities are the following:

- The manufacturing of biodiesel
- The manufacturing of bioethanol
- The manufacturing of biomethane

In accordance with the delegated EU regulation of June 4, 2021 these are classified under 4.13. Manufacture of biogas and biofuels for use in transport and of bioliquids, and are classified to the "climate protection" environmental objective.

Other VERBIO activities in addition to the core business described above, for example the closely related businesses of manufacturing valuable sustainable by-products in our biorefinery, are, based on our current assessment, not currently included in the EU Taxonomy Regulation and are therefore not taxonomy-eligible. These include pharmaceutical glycerine, phytosterols, animal feed and humus fertiliser.

The reporting is prepared in accordance with the requirements set out in Article 8 of the Regulation (EU) 2020/852 for the three key performance indicators (KPIs): sales revenue, investments (CapEx) and operating expenses (OpEx). These are determined applying the delegated EU regulation dated July 6, 2021.

The taxonomy-eligible sales revenue represents the share of sales revenue generated from those products or services as a proportion of the Group's total sales revenue (after deduction of energy tax).

The percentage share of taxonomy-eligible investment expenditure is, in our assessment, the share of additions to property, plant and equip-

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ment (excluding right-of-use assets) during the financial year associated with taxonomy-eligible economic activities expressed as a percentage share of total investment expenditure.

In our assessment, the operating expenses represent the share of direct, non-capitalised research and development costs as well as the repair and maintenance costs of tangible fixed assets associated with taxonomy-eligible eco-

nomic activities as a proportion of the total amount of associated operating expenses. For a production plant with taxonomy-eligible activities we include the total investments and operating expenses as being taxonomy-eligible, even in cases in which the respective plants generates small volumes of non-taxonomy-eligible by-products.

The taxonomy-eligible activities are presented in the table below:


*Taxonomy-eligible activities 2021/2022*

EUR million	Total	Taxonomy-eligible activities	Non-taxonomy eligible activities
Sales revenue	1,812.5	88%	12%
Capital expenditure	132.4	85%	15%
Operating expenses	22.60	86%	14%


Zörbig, September 26, 2022




Claus Sauter  
Chairman of the management board




Prof. Dr. Oliver Lüdtkke  
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

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# Independent assurance practitioner’s report on a limited assurance engagement on the separate non-financial reporting of a group of companies

To VERBIO Vereinigte BioEnergie AG, Zörbig

We have performed a limited assurance engagement on the separate group non-financial report of VERBIO Vereinigte BioEnergie AG, Zörbig (the “parent company”) for the period from 1 July 2021 to 30 June 2022 (the “group non-financial report”).

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

## Responsibility of the Legal Representatives

The executive directors of the parent company are responsible for the preparation of the group non-financial report in accordance with §§ 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 18 June 2020 on establishing a framework to facilitate sustainable investment and amending Regulation (EU) 2019/2088 (hereinafter the “EU Taxonomy Regulation”) and the Delegated Acts adopted thereunder, as well as for making their own interpretation of the wording and terms contained in the EU

Taxonomy Regulation and the Delegated Acts adopted thereunder, as set out in section “EU taxonomy regulation disclosures” of the group non-financial report.

This responsibility includes the selection and application of appropriate non-financial reporting methods and making assumptions and estimates about individual non-financial disclosures that are reasonable in the circumstances. Furthermore, the executive directors are responsible for such internal control as the executive directors consider necessary to enable the preparation of a group non-financial report that is free from material misstatement, whether due to fraud 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 section “EU taxonomy regulation disclosures” of the group non-financial report. 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.

## Independence and Quality Assurance of the Assurance Practitioner’s Firm

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

Our audit firm applies the national legal requirements and professional pronouncements – in particular the By-laws Regulating the Rights and Duties of Wirtschaftsprüfer and vereidigte Buchprüfer in the exercise of their Profession and the IDW Quality Assurance Standard issued by the Institute of Public Auditors in Germany (IDW): Requirements for Quality Management in the Audit Firm (IDW QS 1) and accordingly maintains a comprehensive quality management system that includes documented policies and procedures with regard to compliance with professional ethical requirements, professional standards as well as relevant statutory and other legal requirements.

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## Responsibility of the Assurance Practitioner

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

We conducted our assurance engagement in accordance with 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 group non-financial report, other than the external sources of documentation or expert opinions mentioned in the group non-financial report, are not prepared, in all material respects, in accordance with §§ 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 section “EU taxonomy regulation disclosures” of the consolidated non-financial statement.

