

Verbio

Biofuel and Technology

**Non-financial
Statement 2019/2020**

Group key figures

for the financial year from July 1, 2019 to June 30, 2020

Key figures - commercial

Results of operations	2019/ 2020	2018/ 2019	2017/ 2018
Sales	872.4	779.3	685.9
EBITDA	122.1	95.1	44.8
EBIT	91.9	73.7	22.4
EBIT margin (%)	10.5	9.5	3.3
EBT	91.0	73.1	22.2
Net result for the period	63.8	51.7	15.1
Earnings per share (EUR)	1.01	0.84	0.24

Operational statistics	2019/ 2020	2018/ 2019	2017/ 2018
Production (tonnes)	796,411	721,126	722,511
Production (MWh)	784,414	706,646	608,312
Utilisation Biodiesel/ Bioethanol (%) ¹⁾	86.6	98.8	99.0
Utilisation Biomethane (%) ¹⁾	104.6	117.8	101.4
Investments in property, plant and equipment	66.5	63.8	26.6
Number of employees ²⁾	725	660	563

Financial position	2019/ 2020	2018/ 2019	2017/ 2018
Operating cash flow	71.7	44.3	11.1
Operating cash flow per share (EUR)	1.14	0.71	0.18
Cash and cash equivalents ³⁾	86.1	74.2	90.5

Key figures - environmental (excl. Canada)

	2019/ 2020	2018/ 2019	2017/ 2018
Production volumes, total	796,411	721,126	722,511
Energy consumption (MWh)	828,218	817,769	778,252
Fresh water consumption (m ³)	1,046,036	1,098,362	1,131,023
Waste water (m ³)	348,548	353,396	296,211
Waste (tonnes)	5,553	5,277	5,469

Key figures - segments

Biodiesel	2019/ 2020	2018/ 2019	2017/ 2018
Sales revenue	588.2	514.5	456.8
EBITDA	46.1	70.7	24.4
EBIT	35.5	65.7	19.6
Production (tonnes)	559,735	481,280	476,211
Utilisation (%)	84.8	102.4	101.3
Number of employees ¹⁾	208	158	117

Bioethanol (incl. Biomethane)	2019/ 2020	2018/ 2019	2017/ 2018
Sales revenue	275.2	254.7	219.1
EBITDA	74.0	23.8	19.9
EBIT	55.9	8	2.8
Production (tonnes)	236,676	239,846	246,300
Production (MWh)	784,414	706,646	608,312
Utilisation Bioethanol (%)	91.0	92.3	94.7
Utilisation Biomethane (%)	104.6	117.8	101.4
Number of employees ²⁾	340	332	260

Other	2019/ 2020	2018/ 2019	2017/ 2018
Third party revenues	15.8	16.7	15.7
EBIT	0.6	0	0.0

Key figures - social

	2019/ 2020	2018/ 2019	2017/ 2018
Number of employees ²⁾	725	660	563
Number of permanent contracts ²⁾	94.90 %	94.24 %	93.45 %
Personnel expenses (in EUR millions)	44.9	37.2	26.7
Average employee age ²⁾	42.00 years	42.19 years	42.94 years
Percentage of women employees ²⁾	22.62 %	23.10 %	23.01 %
Apprentice ratio ²⁾	2.34 %	2.42 %	2.49 %
Average length of service ²⁾	6.9 years	7.2 years	7.6 years

¹⁾ At of July 1, 2019 the annual production capacity of the production plant was amended as follows:
biodiesel: from 470.000 tonnes to 660.000 tonnes; bioethanol: 260.000 Tonnen (unchanged); biomethane: from 600 GWh to 750 GWh

²⁾ at the balance sheet date

³⁾ at the balance sheet date, including cash on segregated accounts sheet date

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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 is obliged to present a non-financial statement in accordance with § 289 b and § 315 b HGB (Handelsgesetzbuch – HGB). In our non-financial statement for the reporting year 2019/2020 the required information concerning VERBIO Vereinigte BioEnergie AG and its subsidiaries that are required in accordance with the CSR-RUG and in accordance with § 289 b and § 315 b HGB are integrated in the annual report. We do not provide separate information or ratios which differentiate between information provided by our subsidiary companies and those of the Group's parent. Our non-financial statement includes all significant information on environmental, employee and social issues in accordance with the German CSR Directive Implementation Act. In addition, we report on respecting human rights and on combating corruption and bribery. The index providing references to the respective sections and the relevant information thereon is provided in the appendix.

Significant risks arising from business relationships, products and services and from the Group's own business activities in the sense of § 289 (2) and § 315 (2) HGB, as well as how these risks are addressed, are presented in the Group management report in the annual report 2019/2020.

In this non-financial statement, 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 non-financial statement is for the financial year 2019/2020, i.e. for the period from July 1, 2019 to June 30, 2020. The contents of the report and the non-financial statistics provided are updated and published on an annual basis.

Structure

The non-financial statement 2019/2020 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.

Contents

Prior to preparing this non-financial statement, 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 unless stated otherwise. Financial data has been extracted from the VERBIO consolidated annual report 2019/2020.

Editorial note

This non-financial statement is published in German (original version) and in English (non-binding translation). It is available for download at <http://www.verbio.de> in both languages.

For simplification purposes we use the term “employees” throughout. This term includes all employees, whether they be male, female or diverse and irrespective of the use of he, she etc.

Forward-looking statements

This publication contains forward-looking statements that are based on assumptions and estimates made by the management of VERBIO Vereinigte BioEnergie 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 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.

GRI 102 – Universal standards (general disclosures)



Universal standards

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-scale global producer of biodiesel, bioethanol and biomethane.

VERBIO is a technology leader in its sector, and produces biofuels, biofertiliser, feedstuffs, disinfectant solutions 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 one location in Canada.

Management places emphasis on goods of the highest quality and on processes and production technologies that are particularly efficient. 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 procure-

ment of raw materials, through production, and 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.

The Group's annual production capacity amounts to approximately 660,000 tonnes of biodiesel, 260,000 tonnes of bioethanol and 750 gigawatt hours of biomethane. The Company produces its highly efficient biofuels and resulting by-products using internally developed innovative technologies. VERBIO biofuels achieve CO₂ 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.

Biodiesel

verbiodiesel is a sustainable alternative to the fossil fuels used in the transport sector. VERBIO primarily uses rapeseed oil as a raw material to manufacture biodiesel. The production and combustion of biodiesel releases significantly less CO₂ than diesel. One litre of verbiodiesel reduces CO₂ emissions by approximately 12.75 kg per 100 kilometres compared to fossil-fuel diesel. This represents CO₂ savings of 65 percent. 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 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 locally-grown grain, such as rye and triticale. Premium 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 biofertiliser. This manufacturing process ensures that the maximum possible amount of energy is generated per hectare of agricultural land. At the same time, this also creates a demand market for agricultural producers in the region, which secures income for local farmers. CO₂ 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 15 percent of the fuel used in internal combustion engines. This use as a replacement fuel and as an additive to the fuel used in vehicles has grown in importance in recent years.

