



Nordzucker Post 2/2020

How Nordzucker meets the challenges of the corona situation



Dear Readers,

The corona pandemic is currently changing our lives and work in ways that were previously unimaginable, and is confronting us with an unprecedented situation.

Together with our colleagues at our sites in all countries, we have

taken measures at a very early stage to protect the health of our employees, slow down the spread of the disease and at the same time safeguard the company's processes. Each of us is called upon to take care of our own health, prevent the infection of other people and thus help to avoid overburdening our health systems and saving lives.

As a sugar manufacturer, we have the important task, especially now, of making our contribution to the food supply of the population. We have managed to ensure sugar packaging and delivery while meeting the high standards of hygiene and, in particular, the prevention of possible infection. The significant increase in demand for food and for sugar presents us with daily challenges that our employees meet with great commitment.

At the plants, it is also a matter of ensuring sugar production now and in the next campaign. This includes the thick juice campaign in Nordstemmen and Slovakia, the operation of the liquid sugar plants and preparations for the 2020 campaign at all locations. In the agricultural sector, seed deliveries are ensured despite plant downtime at

suppliers. Beet sowing has already begun, and cultivation advice will continue, although to a different extent.

Wherever possible, our employees work from home. Digital collaboration works very well and our IT infrastructure enables us to continue working from home.

As expected, we will close the 2019/20 financial year with a slight loss. The annual financial statements and audit are being prepared under changed conditions.

The current situation demands flexibility and at the same time increased commitment from each individual and the entire organisation. The sense of responsibility, attitude and commitment of all employees in this exceptional situation is enormous. This also characterizes the very close and pragmatic cooperation with our beet growers, suppliers and customers.

It is not yet possible to forecast exactly how this serious global crisis will affect our new fiscal year, which has just begun. The price of sugar on the world market has fallen sharply in line with mineral oil prices. Overall, we do not know how long this situation will last. However, we are convinced that prices will recover again, and the fundamental global production and consumption prospects speak for this. We believe we are well positioned to get through this phase together.

With all good wishes, take care

Yours
Lars Gorissen

Sugar is classified as systemically important

In Germany on 23rd March the German government uniformly classified the agricultural and food sector as a systemically important infrastructure. This also applies to the sugar sector. The Federal Office for Information Security also certified this classification for Nordzucker. This ensures that operations are maintained while taking into account the necessary health protection. In most countries, the agricultural and food industry is classified as systemically relevant anyway.



Australia: Mackay region only slightly affected – preparations for “crushing season” underway

Australia is also affected by the corona pandemic. The focus is on the large cities in the more densely populated southeast of the continent. Some states have closed their internal Australian borders and reserve the right to a 14-day quarantine on entry. Northeastern Queensland, where the Mackay region with the three cane sugar factories of Mackay Sugar Limited (MSL) is located, has so far been only slightly affected – but our Australian and European colleagues expect tougher measures to be taken over time. Since sugar in Australia has been classified as food and “systemically important”, there is no reason to expect the mills to be closed. This is because they produce raw sugar for the refinery based at one of the mills. The investment projects are continuing in preparation for the “crushing season” planned to start in June. To provide the best possible protection for our employees, shift schedules have been adjusted and extensive hygiene regulations adopted, as at many of our European locations.



Bioethanol as a basis for disinfectants

Nordzucker produces bioethanol at its Klein Wanzleben plant. The high-percentage alcohol obtained from sugar beet syrup is normally added to petrol and has been used as fuel in motors, but has also been used for several years for the production of disinfectants.

Disinfectants are currently in short supply, but are of fundamental importance for health protection. For this reason, we now supply all bioethanol still available to manufacturers of disinfectants.



Sowing of sugar beet has started

That life goes on, everyone can see from nature. During the course of the year, we have been sowing sugar beet and the first areas have been drilled in almost all countries. With the exception of Finland and Lithuania, where sowing always starts a little later for climatic reasons, around ten percent of the areas have been planted in all countries.

Many areas have a good crumb structure and are sufficiently supplied with water for the time being. Some areas are still too wet to be driven over or worked. However, preparations have been made everywhere so that the sugar beet can be drilled in time.

