

# Corporate governance report

This corporate governance report combines the corporate governance report of AGRANA Beteiligungs-AG and the consolidated corporate governance report of AGRANA Beteiligungs-AG pursuant to sections 243c and 267b Austrian Commercial Code (UGB) in conjunction with section 251 (3) UGB.

AGRANA Beteiligungs-AG is a public limited company (a stock corporation) under Austrian law and is listed on the Vienna Stock Exchange. The legal framework for corporate governance at AGRANA is provided by Austrian stock corporation law and capital market law, the regulations on employee co-determination, the Articles of Association and the terms of reference (the charters) of the Supervisory Board and Management Board of AGRANA Beteiligungs-AG. In addition, the Austrian Code of Corporate Governance (ACCG), which can be found on the website of the Austrian Working Group for Corporate Governance at [www.corporate-governance.at](http://www.corporate-governance.at), provides the framework for the direction and oversight of the company with the aim of ensuring a high degree of transparency for all stakeholders.

The ACCG consists of binding so-called L rules (these are based on legal requirements); of C rules (comply-or-explain rules), which are expected to be adhered to, with deviations to be explained in order to achieve compliance with the ACCG; and of R rules (recommendations), non-compliance with which requires neither disclosure nor explanation.

## Commitment to the Austrian Code of Corporate Governance

AGRANA is committed to the provisions of the Austrian Code of Corporate Governance. In the 2021|22 financial year, AGRANA applied the ACCG in the version of January 2021. At its meetings on 18 November 2021 and 17 February 2022, the Supervisory Board of AGRANA Beteiligungs-AG discussed matters of corporate governance and unanimously adopted the statement of compliance with the ACCG.

Under rule 62 of the ACCG, the implementation of and compliance with the individual rules of the ACCG must be externally evaluated on a regular basis, at least every three years. This was done for the 2020|21 financial year by KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, based on the questionnaire (January 2021 edition) issued by the Austrian Working Group for Corporate Governance for the purpose of assessing compliance with the ACCG. The report on this external evaluation is available at [www.agrana.com/en/ir/corporate-governance](http://www.agrana.com/en/ir/corporate-governance).

In the 2021|22 financial year, AGRANA adhered to all C rules of the ACCG except as explained in the following:

- **Rule 27 (Management Board compensation criteria)**

The existing employment contracts of the Management Board members do not tie variable compensation to non-financial criteria and only partly specify maximum amounts. A retroactive change to existing contracts does not appear justified.

- **Rule 27a (severance pay)**

In the event that a Management Board appointment is withdrawn, severance pay has been agreed in accordance with the provisions of the Employees Act. The contracts of members of the Management Board partly contain ceilings on severance pay.

The approach in respect of rules 27 and 27a was adopted by the Supervisory Board and implemented by the Nomination and Remuneration Committee in the contracts of the Management Board members.

- **Rule 49 (contracts requiring approval)**

Under section 95 (5)(12) of the Austrian Stock Corporation Act, the approval of the Supervisory Board is required for contracts with members of the Supervisory Board by which members undertake, outside their role on the Supervisory Board, to provide a service to the Company or a subsidiary for a material consideration. This also applies to contracts with companies in which a Supervisory Board member has a significant economic interest. For business policy and competition reasons, the object and terms of such contracts are not published in the annual report as stipulated in rule 49. This divergence was adopted by the Supervisory Board at the time of the initial commitment to the Austrian Code of Corporate Governance in 2005.

To safeguard open and transparent communication with all capital market participants and the interested public, information provided to investors during conference calls and road shows is simultaneously made available to all other shareholders through the Group website at [www.agrana.com/en/ir/overview](http://www.agrana.com/en/ir/overview).