Biomethane

Biomethane has multiple uses as a source of renewable energy – it is multi-talented. It can be pumped into the European natural gas network and can also be used to generate electricity, for heating and cooling purposes, 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; instead 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 in our plants avoids creating damaging CO₂ 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 using a fermentation process, returning the liquid and humus fertiliser which is created as a by-product to agricultural use, where it is needed to provide nutrients (nitrogen oxide, phosphorus, potassium) for subsequent crops. Biomethane has the same chemical structure as fossil natural gas, and as a result it can be used by all CNG vehicles in any amount of additive or as a 100 percent fuel with no technical problems. Biofuels from waste products, for example straw, achieve a 90 percent CO₂ reduction, and as a result have a better effect on the climate than an electro vehicle powered using electricity generated from Germany's current electricity mix. In addition, CNG and biomethane emissions are almost free of nitrogen oxide and fine-particle emissions.

Glycerine

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 fatty acid esters, 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. verbioglycerin, 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 found in plants which are part of the steroid category. Phytosterols are fat-accompanying substances which, among other things, are used as dietary supplements and have the effect of reducing cholesterol levels in humans. They are also used as raw materials to manufacture hormones.

Disinfectant solutions

In March 2020 VERBIO established production facilities for disinfectant solution for use as hand and surface area disinfectant under a permit limited to the territory of the Federal Republic of Germany in accordance with specifications of the general directive (Allgemeinverfügungen – AllgV) issued by the German Federal Institute for Occupational Safety and Health (Bundesanstalt für Arbeitsschutz und Arbeitsmedizin – BAuA). Concurrently with the start of production, VERBIO made an application for a permanent registration for the production and distribution of disinfectant solutions using ethanol for an indefinite period of time with the Bundesanstalt für Arbeitsschutz und Arbeitsmedizin in accordance with the German Biocidal Products Regulation (Biozidverordnung). This registration was accepted in July 2020. VERBIO is now permitted to include disinfectant solutions for private and commercial uses in its portfolio on a permanent basis.

GRI 102-3 Location of headquarters

The holding company, VERBIO Vereinigte BioEnergie AG, is listed on the Frankfurt Stock Exchange; its legal registered address is in Zörbig, Germany. The Group’s central administrative functions are carried out in Leipzig, where some of the Group’s trading activities, project development and plant construction work are performed, in addition to central operations such as treasury, accounting and controlling functions.

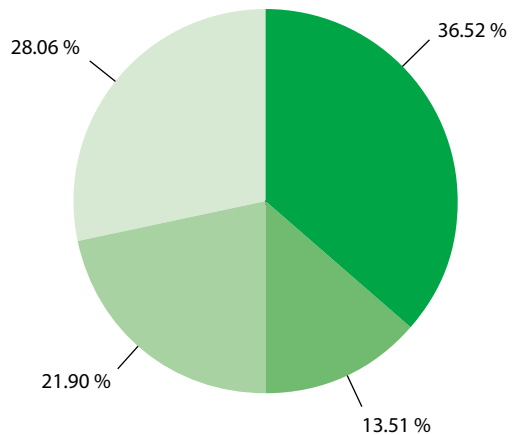
GRI 102-4 Location of operations

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

- VERBIO Bitterfeld GmbH (formerly known as VERBIO Diesel Bitterfeld GmbH), Bitterfeld-Wolfen/OT Greppin
- VERBIO Zörbig GmbH (formerly known as VERBIO Ethanol Zörbig GmbH & Co. KG), Zörbig
- VERBIO Schwedt GmbH (formerly known as VERBIO Ethanol Schwedt GmbH & Co. KG), Schwedt/Oder

- VERBIO Diesel Schwedt GmbH (merged with VERBIO Schwedt GmbH with legal effect from April 1, 2020 and with effect for commercial purposes from June 30, 2019), Schwedt/Oder
- VERBIO Agrar GmbH, Zörbig
- VERBIO Logistik GmbH, Zörbig
- VERBIO Polska Sp. z o.o., Stettin (Poland)
- VERBIO Pinnow GmbH, Pinnow
- VERBIO India Private Limited, Chandigarh (India)
- VERBIO North America Corporation, Livonia, Michigan (USA)
- VERBIO Nevada LLC, Nevada, Iowa (USA)
- VERBIO Diesel Canada Corporation, Welland, Ontario (Canada)
- XiMo Kft., Budapest (Hungary)

Shareholder Structure to June 30, 2020



- Management Board
- Supervisory Board
- Shareholders with more than 5 percent stake
- Free float

VERBIO Vereinigte BioEnergie AG also has further shareholdings in other companies. A detailed listing of the subsidiaries included in the Group can be found in the notes to the consolidated financial statements in the annual report 2019/2020 under Section 2.2, "Entities included in the consolidation".

GRI 102-5 Ownership and legal form

VERBIO Vereinigte BioEnergie 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 63,000 thousand, and is divided into 63,000,000 no-par shares registered in the name of the holders. VERBIO Vereinigte BioEnergie AG's shares are listed in the Prime Standard segment of Deutschen Börse AG, the German stock exchange (ISIN: DE000A0JL9W6) and are traded on the electronic securities trading platform Xetra, among others.

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. Biodiesel, bioethanol and biomethane are sold in Europe, sales of biodiesel have also been made in North America since August 2019, and pharmaceutical glycerine and sterols are sold worldwide. As a result of commencing production in foreign countries the marketing of biofuels will, in future, become a more international operation.

GRI 102-7 Scale of the organisation

VERBIO generated Group revenues of EUR 872.4 million in the financial year 2019/2020 with 725 employees at June 30, 2020 (2018/2019: EUR 779.3 million).

Further information and explanations of key financial ratios are provided in the "Economic report" section of the annual report 2019/2020.

Size of the organisation

		2019/2020	2018/2019	2017/2018
Number of employees at June 30		725	660	563
Number of production locations		5	4	4
Sales revenue VERBIO-Group	EUR million	872.4	779.3	685.9
Equity at June 30	EUR million	390.8	338.9	300.2
Liabilities at June 30	EUR million	138.4	86.0	65.8
Production	tonnes	796,411	721,126	722,511
Production	MWh	784,414	706,646	608,312

GRI 102-8 Information on employees and other workers

The VERBIO Group had a total of 725 employees at June 30, 2020 (June 30, 2019: 660).

The split by segment was as follows:

At June 30, 2020 22.62 percent of the workforce in the German entities were female (June 30, 2019: 23.10 percent).

Segment	Employees		Thereof part-time		Thereof temporary	
	30.06.2020	30.06.2019	30.06.2020	30.06.2019	30.06.2020	30.06.2019
Bioethanol/Biomethane	340	332	8	11	15	19
Biodiesel	208	158	4	3	9	8
Other	177	170	10	12	13	11
Total	725	660	22	26	37	38

GRI 102-9 Supply chain

Significant elements of our value-added chain are the procurement of vegetable oils and grain from sustainable sources, and our biofuel trading activities. VERBIO sources the raw materials and consumables used in production primarily 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 which 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 significantly dependent on their sustainability, we continuously examine the opportunities to use sustainable raw materials wherever possible. 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 Group in the consolidated financial statements in the financial year 2019/2020:

VERBIO Zörbig GmbH (VEZ) and VERBIO Schwedt GmbH (VES) were created in the financial year 2019/2020 by means of a reorganisation of their predecessor entities, VERBIO Ethanol Zörbig GmbH & Co. KG and VERBIO Ethanol Schwedt GmbH & Co. KG respectively. VERBIO Ethanol Zörbig Verwaltung GmbH and VERBIO Ethanol Schwedt Verwaltung GmbH were merged into VEZ and VES respectively.