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 judgment 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 stakeholder engagement

- Inquiries of relevant employees involved in the preparation of the group non-financial report about the preparation process, and about disclosures in the group non-financial report
- Identification of likely risks of material misstatement in the group non-financial report
- Analytical procedures on selected disclosures in the non-financial reporting of a group of companies
- Reconciliation of selected disclosures with the corresponding data in the group non-financial report and group management report
- Evaluation of the presentation of the consolidated non-financial reporting of a group of companies
- Evaluation of the process to identify the taxonomy-eligible activities and the corresponding disclosures in the group non-financial 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 group non-financial report of VERBIO Vereinigte BioEnergie AG, Zörbig, for the period from 1 July 2021 to 30 June 2022 is not prepared, in all mate-

rial respects, in accordance with §§ 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 section “EU taxonomy regulation disclosures” of the consolidated non-financial statement.

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

## Restriction of Use

We draw attention to the fact that the assurance engagement was conducted for the parent company’s purposes and that the report is intended solely to inform the parent 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 parent company alone. We do not accept any responsibility to third parties. Our assurance opinion is not modified in this respect.

## General Engagement Terms / Liability / Exclusion of Liability in Relation to Third Parties

The General Engagement Terms for Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften [German Public Auditors and Public Audit Firms] as of January 1, 2017 as agreed and attached as, are applicable. In accordance with section 9 para. 2 of these General Engagement Terms, our liability for an individual case of damages caused by



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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 [German Product Liability Act – Produkthaftungsgesetz] is limited to EUR 4 million. Our responsibility for the assurance engagement and assurance practitioner's report is to VERBIO Vereinigte BioEnergie AG alone. We do not accept any responsibility, duty of care, or liability; in particular, third parties are not included in the scope of protection of this contract. Section 334 BGB ["Bürgerliches Gesetzbuch": German Civil Code], pursuant to which the objections under the contract may be raised in relation to the third party too, is not waived.

Leipzig, 26 September 2022

Grant Thornton AG  
Wirtschaftsprüfungsgesellschaft

Sebastian Koch  
Wirtschaftsprüfer  
German Certified  
Public Auditor

Niclas Rauscher  
Wirtschaftsprüfer  
German Certified  
Public Auditor

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	GRI 102-2	Activities, brands, products and services	Annual Report 2021/2022; Group management report and technical glossary	7
	GRI 102-3	Location of headquarters		9
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		<b>Strategy</b>		<b>12</b>
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GRI 300 – Environmental standards			<b>Governance</b>		<b>13</b>
GRI 400 – Social standards				Corporate Governance Declaration ( <a href="https://www.verbio.de/en/investor-relations/corporate-governance/corporat-egovernance-declaration/">https://www.verbio.de/en/investor-relations/corporate-governance/corporat-egovernance-declaration/</a> )	
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		GRI 102-23	Chair of the highest governance body	Corporate Governance Declaration ( <a href="https://www.verbio.de/en/investor-relations/corporate-governance/corporat-egovernance-declaration/">https://www.verbio.de/en/investor-relations/corporate-governance/corporat-egovernance-declaration/</a> )	15
		GRI 102-24	Nominating and selecting the highest governance body	Corporate Governance Declaration ( <a href="https://www.verbio.de/en/investor-relations/corporate-governance/corporat-egovernance-declaration/">https://www.verbio.de/en/investor-relations/corporate-governance/corporat-egovernance-declaration/</a> )	15
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		GRI 102-27	Collective knowledge of highest governance body	Corporate Governance Declaration ( <a href="https://www.verbio.de/en/investor-relations/corporate-governance/corporat-egovernance-declaration/">https://www.verbio.de/en/investor-relations/corporate-governance/corporat-egovernance-declaration/</a> )	16

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<b>November 11, 2022</b>	Publication of the quarterly statement for the period ended September 30, 2022 (July 2022 to September 2022)
<b>February 3, 2023</b>	Annual general meeting 2023
<b>February 9, 2023</b>	Publication of the half-yearly interim report 2022/2023 (July 2022 to December 2022) Conference call
<b>May 11, 2023</b>	Publication of the quarterly statement for the period ended March 31, 2023 (July 2022 to March 2023)
<b>September 26, 2023</b>	Publication of the annual report 2022/2023 Analyst's conference

## Imprint

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### Forward looking statements

The annual report includes various statements concerning forecasts, expectations and information that relate to the future development of the VERBIO Group and VERBIO Vereinigte BioEnergie AG. These statements are based on assumptions and estimates and may be associated with known and unknown risks and uncertainties. Actual developments and results, as well as the financial and asset situation, may therefore differ substantially from the expectations and assumptions stated. Such differences may be due, among other things, to market fluctuations, changes in worldwide market prices for raw materials as well as financial markets and exchange rates, changes in national and international laws and directives, or fundamental changes in the economic and political climate. VERBIO does not intend to and does not undertake an obligation to update or revise any forward-looking statements to adapt them to events or developments after the publication of this statement.

This annual report is published in German (original version) and in English (non-binding translation). It is available for download at [www.verbio.de](http://www.verbio.de) in both languages.

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