## AGRANA's boards and functioning of the Management Board and Supervisory Board

### Management Board

At 28 February 2022 the Management Board had the following members:

Name	Year of birth	Date first appointed	End of term
<b>Markus Mühleisen</b> Chief Executive Officer	1966	1 June 2021	31 May 2024
<b>Ingrid-Helen Arnold</b>	1968	1 June 2021	30 April 2024
<b>Stephan Büttner</b>	1973	1 Nov 2014	31 Oct 2024
<b>Norbert Harringer</b>	1973	1 Sept 2019	31 Aug 2027

The term of office of outgoing CEO Johann Marihart ended on 31 May 2021. Effective 1 June 2021, Markus Mühleisen was appointed Chief Executive Officer. On 31 May 2021, Fritz Gattermayer and Thomas Kölbl also left the Management Board.

With effect from 1 June 2021, the functional responsibilities previously held by Fritz Gattermayer were assumed by Markus Mühleisen (Sales), Stephan Büttner (Purchasing and Logistics), and Norbert Harringer (Raw Materials). Also on 1 June 2021, Ingrid-Helen Arnold succeeded Thomas Kölbl by taking over the Internal Audit function.

Members of the Management Board held supervisory board or similar positions in the following domestic and foreign companies not included in the consolidated financial statements:

- **Markus Mühleisen**  
Südzucker AG<sup>1</sup>, Mannheim, Germany
- **Ingrid-Helen Arnold**  
Heineken N.V., Amsterdam, Netherlands; TUI AG, Hanover, Germany

- **Johann Marihart**  
Südzucker AG<sup>1</sup> (until 31 May 2021)

TÜV AUSTRIA HOLDING AG, Vienna; TÜV AUSTRIA SERVICE GmbH, Vienna; Bundesbeschaffung GmbH, Vienna; Österreichische Forschungsförderungsgesellschaft mbH; Ottakringer Holding AG, Vienna; Spanische Hofreitschule – Lipizzanergestüt Piber, Vienna (until 6 January 2022); chairman of the Austrian Food Industry Association (Fachverband der Nahrungs- und Genussmittelindustrie) within the Austrian chamber of commerce (WKO).

- **Thomas Kölbl**  
K+S Aktiengesellschaft, Kassel, Germany

Positions within the Südzucker Group: PortionPack Europe Holding B.V, Oud-Beijerland, Netherlands; CropEnergies AG, Mannheim, Germany; Südzucker Versicherungs-Vermittlungs-GmbH, Mannheim, Germany; ED&F MAN Holdings Limited, London, United Kingdom.

The corporate culture of the AGRANA Group is marked by open and constructive teamwork between the Management Board and Supervisory Board. The two boards, and especially their chairmen, are engaged in ongoing dialogue regarding the Group's performance and strategic direction, both at and between the meetings of the Supervisory Board.

The Management Board of AGRANA Beteiligungs-AG is responsible for managing the Company independently in such a way as is required by the purpose and for the good of the Company, taking into account the interests of the shareholders and employees as well as the public interest. It manages the Company's business in accordance with the legal requirements – in particular the provisions of stock corporation, stock exchange and company law – and with the provisions of the Articles of Association, the Management Board's terms of reference adopted by the Supervisory Board, and the ACCG. The members of the Management Board are in ongoing communication with each other and, in Management Board meetings held at least every two weeks, discuss the current course of business and make the necessary informal and

<sup>1</sup> Appointment as a result of the syndicate agreement between Südzucker AG, Mannheim, Germany, and Zucker-Beteiligungsgesellschaft m.b.H., Vienna.

formal decisions. The Group is managed on the basis of the open sharing of information and of regular meetings with the segment heads and other senior segment management.

The terms of reference set out the division of responsibilities and the cooperation within the Management Board and its duties in respect of communication and reporting, and list the types of actions that require the approval of the Supervisory Board.