VERBIO Diesel Bitterfeld GmbH was renamed VERBIO Bitterfeld GmbH (VEB). VERBIO Diesel Schwedt GmbH, which was included in the consolidation in the previous year, was merged into VES in the financial year 2019/2020.

The Group's shareholding in VERBIO North America Corporation (VNA), held indirectly via VERBIO Renewables GmbH, was increased from 51 percent to 100 percent in the financial year 2019/2020. In addition,

in a Group internal transaction, VERBIO AG acquired the entire share capital of XiMo Kft., Budapest, Hungary from XiMo AG, Horw, Switzerland during the financial year. XiMo AG is in the process of being liquidated at June 30, 2020.

VERBIO Diesel Nordamerika GmbH, Zörbig, VERBIO Hungary Trading Kft., Budapest, Hungary, and VERBIO Nevada LLC have no active business operations; these companies are shelf companies or companies in a start-up phase.

Ownership structure

There were no changes to the ownership structure of VERBIO AG in the financial year 2019/2020 just ended.

Supply chain

There were no significant changes in the supply chain.

GRI 102-13 Membership of associations

At the national level VERBIO 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 – The German Association for Small and Medium-sized Businesses (Bundesverband mittelständische Wirtschaft e.V.)
- AFM+E – The Foreign Trade Association for Petroleum and Energy in Germany (Außenhandelsverband für Mineralöl und Energie e.V.)
- AGQM – The Biodiesel Quality Management Association (Arbeitsgemeinschaft Qualitätsmanagement Biodiesel e.V.)

From February 2017 VERBIO has been a sponsor of the CNG Club e.V. which was formed at that time with the objective of promoting CNG mobility.

At the international level VERBIO 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 which 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
- RNG Coalition – USA-wide association of biomethane manufacturers
- Iowa Renewable Fuels Association
- Iowa Corn Growers Association

Strategy

GRI 102-14 Statement from senior decision-maker

As a manufacturer of sustainable biofuels, we are making an active contribution to environmental and climate protection. Our business model provides for a sustainable value-added chain, from the farmer through the collection of the raw materials and to the production plant. Material components that are not usable as biofuels are returned to the farmers and recycled as fertiliser or as animal feed, or used as components in the food, pharmaceutical or cosmetic industries. In this way a closed material cycle is created.

As far back as May 2008, more than a year before the effective date of the Biofuel Sustainability Regulation (Biokraft-Nachhaltigkeitsverordnung – Biokraft-NachV) and the Biomass Electricity Sustainability Ordinance (BioSt-NachV), VERBIO provided a study which showed evidence of being able to meet the required greenhouse gas reduction potential. All of our production locations have been certified in accordance with the Biokraft-NachV and BioSt-NachV since August 2010.

We are committed to manufacturing biofuels in a sustainable manner. This commitment includes every step of the process from the cultivation of the biomass, its transport, through to the production of fluid or gas biofuels meeting the quality standards required for use as a fuel for vehicles.

An independent certification authority performs an annual audit ensuring compliance with the legal requirements.

Our internal research and development team ensures that our technologies and plants are subject to a permanent process of improvement and optimisation in order to increase energy efficiency to the highest possible level. In addition, our technology development work is also focussed on the efficient use of the raw materials that we use. An example of this is the sterol production technology installed in our Bitterfeld location, which is now in its third expansion phase. Using this we extract sterols, in addition to pharmaceutical

glycerine, from the rapeseed oil used in biodiesel production; this is used in markets worldwide as a dietary supplement that has cholesterol-reducing properties, or as a compound for hormone production purposes.

In the same way, VERBIO's biorefinery concept underlines the multiple use of the grain raw materials offered by our ethanol production process. On completion of the ethanol manufacturing process, part of the resulting distillation waste is marketed as animal feed, while the larger proportion is reused in the adjacent biomethane production plant for energy generation purposes and to manufacture biofuel in the form of gas. After that it is returned to agricultural use as a residual by-product in the form of solid fermentation residues and liquid ASK fertiliser, creating a closed material cycle.

After an extension of toll exemptions for low-emission heavy goods vehicles – including CNG and LNG powered heavy goods vehicles – until the end of 2023 VERBIO sees sustainable growth opportunities in the fuel sector with biomethane from straw for use in long-haul transport in Germany and in Europe. It can be expected that numerous transport companies will make use of the potential CO₂ savings, efficiency and cost advantages to be obtained from CNG/LNG powertrains, and that they will convert at least a part of their fleets in the short term. These vehicles can all be fuelled on a sustainable basis using biomethane manufactured from straw and waste products.

VERBIO will itself make intensive use of this decarbonisation and efficiency opportunity; VERBIO's own heavy goods vehicle fleet will be completely converted to this environmentally friendly fuel by mid-2021 with at least 50 CNG heavy goods vehicles, and the fleet will primarily be fuelled using biomethane from the Group's own production.

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 2019/2020 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 of risks and opportunities is described in detail in the risks and opportunity report in the annual report 2019/2020 on pages 37 to 43.

Ethics and integrity

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

The VERBIO Group's employees have committed themselves to act in compliance with the code of conduct issued by the Management Board. This document sets the values and rules of conduct that the employees of the VERBIO Group identify with.

GRI 102-17 Mechanisms for advice and concerns about ethics

With the implementation of a compliance management system VERBIO Group employees are provided with guidelines on which they can base their actions, as well as a measure for assessing the behaviour of others. When questions, doubts or contraventions of these guidelines arise, whether these are matters which affect the individual concerned or matters which concern another employee or their supervisor, the employee is able to speak to their supervisor and/or to the compliance officer (if necessary, on an anonymous basis). Employees' knowledge of the compliance system is refreshed by regular training events.

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, 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 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 which are of fundamental importance for VERBIO.

Until June 30, 2020, the Management Board of VERBIO AG consisted of four members, and since the appointment of Stefan Schreiber on July 1, 2020 it consists of five members; they have joint responsibility for the management of the Company with the objective of generating sustainable added value. 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. There were no changes in the Management Board or in the Supervisory Board of VERBIO AG in the financial year 2019/2020.

GRI 102-19 Management body responsible for assigning authority levels

Within the VERBIO Group a system of different levels of authority is applied, under which different payment limits require varying levels of approval from persons with specific positions. These approval limits are issued by the Management Board and the Managing Director to individual division and department managers in the form of powers of attorney and authorisations.

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 2019/2020. 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

Having an active dialogue with our employees is important to us; to achieve this we primarily make use of employee/goal agreement meetings which are held annually with our employees. 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 which are usually held have been suspended due to the coronavirus pandemic and the associated restrictions. Due to the coronavirus pandemic, the Management Board is currently providing information on the business results and on the Group's development in articles and presentations in the intranet instead of in the usual half-yearly employee meetings.

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. In addition, 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, the regulatory environment and its impact on the biofuels sector.

Media

VERBIO has an active and open communications policy. The communications department provides press and electronic media with comprehensive information on relevant events on a timely basis. In this way the Company ensures transparency for the general public as well as for its stakeholders. VERBIO provides regular news updates on the www.verbio.de website as well as on the Group's social media channels on Facebook, Instagram and YouTube. In addition, Claus Sauter, the Chairman of VERBIO's Management Board, gives his opinion on political developments, background issues and market conditions in his blog and podcast #strohklug (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.

Management Board

The Management Board conducts the business of VERBIO AG and the VERBIO Group in accordance with the law, the Company's articles 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. At the date of the publication of this non-financial statement the Management Board of VERBIO AG consists of five members.

The Management Board of VERBIO AG had four members in total at June 30, 2020:

- Claus Sauter, Chairman of the Management Board
- 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

The appointments of the existing members of the Management Board were extended ahead of schedule until June 30, 2025 at the meeting of the Supervisory Board held on April 1, 2020. In addition, on July 1, 2020 Stefan Schreiber was appointed as an additional member of the VERBIO AG Management Board; he will be responsible for operations in North America.

GRI 102-23 Highest governance body

In accordance with the articles, 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.-Ing. Georg Pollert, member of the Supervisory Board

The Chairman of the Supervisory Board, Alexander von Witzleben, does not simultaneously hold an additional position as a member of the Management Board. He is also not a past member of the VERBIO AG 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. The members of the Supervisory Board are, unless a different resolution is made by the shareholders at the annual general meeting which is responsible for making a resolution on approving their activities, appointed for a period up until the end of the annual general meeting for the fourth financial year following the commencement of their term of appointment, excluding the financial year in which their appointment commenced.

Further details are provided in the joint declaration of the Management and Supervisory Boards of VERBIO Vereinigte BioEnergie AG on the recommendations of the "Governmental Commission on the German Corporate Governance Code" in accordance with § 161 AktG in the version dated September 18, 2020, provided on the Company's website at <https://www.verbio.de/investor-relations/corporate-governance/entsprechenserklaerung/>.

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 involvement in 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 18, 2020 under "Independence of board members", published on the Company's website at <https://www.verbio.de/investor-relations/corporate-governance/entsprechenserklaerung/> and in the notes to the consolidated financial statements 2019/2020 in note 12.2, "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 responsi-

ble 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 Appraisal of performance of the highest governance body

The performance of the Supervisory and Management Boards are 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 audits the efficiency of its work using a self-evaluation questionnaire on a regular basis. The results are examined on an anonymous basis and the potential for improvement is discussed. The last examination was performed in the financial year 2017/2018 in line with the planned cycle. A repeat audit of the efficiency of the work performed by the Supervisory Board is planned for the first half of the financial year 2020/2021.

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.

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 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 Board 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.

GRI 102-33 Communicating critical concerns

In case 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, either personally, by telephone or by email.

GRI 102-34 Nature and total number of critical concerns

There were no matters of concern reported to the compliance officer in the reporting period 2019/2020.

GRI 102-35 Remuneration policies

Supervisory Board

The remuneration of the Supervisory Board is governed by § 14 of the Company's articles of association. On January 31, 2020 the annual general meeting of VERBIO AG made a resolution to increase the Supervisory Board remuneration from EUR 30 thousand to EUR 45 thousand annually and to amend the articles of association to that effect. According to this, 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.

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 Management Board's remuneration system, the remuneration principles, and a description of the structure and amounts of remuneration paid to the members of the Management Board and the members of the Supervisory Board are provided in the remuneration report, which is included in the Group management report as part of the annual report 2019/2020.

The Supervisory Board has examined the remuneration system for the Management Board and the amounts of the remuneration paid in the light of the Act Implementing the Second Shareholders' Directive (Gesetz zur Umsetzung der zweiten Aktionärsrichtlinie – ARUG II), issued on December 12, 2019 and which entered into force on January 1, 2020, and the associated amendments to the German Corporate Governance Code. An amendment made to the remuneration system is reflected in the new Management Board employment contracts in effect from July 1, 2020. The

amended remuneration system for the Management Board will be presented for approval at the annual general meeting to be held on January 29, 2021.

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 remuneration paid to individual members of the Management Board. The remuneration structure currently in place for the Management Board was approved by the Supervisory Board at its meeting held on September 21, 2015 and has been in effect from November 1, 2015. The system is based on the remuneration system previously in place that was applicable up to and including October 31, 2015. The remuneration system in place since November 1, 2015 was approved by a majority of 96.69 percent of the shareholdings represented at the general shareholders' meeting held on January 29, 2016.

The principles for the development of the remuneration system required by law from 2021 in accordance with § 87 a AktG (as included in the German Corporate Governance Code in the version dated December 16, 2019 published on March 20, 2020) have already been included in the extended contracts of the members of the Management Board valid from July 1, 2020.

GRI 102-37 Stakeholders' involvement in remuneration

The Management Board's current remuneration system was presented to shareholders at the annual general meeting 2016 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.

The remuneration system, which is a statutory obligation from 2021 in accordance with § 87 a AktG, as well as the amendment and adjustments to the remuneration of the Management Board to reflect the amended recommendations of the 2020 Code will be proposed by the Supervisory Board and Management Board for approval at the annual general meeting to be held on January 29, 2021.

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. Further details of the companies included in the consolidated group are provided in the notes to the consolidated financial statements included in the annual report 2019/2020 in note 2.2.

GRI 102-47 List of material topics

VERBIO performed a significance analysis for the purposes of preparing this non-financial statement. Accordingly, assessments were made of each sustainability aspect with significant economic, ecological and social impacts. The significant non-financial aspects identified in the significance analysis are presented in the significance matrix which follows.

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

GRI 102-48 Restatements of information

There have been no significant restatements of information concerning the previous report issued for the reporting period 2018/2019.

GRI 102-49 Changes in reporting

The world-wide spread of COVID-19 was declared a medical emergency by the World Health Organization (WHO), with significant consequences for the population and for the economy. VERBIO has performed an analysis of the specific effects of the COVID-19 pandemic. There have been no significant changes to the material topics and the scope of the topics compared to the reporting period 2018/2019 as a result.