The remits of the Management Board members are as follows:

<b>Name</b>	<b>Responsibilities</b>
<b>Markus Mühleisen</b>	Sales, Business Strategy, Communication, Quality Management, Human Resources, and Sugar segment
<b>Ingrid-Helen Arnold</b>	Internal Audit
<b>Stephan Büttner</b>	Finance, Controlling, Treasury, Investor Relations, Information Technology and Organisation, Mergers and Acquisitions, Legal, Compliance, Purchasing and Logistics, and Fruit segment
<b>Norbert Harringer</b>	Production Coordination and Investment, Raw Materials, Research and Development, and Starch segment

With the new composition of the Management Board from 1 June 2021, business segment responsibility was added to the existing functional briefs. As a result, since 1 June 2021, Markus Mühleisen is also CEO of AGRANA Zucker GmbH and AGRANA Sales & Marketing GmbH, Stephan Büttner is additionally CEO of AGRANA Fruit S.A.S. and Norbert Harringer is also CEO of AGRANA Stärke GmbH.

Responsibility for matters of sustainability forms an integral part of many AGRANA Group functions. This integration is also reflected in the fact that, within the Management Board and within the Supervisory Board, all members as a full board share joint responsibility for sustainability governance.

### **Supervisory Board**

The Supervisory Board of AGRANA Beteiligungs-AG has twelve members, of whom eight are shareholder representatives elected by the Annual General Meeting and four are employee representatives from the staff council. All Supervisory Board members elected by the Annual General Meeting have been elected for a term ending at the conclusion of the General Meeting that considers the results of the 2021|22 financial year. In the reporting period the Supervisory Board convened for five meetings.

Name and supervisory board positions in listed domestic and foreign companies	Year of birth	Date first appointed	End of term
<b>Erwin Hameseder, Mühldorf, Austria, independent</b> Chairman of the Supervisory Board - Chairman of the Supervisory Board of Raiffeisen Bank International AG, Vienna - Vice-Chairman of the Supervisory Board of STRABAG SE, Villach, Austria - Second Vice-Chairman of the Supervisory Board of Südzucker AG, Mannheim, Germany	1956	23 Mar 1994	35th AGM (2022)
<b>Hans-Jörg Gebhard, Eppingen, Germany, independent</b> First Vice-Chairman of the Supervisory Board - Chairman of the Supervisory Board of Südzucker AG, Mannheim, Germany - Member of the Supervisory Board of CropEnergies AG, Mannheim, Germany	1955	9 Jul 1997	35th AGM (2022)
<b>Klaus Buchleitner, Mödling, Austria, independent</b> Second Vice-Chairman of the Supervisory Board - Second Vice-Chairman of the Supervisory Board of BayWa AG, Munich, Germany - Member of the Supervisory Board of Raiffeisen Bank International AG, Vienna	1964	4 Jul 2014	35th AGM (2022)
<b>Andrea Gritsch, Vienna, independent</b> Member of the Supervisory Board	1981	3 July 2020	35th AGM (2022)
<b>Helmut Friedl, Egling an der Paar, Germany, independent</b> Member of the Supervisory Board - Member of the Supervisory Board of Südzucker AG, Mannheim, Germany	1965	7 Jul 2017	35th AGM (2022)
<b>Ernst Karpfinger, Baumgarten/March, Austria, independent</b> Member of the Supervisory Board	1968	14 Jul 2006	35th AGM (2022)
<b>Thomas Kirchberg, Ochsenfurt, Germany, independent</b> Member of the Supervisory Board - Member of the Supervisory Board of CropEnergies AG, Mannheim, Germany	1960	10 July 2009	35th AGM (2022)
<b>Josef Pröll, Vienna, independent</b> Member of the Supervisory Board	1968	2 Jul 2012	35th AGM (2022)

Employee representative	Year of birth	Date first appointed
<b>Thomas Buder, Tulln, Austria</b> Chairman of the Group Staff Council and Central Staff Council	1970	1 Aug 2006
<b>Daniela Bogner, Vienna</b>	1963	23 April 2021
<b>Andreas Klamler, Gleisdorf, Austria</b>	1970	10 Nov 2016
<b>René Schmid, Gmünd, Austria</b>	1987	23 April 2021
<b>Gerhard Kottbauer, Aschach, Austria</b> (until 23 April 2021)	1972	17 Jan 2019
<b>Stephan Savic, Vienna</b> (until 23 April 2021)	1970	22 Oct 2009