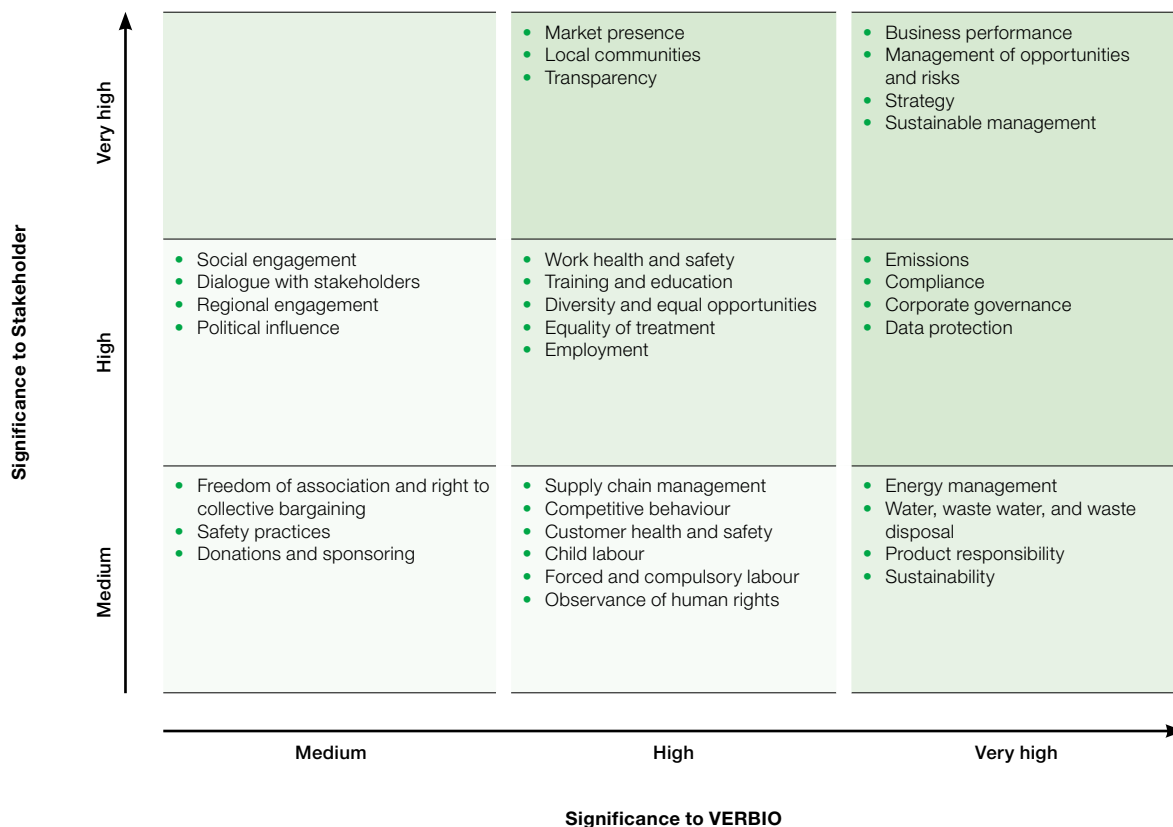
GRI 102-50 Reporting period

This non-financial statement is for the financial year 2019/2020, i.e. for the reporting period from July 1, 2019 to June 30, 2020.

GRI 102-51 Date of most recent report

We issue our sustainability report annually. The report for the previous year was issued on September 25, 2019.

Significance matrix



GRI 102-52 Reporting cycle

The VERBIO AG non-financial statement are updated 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 Olaf Tröber, Head of VERBIO AG Investor Relations at the following email address: 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 standard issued by the Global Reporting Initiative (GRI); this standard has been in effect since July 1, 2018. This

report has been prepared in accordance with the GRI Standards: “Core” option and reflects the material aspects of our understanding of sustainability and corporate responsibility management.

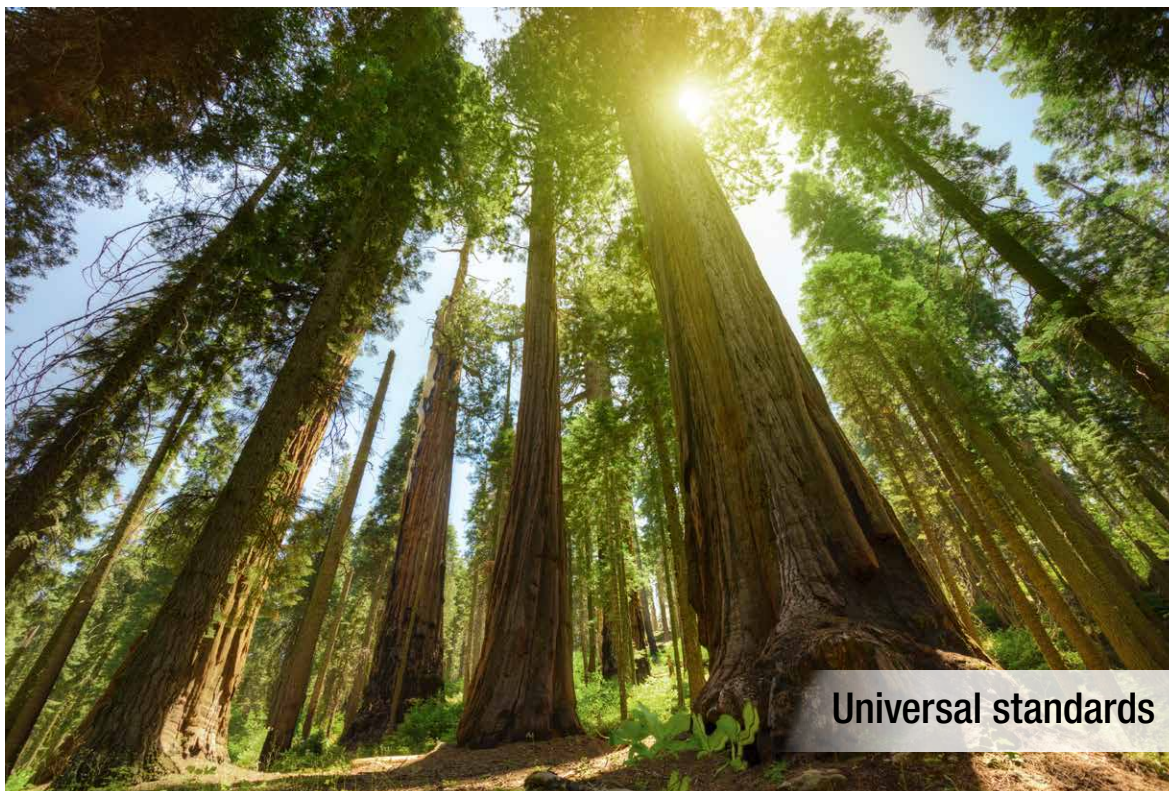
GRI 102-55 GRI content index

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 non-financial statement.

GRI 102-56 External assurance

No external audit of the non-financial statement has been performed by a firm of auditors or by any other institution. Accordingly, under the requirements of § 171 AktG the non-financial statement was audited by the Supervisory Board in accordance with § 289 b and § 315 b HGB.

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. In doing this 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 CO₂ reductions of up to 90 percent compared to the use of fossil fuels, we are making a mark on the climate protection issue.

GRI 200 – Economic standards



Economic standards

Management of opportunities and risks

GRI 103-1 Explanation of the material topics and their boundaries

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.

GRI 103-2 The management approach and its components

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 potential environmental risks include:

- a. New regulations concerning using biofuels as additives or alternative mobility concepts as countermeasures to combat global warming. Such measures could lead to significant 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 could lead to interruptions of production or to supply chain blockages.

The potential opportunities include:

- a. New legal regulations to reduce CO₂ emissions. We already generate most of our sales revenues from products which reduce CO₂ 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 CO₂ savings and that help to prevent or reduce the burning of agricultural waste products.
- c. Increasing energy taxes and energy prices will increase the demand for biofuels, in particular second-generation biofuels.

Further information is provided on significant risks and opportunities in the annual report 2019/2020 on pages 37 to 43.