### Supervisory Board independence

The Supervisory Board of AGRANA Beteiligungs-AG applies the guidelines for the definition of supervisory board independence as set out in Annex 1 to the Austrian Code of Corporate Governance:

- A Supervisory Board member shall not, in the past five years, have been a member of the Management Board or other management staff of the Company or a subsidiary of the Company.
- A Supervisory Board member shall not have a business relationship of a size significant to him or her with the company or a subsidiary of the Company, and shall not have had such a business relationship in the past year. This also applies to business relationships with companies in which the Supervisory Board member holds a significant economic interest, but does not apply to board positions held within the Group.
- The approval of individual transactions by the Supervisory Board under L rule 48 does not automatically imply a member's designation as non-independent.
- A Supervisory Board member shall not, in the past three years, have been an external auditor of the Company or a partner or employee of the external audit firm.
- A Supervisory Board member shall not be a management board member of another company in which a member of the Company's Management Board is a supervisory board member.
- A Supervisory Board member shall not serve on the Supervisory Board for more than 15 years. This does not apply to Supervisory Board members who are shareholders with a strategic shareholding in the Company or who represent the interests of such a shareholder.
- A Supervisory Board member shall not be a close relative (direct descendant, spouse, common-law spouse, parent, uncle, aunt, sibling, nephew or niece) of a Management Board member or of persons holding any of the positions referred to in the foregoing points.

### Committees and their members

Where the importance or specialist nature of a particular subject matter makes it appropriate, the Supervisory Board also exercises its advisory and supervisory functions through the following three committees:

The **Nomination and Remuneration Committee** deals with the legal relationships between the Company and the members of the Management Board. The Committee is responsible for succession planning in respect of the Management Board and approves the compensation schemes for the Management Board members. In a meeting in the 2021|22 financial year, the Committee deliberated on and approved the renewal of the Management Board term of Norbert Harringer for a period ending 31 August 2027. The **Strategy Committee** prepares strategic decisions of the Supervisory Board by providing decision support, and makes decisions in urgent matters. The Strategy Committee held no meetings in the 2021|22 financial year. The **Audit Committee** prepares for transaction by the Supervisory Board all matters related to the Company's separate financial statements and to the auditing of the accounting records and of the consolidated

financial statements and Group management report, including the corporate governance report. It monitors the effectiveness of the internal control system and risk management system and of the Internal Audit function, and verifies the independence and qualifications of the external auditors. In the 2021|22 financial year the Audit Committee met twice. Its meetings focused particularly on the audit of the 2020|21 financial statements, the preparation of the audit of the 2021|22 financial statements, and the supervision of the risk management system. The Audit Committee also dealt with the compliance report and the report of the Group's Internal Audit function. One meeting was devoted to the Management Board's report on the audit of the 2020|21 financial statements.

The Supervisory Board terms of reference include the procedures for the Supervisory Board committees; an excerpt of the terms of reference is available on the AGRANA website at [www.agrana.com/en/ir/corporate-governance](http://www.agrana.com/en/ir/corporate-governance).

Supervisory Board committees consist of the Supervisory Board Chairman or a Vice-Chairman, and of as many other members as the Supervisory Board shall determine. The only exception is the Nomination and Remuneration Committee, which consists of the Supervisory Board Chairman and two members appointed from among the Supervisory Board members elected by the Annual General Meeting. If the Supervisory Board has two Vice-Chairmen, they shall be appointed as these two other members of the Nomination and Remuneration Committee.

Name	Position on committee
<b>Nomination and Remuneration Committee</b>	
Erwin Hameseder	Chairman (and expert advisor on compensation)
Hans-Jörg Gebhard	Member
Klaus Buchleitner	Member
<b>Strategy Committee</b>	
Erwin Hameseder	Chairman
Hans-Jörg Gebhard	Member
Klaus Buchleitner	Member
Thomas Kirchberg	Member
Thomas Buder	Employee representative
Andreas Klamlner	Employee representative
<b>Audit Committee</b>	
Klaus Buchleitner	Chairman (and expert advisor on finance)
Hans-Jörg Gebhard	Member
Ernst Karpfinger	Member
Thomas Kirchberg	Member
Thomas Buder	Employee representative
René Schmid	Employee representative

## Compliance

For AGRANA, compliance with legal and regulatory requirements is fundamental to good corporate governance and is part of Group strategy.