Management of commercial risks

For VERBIO, the management of risks and compliance 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 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 which 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, as well as ensuring compliance with legal requirements:

4. 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.
5. The risk management system systematically tracks the significant risks of the operating entities and reports on them to the Management Board.
6. The system of compliance management ensures adherence with the ethical principles of corporate governance. It identifies the relevant legal requirements and new regulations, provides these to all affected entities in the Group, and conducts compliance training for employees.

Compliance management

VERBIO applies ethical corporate management principles which go over and above the statutory requirements. These are summarised in our code of conduct. All VERBIO employees are obliged to comply with these standards.

The compliance management department is tasked with ensuring that all components of the Group are in compliance with these principles, as well as with all the relevant legal requirements. Compliance training is provided to ensure that employees are aware of risks and to provide a code of conduct for behaviour in their daily work. This is governed by the Group's compliance guidelines. Employees are required to inform their supervisors, the compliance officer or the responsible personnel manager should they observe contraven-

tions of these guidelines. It is also possible for any employee to contact the Supervisory Board directly.

Prevention is a core element of the work performed by the compliance officer and by staff with management roles. They provide training and they inform and advise management and employees, for example concerning the Group's strategy and measures, with the objective of preventing corruption. No contraventions of the compliance guidelines were identified in the years 2018/2019 and 2019/2020.

Data protection

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 VERBIO Group data protection department has performed analyses of the new requirements of the General Data Protection Regulation (Datenschutz-Grundverordnung – GDPR) which came into force in May 2018, and prepared practical implementation guidelines based on the regulation. The GDPR implements tighter controls for the way that companies manage 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 technical and organisational measures are the measures taken to make employees aware of the issues and provide them with training, as well as regular internal data protection audits.

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 implemented, based on an underlying concept, 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 has led to a significant increase in employees working from home. On the one hand, this was to

prevent the spread of the coronavirus and to protect the Group's employees by limiting the contact between employees, and on the other hand to ensure that operations were able to continue. For this purpose, use has been made of appropriate technical and organisational protective measures, 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.

No breaches of data protection rules were noted in the financial year 2019/2020.

GRI 103-3 Evaluation of the management approach

The risk management system meets the requirements of the VERBIO Group's corporate governance principles and the statutory requirements in full, and is subjected to audit within the scope of the annual audit. With respect to the early risk warning system, which is part of the risk management system, the auditors of our consolidated financial statements 2019/2020 concluded that the Management Board has 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 which could affect the ability of the Company to continue as a going concern. The compliance department reports to the Supervisory Board once a year on its work and, if applicable, on significant compliance incidents.

Supply chain management

GRI 103-1 Explanation of the material topics and their boundaries

In order to conduct its business on a commercially sustainable basis and in order to ensure it cooperates with the right suppliers, VERBIO places great value on its sustainable supply chain management.

GRI 103-2 The management approach and its components

We also aim to continue to develop solutions in the future which meet the standards that we set ourselves, to create added value for our customers and shareholders and to grow on a sustainable basis. VERBIO is working with suppliers and customers worldwide to promote sustainable commercial working practices.

Supplier audits include an examination of environmentally sound production practices used by our suppliers. These audits cover audit topics relevant to VERBIO such as compliance, organisation and the availability of resources.

GRI 103-3 Evaluation of the management approach

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 quality management certifications for the substantial majority of suppliers already under contract on a regular basis. This information is used in the internal assessment system.

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 information is provided in half-year financial reports published each year as of December 31 and quarterly interim statements 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 consequences of climate change and other risks and opportunities

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. However, for VERBIO the opportunities arising from this issue outweigh the risks, given that reducing greenhouse gas emissions is one of VERBIO's business models.

GRI 201-4 Financial assistance received from government

VERBIO has received small de-minimis aid amounts (below EUR 35,000 for each award) for logistics and for technology subsidies supporting interdisciplinary technology projects. All subsidies were awarded to the Group's subsidiaries located in German Federal states of Brandenburg and Sachsen-Anhalt. No other direct national subsidies were received.

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.

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 9.35/hour. As remuneration is determined independently of the sex 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:

Five new staff were appointed to senior management positions in the reporting period. Four of the new members of senior management (80 percent) were people from the local region.

Canada:

Four new staff were appointed to senior management positions in the reporting period. Three of the new members of senior management (75 percent) were people from the local region.

USA:

Two new staff were appointed to senior management positions in the reporting period. Both the new members of senior management (100 percent) were people from the local region.

GRI 300 – Environmental standards



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

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.

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 emissions, the sustainable use of resources and a waste management system which provides for ways of ensuring the reuse of the majority of our waste products by competent partners.

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.

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 used

GRI 301-1 Materials used

Given the nature of the Group's products, VERBIO naturally – and consciously – mostly uses renewable raw materials.

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 plant utilisation efficiency. Energy efficiency and the associated reduction in CO₂ emissions are an established part of our business model.

The total energy requirement of VERBIO's German production locations in Schwedt, Zörbig, Bitterfeld and, from 2019, Pinnow, and also including the vehicle fleet, amounted to 828,218 MWh in the financial year (previous year: 817,769 MWh), an increase of only

1.3 percent despite the commissioning of a new biomethane production plant at the Pinnow location.

It is our objective to make ongoing reductions in our energy consumption. To achieve this, energy manag-

ers in all of VERBIO's departments analyse energy consumption and develop appropriate action plans for the efficient use of existing energy sources.

	Units	2019/2020	2018/2019	2017/2018	-/+ %
Total energy consumption	MWh	828,218	817,769	778,252	+1.3

The data recorded, including the specific ratios, relate to VERBIO's production locations at Schwedt/Oder, Pinnow (new from 2019), Bitterfeld and Zörbig (includ-

ing the vehicle fleet) and are primarily based on measurements and calculations.

GRI 302-3 Energy intensity

	Units	2019/2020	2018/2019	2017/2018	-/+ %
Quantity of biofuels produced (Bioethanol, biodiesel, biomethane)	t	761,312	770,646	764,463	-1.2
Energy intensity	MWh/t	1.09	1.06	1.02	-2.8

The energy intensity shown takes account of the production and total energy consumption for the production locations in Zörbig, Bitterfeld, Pinnow, and Schwedt/Oder in proportion to the production of biofuels (bioethanol, biogas, biodiesel).

The specific energy consumption at VERBIO's production locations has improved slightly at 1.01 MWh/t compared to the previous year (previous year: 1.13 MWh/t).

GRI 302-4 Reduction of energy consumption

VERBIO has set itself the objective of achieving a continuous reduction in the specific energy consumption in production. The basis for targeted efficiency measures is set out in energy management systems complying with DIN EN ISO 50001 and energy audits, which have been implemented successively in all areas of the business in Germany since 2009.

In addition to meeting statutory requirements and legal requirements imposed under licence, we implement economically relevant energy efficiency measures identified as part of a conscious and responsible approach to the use of energy in our office buildings, vehicle fleet, workshops, storage areas and production processes. Assessments of measures taken to reduce energy consumption are made in annual energy reports produced for the Group's production plants.

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

Climate protection is a key issue for us. 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 acquisition of CNG-powered heavy goods vehicles for the VERBIO Logistik GmbH fleet is an important contribution to CO₂-neutral heavy goods transport. These heavy goods vehicles are powered with biomethane made from 100 percent straw manufactured in VERBIO's own production plants. Three additional vehicles were added in 2020 to the eight vehicles acquired in the previous financial year. In addition to a 90 percent reduction in CO₂ 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.

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 CO₂-free.

GRI 303 Water

GRI 303-1 Water withdrawal by source

Water is a valuable and scarce resource. Accordingly, as an industrial business we believe we have an obligation to act responsibly concerning our water consumption and sources of water. We make an effort to mini-

mise water consumption in our production processes, in our buildings and in our other activities.

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

Measures taken to recycle and save water have made it possible to reduce water consumption by 5 percent compared to the previous year. This result is particularly important under consideration of the fact that operations commenced at the new production location in Pinnow, so that the additional water consumption needed there is also included in the total.

	Units	2019/2020	2018/2019	2017/2018	-/+ %
Quantity of biofuels produced (bioethanol, biodiesel, biomethane)	t	761,312	770,646	764,463	-1.2
Water consumption (total)	m ³	1,046,036	1,098,362	1,131,023	-4.76
Specific water consumption per unit of biofuels manufactured	m ³ /t	1.37	1.43	1.48	-4.20

The data collated, including the specific ratios, only relate to VERBIO's production locations in Germany (Schwedt/Oder, Pinnow, Bitterfeld, Zörbig) and are obtained by using water meters.

GRI 305 Emissions

GRI 305-1 Direct (Scope 1) GHG emissions

	Units	2019/2020	2018/2019	2017/2018	-/+ %
Direct CO ₂ -emissions	t	138,258	135,793	126,318	+1.82

GRI 306 Effluents and waste

	Units	2019/2020	2018/2019	2017/2018	-/+ %
Total volume of waste water discharges	m ³	348,548	353,396	296,211	-1.4

The data collated, including the specific ratios, only relate to VERBIO's production locations in Germany (Schwedt/Oder, Pinnow, Bitterfeld, Zörbig) and are obtained by using water meters.

GRI 306-1 Water discharge by quality and destination

The VERBIO Group draws water from public or private suppliers, and in Zörbig from its own well. Waste water is not pumped directly into open waters; instead it is sent for treatment at the respective location by municipal or private waste water treatment plants.

GRI 306-2 Waste by type and disposal method

We have a consistent objective at all of our production locations: the first priority is avoiding the creation of waste, the second priority is recycling, and where possible, both are preferable to treating waste. For this purpose, we see it as an ongoing task to investigate new methods of making appropriate use of waste and

residual products, both at our production locations and elsewhere. When selecting waste processes, we cooperate with reliable partners and approved waste disposal experts to ensure that all statutory obligations are met in full.

The total waste requiring disposal generated by the production locations in Germany in the financial year 2019/2020 amounted to 5,553 tonnes (previous year: 5,277 tonnes). This represents an increase in waste of 5 percent.

441,625 tonnes of waste were used at the production locations in Germany, some of which was generated in the production processes (mucilage, fatty acids, distillation waste etc.).

	Units	2019/2020	2018/2019	2017/2018	-/+ %
Total waste requiring disposal	t	5,553	5,277	5,469	+5.0

GRI 306-3 Significant spills of hazardous substances

There have been no spills of harmful, hazardous or similar substances at VERBIO locations in the financial year 2019/2020.

GRI 306-4 Transport of hazardous waste

Approved waste handlers collect the small amount of hazardous waste generated at the locations in Germany and are responsible for its treatment in accordance with the applicable regulations.

GRI 306-5 Water bodies affected by water discharges and/or runoff

The waste water generated at the production plants is treated at the respective water treatment plants in accordance with the statutory requirements.

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 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, to ensure our long-term commercial success.

There have been no known 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 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 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 400 – Social standards



Company pension arrangements

GRI 103-1 Explanation of the material topics and their boundaries

The VERBIO Group provides the majority of its employees with company pension arrangements in the form of defined benefit and defined contribution plans which are part of general framework agreements, as well as individual commitments.

GRI 103-2 The management approach and its components

VERBIO's pension provision strategy focusses on providing defined contribution plans, provided that this is permitted under the rules of the respective country. This is necessary in order to be able to provide both the employees and the Company with a sustainable and transparent pension system.

GRI 103-3 Evaluation of the management approach

VERBIO pays a purely employer-financed contribution to company pension arrangements for the majority of its employees.

Training and education

GRI 103-1 Explanation of the material topics and their boundaries

Providing support for employees to obtain qualifications and further education and training is done by VERBIO as a matter of course. In return, we expect engagement, ambition and loyalty from our employees. Life-long learning is a particular challenge in view of the demographic challenge. However, VERBIO also views life-long learning as an opportunity, and accordingly has firmly established training processes.

GRI 103-2 The management approach and its components

VERBIO provides a comprehensive range of training programmes. These include, among others, presence training events, a digital compliance learning programme and training on the code of conduct. For our production staff we offer specific and local training courses and training programmes which, in addition to providing qualifications for individuals, also contribute to work safety and product quality. This offering is complemented by a range of training opportunities,

qualifications and development programmes on offer at our various locations, which are primarily focussed on technical requirements. In addition to the training programmes, the continuing further education of employees is of particular importance.

GRI 103-3 Evaluation of the management approach

In order to provide targeted continuing further education for our employees, performance reviews are held and employee development plans are prepared for VERBIO's employees on a regular basis. This is managed using the Group's talent management process. Employee reviews were held for all employees qualifying for bonuses in the year 2018/2019. Employees that do not qualify for bonuses are employees on temporary contracts, as well as apprentices and heavy goods vehicle drivers.

GRI 401 Employment

GRI 401-1 New employee hires and employee turnover

A total of 65 additional new jobs were created in the financial year 2019/2020. 80 employees have left the Group. The resulting vacancies for these positions have been filled. The employee turnover rate is 11.32 percent (2018/2019: 13.82 percent).

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. The total of the variable remuneration components paid on a monthly basis amounted to approximately EUR 780,000 in the financial year 2019/2020 (financial year 2018/2019: approximately EUR 660,000). The amount of the one-off payment for the financial year 2019/2020, which will be paid in October 2020, is expected to be approximately EUR 3.7 million (financial year 2018/2019: approximately EUR 3.0 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. The scheme consists of a purely employer-financed arrangement in which payments are made into a pension scheme. A pro-rata payment is made for part-time employees.

Severely disabled employees are awarded 5 additional days holiday annually. VERBIO employs a total of 10 severely disabled employees (financial year 2018/2019: 9).

Parental leave can be taken by both mothers and fathers. In total, 5 fathers and 3 mothers took parental leave in the reporting period.

In North America and in India employees receive an additional health insurance policy to ensure that they have access to health care 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 in Poland. The subsidy paid totalled EUR 56,000 in the reporting period (financial year 2018/2019: EUR 54,000).

At German locations VERBIO shares in the cost of a job ticket, a travel pass for local transport in locations where such arrangements are offered, in order to promote the use of public transport for journeys to work and to make an active contribution to climate protection.

VERBIO permits the use of flexible working hours where the responsibilities of an employee make this possible. Working from home is permitted where this is practicable.