AGRANA's Compliance Management Policy sets out the compliance management system and the Group-wide compliance organisation. The basis of the compliance management system is an internal risk analysis that is regularly updated and improved. It is based on widely recognised indices that rate the compliance risks on a country-specific basis; in addition, the concrete Group-specific risks are evaluated. The risk analysis is annually reviewed, updated, enhanced and discussed with the Group risk management function.

The AGRANA Group has a dedicated Compliance Office that reports directly to the Management Board member responsible and centrally looks after the compliance activities. Additionally, the CFOs of the segments and subsidiaries act

as compliance officers in order to implement relevant Group requirements efficiently. The most important responsibilities of the Compliance Office include the implementation and expansion of the compliance management system in the AGRANA Group, with the aim of fulfilling the organisational and supervisory obligations of the Group's management under the law and, beyond this, imparting a clear understanding of the behaviours that the Group expects from all its stakeholders.

Key functions of the Compliance Office are the production, communication and training of internal guidelines, provision of support in compliance matters, documentation of cases of non-compliance, and issuing of recommendations. In addition to the Compliance Office there is a Compliance Board, which deliberates at least once a year on fundamental questions in matters of compliance.

AGRANA's compliance management system comprises the following core elements and policies:

The AGRANA Code of Conduct forms the basis for all business actions and decisions and represents AGRANA's fundamental expectations of its internal and external stakeholders. Together with the mission statement, it guides the entire AGRANA Group, setting unambiguous standards of integrity, correct business conduct and ethical principles.

In addition to the rules on conflicts of interest set out in the Code of Conduct, AGRANA has a separate Conflict-of-Interest Policy. In the course of business activities, it is possible for the personal or financial interests of staff or board members to come into potential or actual conflict with the interests of the AGRANA Group. To address this, an internal reporting and documentation system has been developed.

Anti-corruption laws apply worldwide and must be obeyed everywhere and at all times. In view of Austria's specific anti-corruption legislation, AGRANA has a separate Austrian Anti-Corruption Policy, which complements the Code of Conduct. The policy comprises binding rules and a reporting system and is intended to mitigate the potential risk of violations of the law and of the AGRANA Code of Conduct as well as to facilitate the proper handling of invitations and gifts.

AGRANA also has a Tax Policy, applicable in Austria, that governs the handling of sponsorships, donations and benefits in kind.

The purpose of the globally applicable Antitrust Compliance Policy is to ensure that all employees and the members of the Management Board and Supervisory Board know and abide by the essential provisions of competition and antitrust law and have the awareness to recognise situations with antitrust relevance. The overarching aim of this policy is to safeguard employees from violating antitrust legislation and to provide practical, real-world support in applying the relevant rules.

The Policy on Information-Sharing in Joint Ventures was created to complement the applicable Antitrust Compliance Policy and prescribes what information may be shared with joint venture partners.

As a publicly traded company, AGRANA Beteiligungs-AG has issued a Capital Market Compliance Policy to ensure adherence to stock exchange and capital market laws and regulations. It sets out the principles governing the disclosure of information and prescribes organisational measures such as for safeguarding confidentiality and preventing improper use or transmission of insider information.

The protection of personal data is an important priority for AGRANA. Applying its Data Protection Policy, the company takes all necessary precautions to ensure that the collection, processing and use of such data is transparent, purpose-driven, traceable and diligent.

The screening of business partners is a key tool used by AGRANA for the prevention of economic crime and is performed as a risk-based, automated check of the applicable sanctions lists in a harmonised database. As well, AGRANA has a policy for the prevention of VAT fraud within the EU. The Group expects all its business partners to exercise corporate responsibility.