Part-time working arrangements are entered into with employees to assist them in combining a career with family life, taking into account the requirements of the Part-Time Work and Fixed-Term Contracts Act (Gesetz über Teilzeitarbeit und befristete Arbeitsverträge – TzBfG) and local employment law in other countries.

GRI 403 Occupational health and safety

GRI 403-1 Workers' representation in formal joint management-worker health and safety committees

Occupational safety committees (ASAs) are established in accordance with § 11 Occupational Safety Act (Arbeitssicherheitsgesetz – ASiG).

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 403-2 Types of injury and rates of injury, occupational diseases, lost days, absenteeism, and number of work-related fatalities

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.

Occupational accidents:

	2019/2020	2018/2019
Occupational accidents	15	16
LTIF ¹⁾	3.04	3.52

¹⁾ Lost time injury frequency (rate)/200.000 working hours

There were no work accidents in the foreign subsidiaries in the reporting period 2019/2020.

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

GRI 404 Training and education

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

At June 30, 2020 a total of 17 trainees (June 30, 2019: 16) were employed as trainee chemists, laboratory chemists, mechatronic engineers, industrial mechanics, automotive mechatronic engineers and heavy goods vehicle drivers. 3 trainees who were learning to become chemists and automotive mechatronic engineers successfully completed their training programmes in the financial year 2019/2020. In order to ensure that high quality standards are met, VERBIO works with occupational training centres in the respective regions in which it operates. Statistics measuring the average number of hours of training per year per employee are not recorded. In total 591 training events were held in the reporting period.

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, five employees were in part-time training programmes supported by VERBIO (financial year 2018/2019: 5).

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 2019 employee meetings were held with a total of 438 employees (63 percent; financial year 2018/2019 372, 66 percent). In addition, personal and technical development needs are discussed and a review is made of measures taken.

Annual employee appraisal interviews are currently being implemented in the foreign subsidiaries in Hungary, Canada and the USA. In Hungary the first employee appraisal interviews were held with all employees at the beginning of 2020.

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, sex, sexual identity, religion, political views, national or social origin or other factors. VERBIO's human resources management places emphasis on promoting 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.

The average age of VERBIO's employees is 42.00 years (June 30, 2019: 42.19).

The age structure at June 30, 2020 was as follows:

	Male	Female	Diverse	Total
Under 30	11.45 %	4.00 %	0.00 %	15.45 %
30–50	39.45 %	12.41 %	0.00 %	51.86 %
Over 50	26.48 %	6.21 %	0.00 %	32.69 %

The age structure at June 30, 2019 was as follows:

	Male	Female	Total
Under 30	12.12 %	4.24 %	16.36 %
30–50	38.03 %	12.73 %	50.76 %
Over 50	26.52 %	6.36 %	32.88 %

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. As the Supervisory Board already consists of one female and two male members, this target has already been met. 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.

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 December 31, 2020. 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. Accordingly, at its meeting held on September 21, 2015 the Supervisory Board set a target for female participation in the Management Board up until June 30, 2017 at zero, indicating its intention to maintain the status quo. 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.

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 the 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; which was achieved at 29 percent. 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. In its meeting on June 20, 2017

the Management Board extended its resolution beyond its expiry date of June 30, 2017, extending it for a further five years up until June 30, 2022.

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. In doing so, the standard entry-level wages and salaries paid to employees in the production sector in Germany are more than 40 percent above the legal minimum wage.

GRI 406 Non-discrimination

GRI 406-1 Incidents of discrimination and corrective actions taken

We view the diversity of mankind as an enrichment. We do not tolerate any unequal or unfair treatment on the basis of sex, 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. A register of discrimination cases is not maintained. All managers have been trained in requirements of the General Equal Treatment Act (Gleichbehandlungsgesetz – AGG) using e-learning techniques and have communicated the most important aspects to 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.

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.

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, voluntary fire-fighter brigades and others.

During the COVID-19 pandemic VERBIO commenced manufacturing disinfectant solutions using bioethanol for use in disinfecting hands and surface areas in order to make a contribution to the national demand for cleaning materials. VERBIO AG has provided a portion of the volume of disinfectant solutions manufactured to the municipal authorities at its locations without charge for the public benefit. In April/May 2020 VERBIO donated more than 2,500 litres of disinfectant solutions to city and municipal facilities and to emergency and social care facilities in Leipzig, Schwedt, Zörbig and Bitterfeld-Wolfen.

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 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. 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

We are not aware of any significant current or potential negative social impacts resulting from our supply chain.

GRI 415 Political influence

GRI 415-1 Party donations

VERBIO has regular and comprehensive discussions with politicians and associations at municipal, regional and federal level. Two political party donations were made amounting to EUR 5,000.00 and EUR 10,000.00 respectively were made in the reporting period. Sponsoring contracts, contributions made to industry associations and membership fees for organisations that represent business interests are not classified as political donations.

GRI 416 Customer health and safety

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

We have a comprehensive responsibility for ensuring that our products are, provided they are used properly, 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 establish 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 annual inspections by external companies in accordance with 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.

Our quality management system is particularly focussed on creating co-products in the process of producing our biodiesel and bioethanol; these are used to manufacture and supply our customers with food products or animal feed. Our customers are provided with information concerning the proper use of our products and the potential risks that they carry. VERBIO performs regular assessments of complaints and returns from customers, and uses them to make continuous improvements to the quality and safety of our products.

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

We are not aware of any incidents of non-compliance concerning the health and safety impacts of products and services.

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 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 supplied for use in the food industry are additionally identified as kosher and halal, i.e. as being suitable for consumption by people of the Jewish or Muslim faiths respectively. The relevant third-party certification has been obtained for this purpose.

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

We are not aware of any incidents of non-compliance concerning product and service information and labelling.

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

We are not aware of any matters of non-compliance concerning marketing and communications.

GRI 418 Customer data

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

We are not aware of any complaints concerning customer privacy and losses of customer data.

GRI 419 Social-economic compliance

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

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

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Financial calendar 2020/2021

23. September 2020	Publication of the annual report 2019/2020, Analyst's conference
5. November 2020	Publication of the quarterly statement for the period ended September 30, 2020 (July 2020 to September 2020)
29. January 2021	Annual General Meeting, Penta-Hotel, Leipzig
4. February 2021	Publication of the half-yearly interim report 2020/2021 (July 2020 to December 2020)
6. May 2021	Publication of the quarterly statement for the period ended March 31, 2021 (July 2020 to March 2021)
22. September 2021	Publication of the annual report 2020/2021, Analyst's conference

Contact address and imprint

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VERBIO Vereinigte BioEnergie AG

Contact

VERBIO Vereinigte BioEnergie AG

Ritterstraße 23 (Oelßner's Hof)

04109 Leipzig

Phone: +49 341 308530-0

Fax: +49 341 308530-999

www.verbio.de

Forward-looking statements

The non-financial statement 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.

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We will be delighted to send you additional information about VERBIO Vereinigte BioEnergie AG on request at no charge.

Phone: +49 341 308530-251

Fax: +49 341 308530-998

E-Mail: ir@verbio.de

VERBIO Vereinigte BioEnergie AG

Ritterstraße 23 (Oelßner's Hof)

04109 Leipzig

P: +49 341 308530-0

F: +49 341 308530-999

ir@verbio.de

www.verbio.de