With the aim of preventing and revealing potential risks, internal and external stakeholders also have the ability to report violations of the Code of Conduct by using the AGRANA Whistleblowing System (available online), while adhering to AGRANA's Whistleblowing System Policy. In the 2021|2022 financial year, 22 compliance-related tips were received through this and other channels. Every such report is followed up with great diligence and full confidentiality. No significant violations were found. Suggestions and measures for improvement are implemented on an ongoing basis.

The electronic training tool known as "AGRANA Compliance E-learning" covers all key topics relevant to compliance; this training must be re-taken annually. In the year under review it was completed by 3,301 (or about 99.8%) of the 3,309 targeted individuals; the target group consisted of all salaried employees and the members of both boards. All members of the Management Board and Supervisory Board received the training. In addition to the e-learning, the Compliance Office trained the upper (including the most senior) management of all AGRANA companies on compliance subjects during the reporting period.

The Internal Audit department verifies compliance with laws, regulations and internal policies. In the 2021|22 financial year it audited 10 of the 53 production sites (i.e., 18.9%) within the GRI reporting boundaries (see page 34 in the "Non-financial information statement"), including audits for corruption and fraud in selected subject areas. Due to the pandemic, seven of the 10 audits could only be conducted virtually. No significant breaches of legal norms regarding anti-corruption were found.

## Diversity strategy for the Management Board and Supervisory Board

New or vacant positions on the Management Board of AGRANA-Beteiligungs-AG are filled through structured processes supported by a recruitment consultant, with the aim of finding the most suitable candidate for the position, ideally from within AGRANA. In this search, women are neither discriminated against nor given preference. In June 2021, the Supervisory Board made changes to the membership of the Management Board.

Under the Gender Equality on Supervisory Boards Act (also known in German as the GFMA-G), section 86 (7) Austrian Stock Corporation Act applies to elections and appointments to supervisory boards occurring after 31 December 2017. A gender ratio of at least 30% must be achieved for all supervisory board members elected or appointed from 1 January 2018, failing which the non-compliant election or appointment would be invalid. This also applies to appointments to the Supervisory Board by an employee body elected after 31 December 2017. The tenure of existing supervisory board members is not affected. At the 2020 Annual General Meeting of AGRANA Beteiligungs-AG, Andrea Gritsch was elected to the Supervisory Board following the retirement of Wolfgang Heer. At the 35th Annual General Meeting on 8 July 2022, new elections will be held for the Supervisory Board and its composition adjusted in line with the legal requirements.

## Promoting equity for women

For more and more people, the compatibility of work and family life ranks high on the list of expectations for the workplace and is a major element of job satisfaction. Especially for women, it is frequently a critical career factor.

In the year under review, the COVID-19 pandemic and associated temporary school closures in some countries imposed particularly in spring 2021 continued to exacerbate the challenge of balancing work and personal life.

To provide the best possible conditions for achieving a balance between work and family responsibilities for the greatest possible number of employees, AGRANA offers flexible working hours. In 2021|22 as in the prior year, depending on the local COVID-19 situation, remote work from home was periodically required or recommended for administrative staff. Beyond this, thanks to the good results observed with this teleworking in terms of COVID-19 prevention, the opportunity in principle was created in 2021|22 for administrative staff to work remotely for up to half of their work hours.

Under strict hygiene protocols, the existing internal company amenities, such as the use of a company kindergarten at the headquarters site in Vienna, continued to be provided. As well, in the summer of 2021, when the infection situation permitted, two weeks of holiday care were again offered for employees' children at the site in Aschach, Austria, organised and financially supported by the company. Additionally, in Austria and Germany, AGRANA provides financial assistance for the day care of small children up to the age of three.

Vienna, 25 April 2022

The Management Board of AGRANA Beteiligungs-AG



**Markus Mühleisen**  
Chief Executive Officer

**Ingrid-Helen Arnold**  
Chief Audit Officer

**Stephan Büttner**  
Chief Financial Officer

**Norbert Harringer**  
Chief Technology Officer